SUPPLEMENTAL INSTRUCTIONS

March 2009 Call Report Forms

Sample Call Report forms for March 2009 are available on the FFIEC's Web site (http://www.ffiec.gov/ffiec_report_forms.htm). An instruction book update for March 2009 is expected to be available on this Web site on April 1, 2009. In the interim, draft instructions for March 2009 are available on the FFIEC’s Web site. Call Report forms, including the cover (signature) page, and instructional materials can be both printed and downloaded from the FFIEC’s Web site. In addition, banks that use Call Report software generally can print paper copies of blank forms from their software. Please ensure that the person responsible for preparing Call Reports at your bank has been notified about the electronic availability of the March 2009 report forms and instruction book update as well as these Supplemental Instructions.

Submission of Completed Reports

Each bank’s Call Report data must be submitted to the FFIEC's Central Data Repository (CDR), an Internet-based system for data collection (https://cdr.ffiec.gov/cdr/), using one of the two methods described in the banking agencies' cover letter for the March 31, 2009, report date. For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at CDR.Help@ffiec.gov.

Banks are required to maintain in their files a signed and attested hard-copy record of the Call Report data file submitted to the CDR. The appearance of this hard-copy record of the submitted data file need not match exactly the appearance of the sample report forms on the FFIEC’s and the FDIC’s Web sites, but the hard-copy record should show at least the caption of each Call Report item and the reported amount. A copy of the cover page printed from Call Report software or from the FFIEC's or the FDIC’s Web site should be used to fulfill the signature and attestation requirement. The signed cover page should be attached to the hard-copy record of the Call Report data file that must be placed in the bank's files.

Currently, Call Report preparation software products marketed by DBI Financial Systems, Inc.; Fidelity Regulatory Solutions; FinArch US, Inc.; FRSGlobal; IDOM, Inc.; Information Technology, Inc.; and Jack Henry & Associates, Inc., meet the technical specifications for producing Call Report data files that are able to be processed by the CDR. The addresses and telephone numbers of these vendors are listed at the end of these Supplemental Instructions.

Amending Previously Submitted Report Data

Should your bank find that it needs to revise previously submitted Call Report data for quarters beginning September 30, 2005, please make the appropriate changes to the data, ensure that the revised data passes the FFIEC-published validation criteria, and submit the revised data file to the CDR using one of the two methods described in the banking agencies' cover letter for the March 31, 2009, report date. Should your bank need to amend its Call Report data for June 30, 2005, or an earlier date, please contact your Call Report analyst at the FDIC (for national banks and FDIC-supervised banks) or your Federal Reserve District Bank (for state member banks) for instructions on how to submit amendments to prior period data.

Other-Than-Temporary Impairment

When the fair value of an investment is less than its cost basis, the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, a bank must apply other pertinent guidance such as paragraph 16 of FASB Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities; FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments; paragraph 6 of Accounting Principles Board Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock; Emerging Issues Task Force (EITF)

On January 12, 2009, the FASB issued FSP EITF 99-20-1, Amendments to the Impairment Guidance of EITF Issue No. 99-20. This FSP amended EITF Issue 99-20 to align the impairment guidance in Issue 99-20 with the guidance in paragraph 16 of FASB Statement No. 115 and related implementation guidance. The FSP is effective for “interim and annual reporting periods ending after December 15, 2008, and shall be applied prospectively. Retrospective application to a prior interim or annual reporting period is not permitted.” All banks, both public and nonpublic, that hold beneficial interests that fall within the scope of EITF Issue No. 99-20 must adopt FSP EITF 99-20-1 for Call Report purposes in accordance with the FSP’s effective date. Thus, both public and nonpublic banks should apply this FSP beginning in their December 31, 2008, Call Reports. Banks should not apply the guidance in this FSP to the September 30, 2008, or earlier reporting periods.

