

FFIEC

Federal Financial Institutions Examination Council
Arlington, VA 22226

CALL REPORT DATE: March 31, 2023
FIRST 2023 CALL, NUMBER 303

SUPPLEMENTAL INSTRUCTIONS

March 2023 Call Report Materials

There are no new Call Report data items in the FFIEC 051, FFIEC 041, and the FFIEC 031 Call Report forms this quarter. The preprinted caption on Schedule RI-E – Explanations, item 4.b, “Effect of adoption of lease accounting standard – ASC Topic 842,” has been removed from the Call Report forms. For institutions that are private companies with a non-calendar fiscal year and have not chosen to early adopt ASU 2016-02, “Leases,” guidance during the transition period will be retained in the Call Report instructions until December 31, 2023. Those institutions should disclose the amount of the cumulative-effect adjustment to bank equity capital for this change in accounting principle in Schedule RI-E, Explanations, item 4.c or 4.d, with a write-in descriptor indicating “ASU 2016-02”. A new topic has been added to the Supplemental Instructions for March 2023 on “Debt Securities Transferred from Available-for-Sale to Held-to-Maturity” to provide guidance in response to questions received on transfers between the two classifications.

The instruction books for the FFIEC 051, FFIEC 041, and FFIEC 031 Call Reports for March 2023 are available for printing and downloading from the FFIEC’s website (https://www.ffiec.gov/ffiec_report_forms.htm) and the FDIC’s website (<https://www.fdic.gov/callreports>). Sample FFIEC 051, FFIEC 041, and FFIEC 031 Call Report forms, including the cover (signature) page, for March 2023 also can be printed and downloaded from these websites. In addition, institutions that use Call Report software generally can print paper copies of blank forms from their software. Please ensure that the individual responsible for preparing the Call Report at your institution has been notified about the electronic availability of the March 2023 report forms, instructions, and these Supplemental Instructions. The locations of substantive changes to the text of the previous quarter’s Supplemental Instructions, if any, are identified by a vertical line in the right margin.

Submission of Completed Reports

Each institution’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’ Financial Institution Letter (FIL) for the March 31, 2023, report date. The CDR Help Desk is available from 9:00 a.m. until 8:00 p.m., Eastern Time, Monday through Friday, to provide assistance with user accounts, passwords, and other CDR system-related issues. The CDR Help Desk can be reached by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at cdr.help@cdr.ffiec.gov.

Institutions are required to maintain in their files a signed and attested hard-copy record of the Call Report data file submitted to the CDR. (See the next section for information on the Call Report signature requirement.) 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 website, 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 website 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 institution’s files.

Currently, Call Report preparation software products marketed by (in alphabetical order) Adenza (formerly Axiom SL, Inc.); DBI Financial Systems, Inc.; Fed Reporter, Inc.; FIS Compliance Solutions; FiServ, Inc.; KPMG LLP; SHAZAM Core Services; Vermeg; and Wolters Kluwer Financial Services meet the technical specifications for producing Call Report data files that are able to be processed by the CDR. Contact information for these vendors is provided on the final page of these Supplemental Instructions.

Call Report Signature Requirement and COVID-19

Generally, each Call Report submission must be signed by the Chief Financial Officer (or equivalent) and three directors (two for state nonmember banks).¹ While the Call Report data submission occurs electronically, the current Call Report instructions require that the signed cover page must be attached to a printout or copy of the Call Report forms or data reported to the agencies. The agencies note that while the instructions refer to a single page, the required signatures may be obtained on separate cover pages from each required signer, rather than by obtaining all signatures on a single cover page.

Business disruptions related to the Coronavirus Disease 2019 (COVID-19), including distancing requirements and remote work, may make it operationally challenging for an institution to obtain original ink signatures from all required signers in order to submit the Call Report on a timely basis. Therefore, for the duration of the COVID-19 disruptions, including for the March 31, 2023, Call Report, the agencies will permit an institution to use electronic signatures in lieu of ink signatures to fulfill the Call Report attestation requirement. The institution should follow appropriate governance procedures for collecting and retaining electronic signatures:

- The signature is executed by the required signer with the intent to sign;
- The signature is digitally attached to or associated with a copy of the Call Report;
- The signature or process identifies and authenticates the required signer; and
- The institution maintains the electronically signed Call Report and has it available for subsequent examiner review.

