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September 29, 2004

Mr. Lawrence W. Smith  
Director of Technical Application & Implementation Activities  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

**Letter of Comment No: 41**  
**File Reference: EITF03-1**  
**Date Received: 09/30/2004**

**Re: FASB Staff Proposed Position, Effective Date of Paragraph 16 of EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairments and Its Application to Certain Investments"**

Dear Mr. Smith:

ABN AMRO in North America (ABN AMRO) is a provider of diversified financial services including commercial, investment and retail/consumer banking; brokerage and trust services; and investment management. As both a user and an issuer of financial statements, ABN AMRO is pleased to present our views regarding the FASB's proposed delay of the effective date of application of paragraph 16 of Emerging Issues Task Force Issue 03-1 (EITF 03-1) related to debt securities that are impaired solely because of interest rate and/or sector spread increases (the Proposal).

ABN AMRO appreciates the FASB's timely response to the questions surrounding implementation of EITF 03-1. The ramifications of EITF 03-1 interpretations for organizations' investment decisions could be significant and some interpretations have caused confusion. Accounting for investment securities is a critical area of concern for all banking organizations, and ABN AMRO applauds the FASB's efforts to address the consequences of the confusion surrounding application of EITF 03-1.

ABN AMRO fully supports the FASB's proposal to delay the effective date of paragraph 16 of EITF 03-1, which provides guidance for debt securities that cannot be prepaid or otherwise settled in such a way that the investor would not recover substantially all of its cost.

In addition to the proposed delay, ABN AMRO strongly encourages the FASB to expand the scope of the delay to include other investments covered under EITF 03-1. ABN AMRO understands the FASB is considering providing additional guidance to clarify the definition of "minor impairments" as this term relates to the severity of impairments for debt securities covered under paragraph 16. As the severity of impairments is also an integral element of the

impairment analysis performed over equity and debt securities covered under paragraph 10 of EITF 03-1, we feel that clarity provided in this area will apply for all securities covered within EITF 03-1. Given the open questions posed by the FASB, which extend to all investments within the scope of EITF 03-1, we encourage the FASB to delay application for all investments covered to ensure adequate time for interested parties to work through interpretation and application issues of the guidance and its proposed clarifications.

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We appreciate your consideration of our comments on the Proposal and welcome the opportunity to further discuss this matter with the FASB board members and their staff. Should you have any questions or comments, please contact me at (312) 904-1221.

Very truly yours,



Karen Ingwersen  
Senior Vice President  
Manager of Financial Policy