

## Press Releases

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December 14, 2006

### OTS-06-058 - Agencies Announces Interim Decision on Impact of FAS 158 on Regulatory Capital

#### Office of Thrift Supervision

FOR RELEASE at 1:30 P.M. EDT

For further information

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#### 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**

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### 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.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).