One acceptable method during the COVID-19 disruption could include obtaining written attestation via e-mail from the required signer to the person submitting the Call Report data, provided the e-mail included an attached electronic version of the Call Report data and indicating the attestation is based on the attached information. That e-mail should be retained in the institution's records to support that the Call Report was appropriately attested to by the required signer. Institutions should discuss any concerns regarding the attestation with their primary federal regulator.

Debt Securities Transferred from Available-for-Sale to Held-to-Maturity

ASC Topic 320, "Investments—Debt Securities," provides relevant guidance on accounting for debt securities. In accordance with ASC Topic 320, institutions should categorize an investment in a debt security at acquisition as trading, available-for-sale (AFS), or held-to-maturity (HTM) and retain proper documentation as to its classification. At each reporting date, the appropriateness of an institution's classification of the investments in debt securities shall be reassessed.² In general, the reassessment of the classification of debt securities should align with the quarterly Call Report dates.

In accordance with ASC Topic 320, any transfers of debt securities between categories are recorded on the date of transfer. As with the initial classification of debt securities, any transfers of debt securities between categories should be well documented. An institution's financial records shall be maintained in such a manner as to ensure that the Call Report is prepared in accordance with U.S. GAAP and Call Report instructions and reflect a fair presentation of the institution's financial condition and results of operations. Amending a previously submitted Call Report to retroactively report a debt security in another category when such transfer was not documented with evidence supporting the actual date of transfer is inappropriate. Institutions are responsible for ensuring that Call Reports are accurate when initially filed for a quarterly reporting period.

For additional information, refer to ASC Topic 320, the Call Report General Instructions, and the Call Report Glossary entries for "Allowance for Credit Losses" and "Securities Activities."

Securities and Exchange Commission Staff Accounting Bulletin No. 121

On March 31, 2022, the SEC released SAB 121 to express SEC staff views regarding the accounting for entities that have obligations to safeguard crypto-assets held for their platform users. SAB 121 provides that an entity, including a financial institution, should present a liability on its balance sheet to reflect its obligation

¹ See, e.g., 12 U.S.C. §§ [161\(a\)](#) and [1817\(a\)\(3\)](#).

² ASC paragraph 320-10-35-5.

to safeguard the crypto-assets held for its platform users at the fair value of the crypto-assets. The entity should also recognize a corresponding asset on its balance sheet measured at the fair value of the crypto-assets held for its platform users.

The agencies are still reviewing the implications of SAB 121. An institution that determines that it is appropriate for it to apply SAB 121 for SEC or other financial reporting purposes should complete its Call Report consistent with the classification determination made for SEC or other financial reporting purposes. For example, an institution that has concluded that a SAB 121 crypto safeguarding asset should be recorded on its balance sheet as “other assets” would include the asset in the relevant regulatory reporting schedules as “other assets.” If the reported item requires a concise caption on a schedule and a preprinted caption has not been provided, an institution may write in a caption that best describes the item (e.g., “SAB 121 custody activity”). Institutions may provide details in the Optional Narrative Statement indicating that SAB 121 was implemented and the value of the associated asset and liability.

An institution that intends to apply SAB 121 for SEC or other financial reporting purposes should discuss any questions regarding SAB 121 with its primary federal regulator.

Accounting for Loan Modifications to Borrowers Experiencing Financial Difficulty

In March 2022, the FASB issued ASU 2022-02, “Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,” which amended ASC Topic 326, Financial Instruments – Credit Losses. This guidance, once effective, will eliminate the recognition and measurement accounting guidance for Troubled Debt Restructurings (TDRs) by creditors in Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Consistent with the accounting for other loan modifications under ASC Section 310-20-35, Subsequent Measurement, under ASU 2022-02, an institution would evaluate whether the modification to a borrower experiencing financial difficulty represents a new loan or a continuation of an existing loan.