On March 17, 2009, the FASB issued a proposed FSP that would amend the other-than-temporary impairment guidance that applies to certain investments in debt and equity securities (http://www.fasb.org/project/other-than-temporary_impairments.shtml). Under this proposed FSP, if a bank intends to sell a debt or equity security or it is more likely than not that it will sell the debt or equity security before recovery of its cost basis, an other-than-temporary impairment exists and the entire amount of the impairment must be recognized in earnings. The fair value of the investment would become its new cost basis. The proposed FSP also provides that if the fair value of a debt security is less than its amortized cost and it is probable that a bank will be unable to collect all amounts due according to the contractual terms of a debt security, but it is more likely than not that the bank will not sell the debt security before recovery of its cost basis (except for the credit losses), the debt security is considered other than temporarily impaired. In this situation, the amount of the impairment related to the credit losses must be recognized in earnings, but the amount of the impairment related to other factors must be recognized in other comprehensive income. Although the debt security would be written down to its fair value, its new cost basis would be its previous cost basis less the credit losses recognized in earnings. The proposed FSP would be effective for interim and annual reporting periods ending after March 15, 2009. The comment period for this proposal ends on April 1, 2009, and the FASB Board is expected to take final action on the proposal on April 2, 2009.

If the FASB Board adopts a final FSP on other-than-temporary impairment with the same effective date as has been proposed, banks should apply the guidance in the final FSP in their Call Reports for March 31, 2009. If the proposal’s recognition and presentation provisions are adopted as proposed, other-than-temporary impairment losses on held-to-maturity and available-for-sale securities that must be recognized in earnings should be reported in the Call Report income statement in Schedule RI, items 6.a and 6.b, respectively. Other-than-temporary impairment losses that must be recognized in other comprehensive income should be reported in the changes in bank equity capital in Schedule RI-A, item 10, and included on the Call Report balance sheet in Schedule RC, item 26.b, “Accumulated other comprehensive income.” Any other-than-temporary impairment losses on held-to-maturity securities related to factors other than credit losses that are reported in “Accumulated other comprehensive income” should be included in Schedule RC-R, item 2, with the net unrealized gains (losses) on available-for-sale securities that are reported in this item.

Extended Net Operating Loss Carryback Period for Small Businesses

The American Recovery and Reinvestment Act of 2009, which was enacted on February 17, 2009, permits qualifying small businesses, including banks, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any tax year ending in 2008 or, at the small business’s election, any tax year beginning in 2008. Under generally accepted accounting principles, banks may not record the effect of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the first quarter of 2009. Therefore, banks that qualify for the extended net operating loss carryback period should not amend their December 31, 2008, Call Reports to reflect the effect of this first quarter 2009 tax law change.
Treasury Department’s Capital Purchase Program

On October 14, 2008, the U.S. Treasury Department announced a Capital Purchase Program (CPP) under the Troubled Asset Relief Program mandated by the Emergency Economic Stabilization Act of 2008 (http://www.treas.gov/press/releases/hp1207.htm). The CPP is designed to encourage U.S. financial institutions to build capital to buttress the financial strength of the banking system, increase the flow of financing to U.S. businesses and consumers, and support the U.S. economy. Under this program, the Treasury will purchase up to $250 billion of securities issued by qualifying financial institutions.

For banks (other than those that are Subchapter S or mutual institutions) that are not subsidiaries of holding companies that are approved for participation in the CPP, the Treasury Department will purchase noncumulative perpetual preferred stock and warrants to purchase common stock or noncumulative perpetual preferred stock, depending on whether the bank’s common stock is “publicly traded.” For such banks that are not publicly traded, the Treasury Department intends to immediately exercise the warrants for noncumulative perpetual preferred stock (“warrant preferred stock”). The noncumulative perpetual preferred stock issued to the Treasury Department, including warrant preferred stock, should be reported on the Call Report balance sheet (Schedule RC) in item 23, “Perpetual preferred stock and related surplus.” For regulatory capital purposes, the noncumulative perpetual preferred stock issued to the Treasury Department qualifies as a component of Tier 1 capital and will be included in the amount reported for “Total equity capital” in item 1 of Schedule RC-R, Regulatory Capital.

