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March 18, 2004

BANK REPORTS

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: Modernization of Call Report Data Management

The federal banking agencies are in the process of designing, building and operating a shared data repository (Central Data Repository – “CDR”) to modernize the management of Call Report data. Under the auspices of the Federal Financial Institutions Examination Council (FFIEC), the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency have collaborated on a conceptual design to collect, validate, manage and distribute Call Report information. The agencies’ goals are to streamline operations, speed up the processing and exchange of data, and facilitate greater transparency of banking industry data. When fully implemented, this new process is expected to decrease the cost of data collection and verification for all parties.

A contract for the development of the CDR was awarded to Unisys Corporation in June 2003 with a targeted implementation date of October 2004 for the filing of September 2004 Call Report data. Key elements of the modernization initiative include:

- (1) The use of a CDR design that is highly adaptable to changing business requirements;
- (2) Increased reliance on the Internet for data delivery; and
- (3) The adoption of eXtensible Business Reporting Language (XBRL) standards for Call Report data and related rules, ratios, forms, instructions and data validation criteria.

XBRL is an XML-based standard and is a freely licensed, vendor-independent specification for importing, exporting, and presenting financial data using common terms and definitions. The adoption of the XBRL reporting language will provide a universal language for all users of the Call Report data.

Banks will play a key role in the new process and will need to begin their Call Report preparation process earlier than in the past. The banking agencies will require banks to validate their data *before* they are accepted by the agencies. Banks will be required to correct validation failures and, where necessary, prepare explanatory comments for Call Report data that fall outside the data quality criteria prior to submitting the data. These explanatory comments, which will be filed along with a bank’s data, will be held confidential. This new validation process is expected to reduce the need for subsequent validation questions from the banking agencies. Because most validation will be completed prior to submission, the agencies will be able to release each institution’s Call Report data to the public shortly after accepting the

data into the CDR.<sup>1</sup> This will significantly increase the transparency of both the submission and revision processes.

Reporting institutions will continue to interface with their primary federal regulator and the Call Report preparation software vendors they currently use, in much the same manner as they do today. While data submitted to the CDR will be required to be sent in XBRL format, institutions will not be required to incorporate the XBRL data standards into their own financial records. The agencies are working closely with Call Report software vendors to accommodate this change in format and encourage banks to monitor actively their vendors' progress.

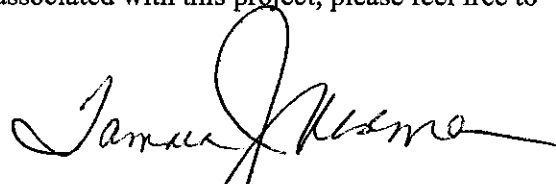
Technical specifications for using XBRL to report and display Call Report information will be available to users at no cost. Advance copies of these specifications will be published on the FFIEC web site at <http://www.ffiec.gov/find/> in the near future. These specifications define the structure, format and detail of the taxonomy for Call Report data, which banks will submit to the CDR via secure web transmissions. The document gives examples of how the XBRL tags can be used to interpret data concepts, validation criteria, instructions, explanatory comments for edit exceptions, and other information from the taxonomy.

Several interim steps have been completed to improve Call Report data processing. For example, validation criteria have been published on the FFIEC web site for use by individual institutions and Call Report software vendors. Many of these criteria are already incorporated into vendors' Call Report software. You are encouraged to begin using the validation criteria as part of your preparation procedures. Please check the FFIEC web site at <http://www.ffiec.gov/find/dataaccess.htm> for posted revisions to the validation criteria. In addition, the agencies will distribute changes to instructions and data elements electronically in the new model approximately three months prior to the applicable reporting date.

The banking agencies are working closely with the industry to ensure a smooth transition to the improved business procedures and tools for Call Report data. A Financial Institutions Focus Group was established in September 2003 to address industry concerns and includes representatives from industry trade associations, financial institutions of various sizes, regulatory agencies, and Unisys.

To learn more about the agencies' Call Report data modernization initiative, please check the FFIEC's web site at <http://www.ffiec.gov/find/>. The enclosed brochure also provides a high-level overview of this initiative.

Please forward this letter to individuals within your organization who are involved in the preparation of your bank's Call Report data and to information technology staff who support this function. If you have questions or are interested in participating in testing events associated with this project, please feel free to email us at [FFIECCDRQuestions@frb.gov](mailto:FFIECCDRQuestions@frb.gov).



Tamara J. Wiseman  
Executive Secretary

Enclosure

Distribution: Insured Commercial Banks and FDIC-Supervised Savings Banks

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<sup>1</sup> However, the agencies will advise banks prior to implementing a change in the current timetable for making individual bank data available to the public.