Prior to the adoption of ASU 2022-02, institutions must recognize and disclose modified loans where the institution has granted a concession, for economic or legal reasons, related to the borrower’s financial difficulty as TDRs. These institutions report loans identified as TDRs on Schedule RC-C, Part I, Loans and Leases, if the loan is performing in accordance with its modified terms or Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, if the loan is not performing in accordance with its modified terms.

For all institutions that have adopted ASC Topic 326, ASU 2022-02 is effective for fiscal years beginning after December 15, 2022, including interim reporting periods within those fiscal years. For institutions that have not yet adopted the amendments in ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, the effective date for this ASU would be the same as the effective date in ASU 2016-13. Early application of the new standard is permitted for all institutions, provided that an institution has adopted ASU 2016-13.

For Call Report purposes, institutions that have adopted ASU 2022-02 should report all loans modified since adoption of the new standard to borrowers experiencing financial difficulty that are performing in accordance with their modified terms on Schedule RC-C, Part I, Memorandum items 1.a. through 1.g. If a loan is not performing in accordance with its modified terms, it should be reported on Schedule RC-N, Memorandum items 1.a through 1.g. Institutions should use loan modifications to borrowers experiencing financial difficulty in the calculation of the 10 percent threshold for the itemization of loan categories for Memorandum item 1.f on Schedules RC-C and RC-N. Institutions that have adopted ASU 2022-02 should no longer report TDRs in Memorandum items 1.a through 1.g on Schedules RC-C and RC-N.

Upon adoption of this standard, institutions have an option to apply a modified retrospective transition method for the elimination of the TDR recognition and measurement guidance. The option to apply a modified retrospective transition method would result in a cumulative effect adjustment to retained earnings in the period of adoption. The cumulative-effect adjustment to bank equity capital for this change in accounting principle should be reported in Schedule RI-A, Changes in Bank Equity Capital, item 2, and disclosed in Schedule RI-E, Explanations, item 4.c or 4.d, with a write-in descriptor indicating “ASU 2022-02.” Institutions that have adopted both ASU 2016-13 and ASU 2022-02 in 2023 and have not isolated the impact to retained

earnings for ASU 2022-02 may report the total impact of ASU 2016-13 and its subsequent amendments in Schedule RI-E, Explanations, item 4.a.

If an institution that has a fiscal year that is not a calendar year chooses to early adopt the new standard for financial reporting purposes during 2023, the institution should implement the new standard in its Call Report for the same quarter-end report date.

For additional information on ASU 2022-02, institutions should refer to the FASB's website at: [Accounting Standards Updates Issued \(fasb.org\)](https://www.fasb.org/Accounting-Standards-Updates-Issued) which includes a link to the accounting standard update.

The agencies plan to revise the Call Report forms and instructions to replace the current TDR terminology with updated language from ASU 2022-02.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The ASU states that "[r]eference rates such as the London Interbank Offered Rate (LIBOR) are widely used in a broad range of financial instruments and other agreements. Regulators and market participants in various jurisdictions have undertaken efforts, generally referred to as reference rate reform, to eliminate certain reference rates and introduce new reference rates that are based on a larger and more liquid population of observable transactions. As a result of this initiative, certain widely used reference rates such as LIBOR are expected to be discontinued."

The ASU provides optional expedients for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. In particular, the expedients in the ASU are available to be elected by all institutions, subject to meeting certain criteria, for contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform.

With respect to contracts, the ASU applies to contract modifications that replace a reference rate affected by reference rate reform (including rates referenced in fallback provisions) and contemporaneous modifications of other contract terms related to the replacement of the reference rate (including contract modifications to add or change fallback provisions). The ASU provides optional expedients for applying ASC in the following areas:

- ASC Topics 310, Receivables, and 470, Debt: Modifications of contracts within the scope of these topics should be accounted for by prospectively adjusting the effective interest rate.
- ASC Topics 840, Leases, and 842, Leases: Modifications of contracts within the scope of these topics should be accounted for as a continuation of the existing contracts with no reassessments of the lease classification and the discount rate (for example, the incremental borrowing rate) or remeasurements of lease payments that otherwise would be required under these topics for modifications not accounted for as separate contracts.
- ASC Subtopic 815-15, Derivatives and Hedging—Embedded Derivatives: Modifications of contracts do not require an entity to reassess its original conclusion about whether that contract contains an embedded derivative that is clearly and closely related to the economic characteristics and risks of the host contract under this subtopic.