Warrants issued by a publicly traded bank should be included in equity capital on the Call Report balance sheet provided the bank has sufficient authorized but unissued shares of the common stock to allow exercise of the warrants and any other necessary shareholder approvals have been obtained. If the bank does not have required shareholder approval, including shareholder approval for sufficient authorized but unissued shares of the common stock subject to the warrants that may be required for settlement, the warrants may be included in equity capital on the Call Report balance sheet provided that the bank takes the necessary action to secure sufficient approvals prior to the end of the fiscal quarter in which the warrants are issued. The amount assigned to warrants classified as equity capital should be included in Schedule RC, item 25, “Surplus.” Warrants that are not eligible to be classified as equity capital should be reported on the Call Report balance sheet in item 20, “Other liabilities.”

Proceeds from a bank’s issuance to the Treasury Department of noncumulative perpetual preferred stock and warrants eligible to be classified as equity capital during the calendar year-to-date reporting period should be included in Schedule RI-A, item 5, “Sale, conversion, acquisition, or retirement of capital stock, net.”

Business Combinations and Noncontrolling (Minority) Interests

In December 2007, the FASB issued Statement No. 141 (Revised), Business Combinations (FAS 141(R)), and Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements (FAS 160). Under FAS 141(R), all business combinations, including combinations of mutual entities, are to be accounted for by applying the acquisition method. FAS 160 defines a noncontrolling interest, also called a minority interest, as the portion of equity in a bank’s subsidiary not attributable, directly or indirectly, to the parent bank. FAS 160 requires a bank to clearly present in its consolidated financial statements the equity ownership interest in and the financial statement results of its subsidiaries that are attributable to the noncontrolling ownership interests in these subsidiaries.

FAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Similarly, FAS 160 is effective for fiscal years beginning on or after December 15, 2008. Thus, for banks with calendar year fiscal years, these two accounting standards take effect in 2009. Banks must apply these standards for Call Report purposes in accordance with their effective dates. The Glossary entry for “Business Combinations” in the Call Report instruction book will be revised to incorporate the provisions of FAS 141(R) later in 2009.
Measurement of Fair Values in Stressed Market Conditions

The valuation of various assets and liabilities on the balance sheet – including trading assets and liabilities, available-for-sale securities, loans held for sale, assets and liabilities accounted for under the fair value option (which is discussed in the following section), and foreclosed assets – involves the use of fair values. During periods of market stress, the fair values of some financial instruments and nonfinancial assets may decline.

Institutions are reminded that the objective of a fair value measurement is to determine the price that would be received to sell an asset or transfer a liability in an orderly transaction (e.g., not a forced or distressed sale) at the balance sheet date. Accordingly, fair values should reflect current market conditions and consider recent transaction prices, where available. This fair value objective is generally applicable to all fair value measurements and is consistent with FASB Statement No. 157, *Fair Value Measurements* (FAS 157), which is discussed in the following section.

On September 30, 2008, the SEC’s Office of the Chief Accountant and the FASB staff jointly issued clarifications that address several fair value measurement questions that have arisen in the current market environment (http://www.fasb.org/news/2008-FairValue.pdf). These clarifications are based on the fair value measurement guidance in FAS 157. On October 10, 2008, the FASB issued FASB Staff Position No. FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active* (FSP FAS 157-3) (http://www.fasb.org/pdf/fsp_fas157-3.pdf). This FSP clarifies the application of FAS 157 in such a market and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. Banks should consider these clarifications when measuring fair value for Call Report purposes.

