



News Release

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For Immediate Release

FASB Publishes Exposure Draft, *Acquisitions of Certain Financial Institutions*, That Amends Statements 72, 144 and Interpretation 9

Norwalk, CT, May 13, 2002—The FASB has issued an Exposure Draft, *Acquisitions of Certain Financial Institutions*, that amends two existing accounting standards and an Interpretation to increase consistency of financial reporting. The proposed change would require that all financial institution acquisitions, except for those between two or more mutual enterprises, be accounted for under Statements No. 141, *Business Combinations* and 142, *Goodwill and Other Intangible Assets*. A copy of the Exposure Draft is available on the FASB's website at www.fasb.org. The comment period concludes on June 24, 2002.

The Exposure Draft would amend Statement No. 72, *Accounting for Certain Acquisitions of Banking or Thrift Institutions*, and Interpretation No. 9, *Applying APB Opinions No. 16 and 17 When a Savings and Loan Association or a Similar Institution Is Acquired in a Business Combination*, to remove from their scope all financial institution acquisitions, except for transactions between two or more mutual enterprises. Those transactions would be accounted for under FASB Statements 141 and 142, prospectively. In addition, the proposed Statement would amend Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, to include certain long-term customer relationship intangible assets, such as depositor- and borrower-relationship assets, and credit-cardholder intangible assets.

The amendments to Statement 72 and Interpretation 9 would be effective for transactions completed after a final Statement is issued. The amendment to Statement 144 would be effective upon issuance of a final Statement.

The Exposure Draft would require that unidentifiable intangible assets previously recognized under Statement 72 be reclassified and accounted for as goodwill if both of the following criteria are met: (1) the transaction in which the unidentifiable intangible assets arose was a business combination and (2) intangible assets required to be separately recognized under Statement 141 were recognized apart from the unidentifiable intangible asset in that transaction and accounted for separately after the date of acquisition.

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About the Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit our website at www.fasb.org.

The Financial Accounting Standards Board

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