For other topics in the ASC, the ASU states a general principle that permits an institution to consider contract modifications due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination. When elected, an institution must apply the optional expedients for contract modifications consistently for all eligible contracts or eligible transactions within the relevant ASC topic that contains the guidance that otherwise would be required to be applied.

In addition, the ASU provides exceptions to the guidance in ASC Topic 815, Derivatives and Hedging, related to changes to the critical terms of a hedging relationship due to reference rate reform. The ASU includes examples of changes to these terms that should not result in the dedesignation of the hedging relationship if certain criteria are met. The ASU also provides optional expedients for fair value hedging relationships, cash flow hedging relationships, and net investment hedging relationships for which the component excluded from

the assessment of hedge effectiveness is affected by reference rate reform. If certain criteria are met, other optional expedients apply to cash flow hedging relationships affected by reference rate reform and to fair value hedging relationships for which the derivative designated as the hedging instrument is affected by reference rate reform. The optional expedients for hedging relationships may be elected on an individual hedging relationship basis.

Finally, the ASU permits institutions to make a one-time election to sell, transfer, or both sell and transfer held-to-maturity debt securities that reference a rate affected by reference rate reform and were classified as held-to-maturity before January 1, 2020.

The ASU is effective for all institutions as of March 12, 2020, through December 31, 2024. For additional information, institutions should refer to ASU 2020-04, which is available at [Accounting Standards Updates Issued \(fasb.org\)](#) and [Deferral of Sunset Date of Topic 848](#).

Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, “Measurement of Credit Losses on Financial Instruments,” which introduces CECL for estimating allowances for credit losses. Under CECL, an allowance for credit losses is a valuation account, measured as the difference between the financial assets’ amortized cost basis and the net amount expected to be collected on the financial assets (i.e., lifetime credit losses). To estimate expected credit losses under CECL, institutions will use a broader range of data than under existing U.S. GAAP. These data include information about past events, current conditions, and reasonable and supportable forecasts relevant to assessing the collectability of the cash flows of financial assets.

The ASU is applicable to all financial instruments measured at amortized cost (including loans held for investment and held-to-maturity debt securities, as well as trade receivables, reinsurance recoverables, and receivables that relate to repurchase agreements and securities lending agreements), a lessor’s net investments in leases, and off-balance-sheet credit exposures not accounted for as insurance, including loan commitments, standby letters of credit, and financial guarantees. The new standard does not apply to trading assets, loans held for sale, financial assets for which the fair value option has been elected, or loans and receivables between entities under common control.

The ASU also modifies the treatment of credit impairment on available-for-sale (AFS) debt securities. Under the new standard, institutions will recognize a credit loss on an AFS debt security through an allowance for credit losses, rather than the current practice required by U.S. GAAP of write-downs of individual securities for other-than-temporary impairment.

On November 15, 2019, the FASB issued ASU 2019-10 to defer the effective dates of ASU 2016-13 for certain institutions. Under this ASU, for institutions that are SEC filers, except those that are “smaller reporting companies” as defined in the SEC’s rules, ASU 2016-13 continues to be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, i.e., January 1, 2020, for such entities with calendar year fiscal years. For all other entities, including those SEC filers that are eligible to be smaller reporting companies, ASU 2016-13 now will take effect for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, i.e., January 1, 2023, for such entities with calendar year fiscal years. For all institutions, early application of the new credit losses standard is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

Institutions must apply ASU 2016-13 for Call Report purposes in accordance with the effective dates set forth in the ASU as amended in November 2019. An institution that early adopts ASU 2016-13 for U.S. GAAP financial reporting purposes should also early adopt the ASU in the same period for Call Report purposes.