On March 17, 2009, the FASB issued a proposed FSP that would provide additional guidance on determining whether a market for a financial asset is not active and a transaction is not distressed for fair value measurement purposes under FAS 157 (http://www.fasb.org/project/fas157_active_inactive_distressed.shtml). The proposed FSP would be effective for interim and annual reporting periods ending after March 15, 2009. The comment period for this proposal ends on April 1, 2009, and the FASB Board is expected to take final action on the proposal on April 2, 2009.

Fair Value Measurement and Fair Value Option

FASB Statement No. 157, *Fair Value Measurements* (FAS 157), issued in September 2006, defines fair value, establishes a framework for measuring the fair value of assets and liabilities based on a three-level hierarchy, and expands disclosures about fair value measurements. The FASB’s three-level fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting bank has the ability to access at the measurement date (e.g., the Call Report date). Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

According to FAS 157, observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. In contrast, unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

FAS 157 is effective for fiscal years beginning after November 15, 2007, and, with certain exceptions, is to be applied prospectively. However, on February 12, 2008, the FASB issued FASB Staff Position No. FAS 157-2, which delays the effective date of FAS 157 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years for all nonfinancial assets and nonfinancial liabilities, except for those items that are recognized or disclosed at fair value on a recurring basis, i.e., at least annually, in the financial statements. However, this delay does not apply to entities that have issued interim or annual financial statements or Call Reports that include the application of the measurement and disclosure provisions of FAS 157. Banks must...
adopt FAS 157 for Call Report purposes in accordance with the standard’s effective date, including the delayed effective date for eligible nonfinancial assets and nonfinancial liabilities. Thus, a bank with a calendar year fiscal year should have adopted FAS 157 as of January 1, 2008, and as of January 1, 2009, for eligible nonfinancial assets and nonfinancial liabilities subject to the delay mentioned above.

FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159), issued in February 2007, is effective as of the beginning of a bank’s first fiscal year that begins after November 15, 2007, and generally should not be applied retrospectively to prior fiscal years. FAS 159 allows banks to report certain financial assets and liabilities at fair value with the changes in fair value included in earnings. In general, a bank may elect the fair value option for an eligible financial asset or liability when it first recognizes the instrument on its balance sheet or enters into an eligible firm commitment. A bank may also elect the fair value option for eligible items that exist on the effective date of FAS 159. A bank’s decision to elect the fair value option for an eligible item is irrevocable. Because FAS 159 creates a fair value option, a bank is not required to adopt FAS 159 for Call Report purposes. A bank that elects the fair value option is expected to apply sound risk management and control practices to the assets and liabilities that will be accounted for at fair value under the option. The bank is also expected to meet the principles and objectives of FAS 159 when applying the fair value option.

The agencies are considering the regulatory capital implications of the use of a fair value option, including the fair value option in FASB Statement No. 155 on certain hybrid financial instruments (FAS 155) and FASB Statement No. 156 on servicing assets and liabilities (FAS 156). Except as discussed below, changes in the fair value of assets and liabilities to which a fair value option is applied that are recognized in earnings should be reflected in Tier 1 capital, pending further guidance from the agencies. For a liability to which a fair value option is applied, banks should consider the effect of a change in their own creditworthiness on the fair value of the liability. The agencies have determined that banks should exclude from Tier 1 capital the cumulative change in the fair value of liabilities accounted for under a fair value option that is included in retained earnings (Schedule RC, item 26.a) and is attributable to changes in the bank’s own creditworthiness. For regulatory capital purposes, this excluded portion of the change in fair value is, in essence, an adjustment to the bank’s reported retained earnings and should be reported in Schedule RC-R, item 7.b, so that it is taken into account in determining the Tier 1 capital subtotal (reported in Schedule RC-R, item 8) that is used to determine the regulatory capital limits on such items as servicing assets, deferred tax assets, and credit-enhancing interest-only strips.

FASB Interpretation No. 48 on Uncertain Tax Positions

FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), was issued in June 2006 as an interpretation of FASB Statement No. 109, Accounting for Income Taxes. Under FIN 48, the term “tax position” refers to “a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities.” FIN 48 further states that a “tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets.”

According to FIN 48, a bank should initially recognize the effects of a tax position in its financial statements when, based on the technical merits, it is more likely than not (i.e., a likelihood of more than 50 percent) that the position will be sustained upon examination by the taxing authority, including the resolution of any related appeals or litigation. The more-likely-than-not evaluation must consider the facts, circumstances, and information available at the report date. When a tax position meets the more-likely-than-not recognition threshold, it should initially and subsequently be measured as the largest amount of tax benefit greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. FIN 48 also provides guidance on subsequent recognition, derecognition, and measurement of tax positions, including the effect of changes in judgment, and on the recognition of interest and penalties. The June 2007 Call Report instruction book update included a revised Glossary entry for “Income Taxes” that includes guidance on FIN 48.

Banks must adopt FIN 48 for Call Report purposes in accordance with the interpretation’s effective date. As originally issued, FIN 48 was effective for fiscal years beginning after December 15, 2006. However, for eligible nonpublic enterprises, the FASB Board has decided to defer the effective date of FIN 48 to the annual financial statements for fiscal years beginning after December 15, 2008. A nonpublic enterprise is eligible for
this deferral provided it (a) has not issued a full set of annual financial statements incorporating the recognition, measurement, and disclosure requirements of FIN 48 and (b) is not a subsidiary of a public enterprise. A nonpublic enterprise that meets these conditions is eligible for the deferral even if it issued interim or quarterly financial information in 2007 that reflected the adoption of FIN 48.

Thus, eligible nonpublic banks must adopt FIN 48 for Call Report purposes for annual periods beginning after December 15, 2008, based on their respective fiscal years. For example, an eligible nonpublic bank with a calendar year fiscal year must adopt FIN 48 as of January 1, 2009, but is not required to reflect the effect of its adoption of FIN 48 for Call Report purposes until it prepares its Call Report for the December 31, 2009, report date. An eligible nonpublic bank that applied the recognition and measurement provisions of FIN 48 in its Call Reports for 2007 report dates can either: (a) choose not to adopt the effective date deferral and continue to apply FIN 48 in its Call Reports going forward; or (b) choose to adopt the effective date deferral and its December 2007 Call Report should have been prepared without reflecting the application of FIN 48. As noted above, a nonpublic bank that is a subsidiary of a public company does not meet the eligibility conditions for the deferral of the effective date of FIN 48 and at present should be preparing its Call Reports in accordance with FIN 48.

One-Time Assessment Credit and Regular Quarterly Deposit Insurance Assessments

In October 2006, the FDIC issued a final rule to implement the one-time deposit insurance assessment credit for eligible institutions as required by the Federal Deposit Insurance Reform Act of 2005. The FDIC began to apply an eligible institution's assessment credit (less any portion of the credit transferred to another institution) against the institution's quarterly deposit insurance assessments to the maximum extent allowed by the statute starting with the assessment for the first quarter of 2007.

For Call Report purposes, an eligible institution should not recognize an asset (or a corresponding credit to income) for the amount of the one-time assessment credit that the FDIC has allocated to it. An eligible institution should recognize its assessment credit, to the extent it remains available and is allowed to be used, as a reduction in the insurance assessment expense the institution would otherwise be required to accrue each quarter. For assessment periods in 2009, the FDIC is required to apply an eligible institution's available assessment credit to cover up to 90 percent of its deposit insurance assessment, with the actual percentage determined based on the institution's risk category and other factors.