For additional information, institutions should refer to the agencies’ [Interagency Policy Statement on Allowances for Credit Losses](#), which was published June 1, 2020. Since the issuance of ASU 2016-13, the FASB has published the following amendments to the new credit losses accounting standard, which are available at [Accounting Standards Updates Issued \(fasb.org\)](#):

- ASU 2018-19, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses;”

- ASU 2019-04, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments;”
- ASU 2019-05, “Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief;”
- ASU 2019-10, “Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates;”
- ASU 2019-11, “Codification Improvements to Topic 326, Financial Instruments – Credit Losses;”
- ASU 2020-03, “Codification Improvements to Financial Instruments;” and
- ASU 2022-02, “Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures.”

Amending Previously Submitted Report Data

Should your institution find that it needs to revise previously submitted Call Report data, 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 the same processes as the original filing. For technical assistance with the submission of amendments 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@cdr.ffiec.gov.

Other Reporting Matters

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

- U.S. Department of the Treasury Emergency Capital Investment Program – Supplemental Instructions for December 31, 2021
(https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_FFIEC051_suppinst_202112.pdf)
- Appendix I: Coronavirus Aid, Relief, and Economic Security Act: Accounting and Reporting Considerations – Supplemental Instructions for December 31, 2020
(https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_FFIEC051_suppinst_202012.pdf)
- True-up Liability under an FDIC Loss-Sharing Agreement – Supplemental Instructions for June 30, 2015
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201506.pdf)
- Troubled Debt Restructurings, Current Market Interest Rates, and ASU No. 2011-02 – Supplemental Instructions for December 31, 2014
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201412.pdf)
- Determining the Fair Value of Derivatives – Supplemental Instructions for June 30, 2014
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201406.pdf)
- Indemnification Assets and ASU No. 2012-06 – Supplemental Instructions for June 30, 2014
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201406.pdf)
- Small Business Lending Fund – Supplemental Instructions for March 31, 2013
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201303.pdf)
- Reporting Purchased Subordinated Securities in Schedule RC-S – Supplemental Instructions for September 30, 2011
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201109.pdf)
- Treasury Department’s Capital Purchase Program – Supplemental Instructions for September 30, 2011
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201109.pdf)
- Deposit insurance assessments – Supplemental Instructions for September 30, 2009
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200909.pdf)
- Accounting for share-based payments under FASB Statement No. 123 (Revised 2004), *Share-Based Payment* – Supplemental Instructions for December 31, 2006
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200612.pdf)
- Commitments to originate and sell mortgage loans – Supplemental Instructions for March 31, 2006
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200603.pdf) and June 30, 2005
(https://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200506.pdf)

Call Report Software Vendors

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

Adenza (formerly Axiom SL, Inc)
99 Park Avenue Suite 930
New York, New York 10016
Telephone: (212) 248-4188
<http://www.adenza.com>

DBI Financial Systems, Inc.
P.O. Box 14027
Bradenton, Florida 34280
Telephone: (800) 774-3279
<http://www.e-dbi.com>

Fed Reporter, Inc.
28118 Agoura Road, Suite 202
Agoura Hills, California 91301
Telephone: (888) 972-3772
<http://www.fedreporter.net>

FIS Compliance Solutions
16855 West Bernardo Drive,
Suite 270
San Diego, California 92127
Telephone: (800) 825-3772
<http://www.callreporter.com>

FiServ, Inc.
1345 Old Cheney Road
Lincoln, Nebraska 68512
Telephone: (402) 423-2682
<http://www.fiserv.com>

KPMG LLP
303 Peachtree Street, Suite 2000
Atlanta, Georgia 30308
Telephone: (404) 221-2355
<http://advisory.kpmg.us>

SHAZAM Core Services
6700 Pioneer Parkway
Johnston, Iowa 50131
Telephone: (888) 262-3348
<http://www.shazam.net>

Vermeg
205 Lexington Avenue,
14th floor
New York, New York 10016
Telephone: (212) 682-4930
<http://www.vermeg.com>

Wolters Kluwer Financial Services
130 Turner Street, Building 3,
4th Floor
Waltham, Massachusetts 02453
Telephone (800) 261-3111
<http://www.wolterskluwer.com>