As a result of amendments to the FDIC's assessment regulations (12 CFR Part 327) in November 2006, the FDIC changed its process for collecting regular quarterly deposit insurance assessments, moving from collecting these assessments prospectively to collecting them in arrears. Accordingly, each bank should accrue an estimate of its regular assessment expense each quarter, net of any available assessment credit that will be applied to the maximum extent allowed by statute (up to 90 percent for assessment periods in 2009), to that quarter's assessment. The net assessment payable and net assessment expense, if any, should be reported in Schedule RC-G, item 4, "All other liabilities," and in Schedule RI, item 7.d, "Other noninterest expense," respectively. For example, for its March 31, 2009, Call Report, a bank should estimate its net deposit insurance assessment payable and its net assessment expense based on its March 31, 2009, assessment base and its expected assessment rate, less any allowable assessment credit, even though the bank will not pay the assessment for the first quarter of 2009 until June 30, 2009.

Banks should note that the FDIC has not changed the way Financing Corporation (FICO) payments are charged or collected, i.e., prospectively every quarter. Nevertheless, the FDIC collects deposit insurance assessments and FICO payments simultaneously each quarter. The one-time assessment credit cannot be applied to reduce FICO payments.

FASB Statement No. 158 on Defined Benefit Postretirement Plans

FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (FAS 158), issued in September 2006, requires a bank that sponsors a single-employer defined benefit postretirement plan, such as a pension plan or health care plan, to recognize the funded status of each such plan
on its balance sheet. An overfunded plan is recognized as an asset while an underfunded plan is recognized as a liability. As of the end of the fiscal year when a bank initially applies FAS 158, the postretirement plan amounts recognized on the bank’s balance sheet before applying FAS 158 must be adjusted to recognize gains or losses, prior service costs or credits, and transition assets or obligations that have not yet been included in the net periodic benefit cost of its plans. These adjustment amounts are recognized directly in equity capital as components of the ending balance of accumulated other comprehensive income (AOCI), net of tax. Thereafter, a bank must recognize certain gains and losses and prior service costs or credits that arise during each reporting period, net of tax, as a component of other comprehensive income (OCI) and, hence, AOCI. Postretirement plan amounts carried in AOCI are adjusted as they are subsequently recognized in earnings as components of the plans’ net periodic benefit cost. For further information on accounting for defined benefit postretirement plans, banks should refer to FAS 158; FASB Statement No. 87, Employers’ Accounting for Pensions (FAS 87); and FASB Statement No. 106, Employers’ Accounting for Postretirement Benefits Other Than Pensions (FAS 106).

Currently, FAS 87 and FAS 106 permit banks that sponsor single-employer defined benefit postretirement plans to choose to measure plan assets and obligations either as of the end of the fiscal year or as of a date not more than three months before the end of the fiscal year. FAS 158 eliminates this choice by generally requiring that, for fiscal years ending after December 15, 2008, plan assets and obligations must be measured as of the end of the fiscal year.

Banks that sponsor single-employer defined benefit postretirement plans must adopt FAS 158 for Call Report purposes in accordance with the standard’s effective date and transition provisions with respect to both funded status and measurement date. In the fiscal year that the measurement date provisions of FAS 158 are initially applied, banks should report the adjustment of the opening balance of retained earnings and any adjustment of the opening balance of AOCI in Schedule RI-A, item 2, “Restatements due to corrections of material accounting errors and changes in accounting principles,” and should disclose this total amount in Schedule RI-E, item 4.

In addition, according to an interim decision announced by the banking agencies on December 14, 2006, banks should reverse the effects on AOCI of FAS 158 for regulatory capital purposes, including for purposes of reporting and measuring the numerators and denominators for the leverage and risk-based capital ratios. The intent of the reversal is to neutralize the effect on AOCI of the application of FAS 158 on regulatory capital. Banks should exclude from regulatory capital any amounts recorded in AOCI resulting from the initial and subsequent application of both the funded status and measurement date provisions of FAS 158. For Call Report purposes, these excluded amounts should be reported in item 4 of Schedule RC-R, Regulatory Capital, together with the accumulated net gains (losses) on cash flow hedges. If the sum of the amounts included in AOCI (Schedule RC, item 26.b) for defined benefit postretirement plans under FAS 158 and for cash flow hedges represents a net gain (i.e., a net increase) in reported equity capital, this sum should be reported as a positive value in item 4 of Schedule RC-R. If the sum represents a net loss (i.e., a decrease) in reported equity capital, it should be reported as a negative number in item 4 of Schedule RC-R.

For purposes of reporting and measuring the denominators for the risk-based and leverage ratios, banks should also adjust their assets for any amounts recorded in AOCI affecting assets resulting from the initial and subsequent application of the funded status and measurement date provisions of FAS 158. Specifically, assets recognized or derecognized as an adjustment to AOCI as part of the incremental effect of applying FAS 158 should be reported as an adjustment to assets in item 42 of Schedule RC-R, column B, and should also be reported in item 26 of Schedule RC-R. For example, derecognition of an asset recorded as an offset to AOCI as part of the initial incremental effect of applying FAS 158 should be recorded as a negative amount in item 42, column B, of Schedule RC-R and as a positive amount in item 42, column F. This amount should also be added back to average total assets for leverage capital purposes by reporting it as a negative number in item 26 of Schedule RC-R. As another example, the portion of a benefit plan surplus asset that is included in Schedule RC, item 26.b as an increase to AOCI and is included in item 42, column A, of Schedule RC-R should be excluded from risk-weighted assets by reporting the amount as a positive number in item 42, column B. This amount should also be deducted from average total assets for leverage capital purposes by reporting the amount as a positive number in item 26 of Schedule RC-R. In addition, the adjustments for purposes of calculating risk-based capital and the leverage ratio described above should be adjusted for subsequent amortization of such amounts from AOCI into earnings.
Other Reporting Matters

For the following topics, banks should continue to follow the guidance in the specified Call Report Supplemental Instructions:

- Accounting for share-based payments under FASB Statement No. 123 (Revised 2004), *Share-Based Payment* – Supplemental Instructions for December 31, 2006 (http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200612.pdf)
- FASB Interpretation No. 46 (Revised), *Consolidation of Variable Interest Entities* – Supplemental Instructions for June 30, 2005 (http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200506.pdf)
- Reporting of funds invested through Bentley Financial Services, Inc. – Supplemental Instructions for June 30, 2003 (http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst0603.pdf)

**Call Report Software Vendors**

For information on available Call Report preparation software products, banks should contact:

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<th>Vendor</th>
<th>Address</th>
<th>Telephone</th>
<th>Website</th>
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<tr>
<td>DBI Financial Systems, Inc.</td>
<td>P.O. Box 14027, Bradenton, Florida 34280</td>
<td>(800) 774-3279</td>
<td><a href="http://www.e-dbi.com">www.e-dbi.com</a></td>
</tr>
<tr>
<td>Fidelity Regulatory Solutions</td>
<td>27200 Agoura Road, Suite 100, Calabasas Hills, California 91301</td>
<td>(800) 825-3772</td>
<td><a href="http://www.callreporter.com">www.callreporter.com</a></td>
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<tr>
<td>FinArch US, Inc.</td>
<td>Burlington Center, 4th floor, 35 Corporate Drive</td>
<td>(800) 763-7070</td>
<td><a href="http://www.finarch.com">www.finarch.com</a></td>
</tr>
<tr>
<td>FRSGlobal</td>
<td>119 Russell Street, Littleton, Massachusetts 01460</td>
<td>(978) 698-7200</td>
<td><a href="http://www.frsglobal.com">www.frsglobal.com</a></td>
</tr>
<tr>
<td>IDOM, Inc.</td>
<td>One Gateway Center, 24th Floor, Newark, New Jersey 07102</td>
<td>(973) 648-0900</td>
<td><a href="http://www.idomusa.com">www.idomusa.com</a></td>
</tr>
<tr>
<td>Information Technology, Inc.</td>
<td>1345 Old Cheney Road, Lincoln, Nebraska 68512</td>
<td>(402) 423-2682</td>
<td><a href="http://www.itiwnet.com">www.itiwnet.com</a></td>
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