



May 26, 2006

Ms. Suzanne Q. Bielstein
Director – Major Projects and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Re: FILE REFERENCE NO. 1025-300

Dear Ms. Bielstein:

Johnson Financial Group, Inc. appreciates the opportunity to provide comments to the FASB in response to Exposure Draft (No. 1025-300), Employers' Accounting for Defined Benefit Pension and Other Postretirement plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R).

Johnson Financial Group, Inc. is a privately held \$3.8 billion financial holding company headquartered in Racine, Wisconsin. Johnson Financial Group owns banking units in Wisconsin and Arizona. In addition, our company provides a full range of financial services to clients through a number of subsidiaries.

Johnson Financial Group supports the Board's effort to provide information that is relevant, reliable, timely and complete while recognizing that the benefits of providing information should justify the related costs. However, we offer the following comments for your consideration:

Issue 1 – Cost of Implementing the Proposed Statement

Johnson Financial Group agrees that the necessary information is readily available, and, therefore, the direct cost of implementation would not be significant.

Issue 2 - Employer's Measurement Date

This issue does not pertain to Johnson Financial Group and, therefore, we have no comment.

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Issue 3 – Effective Date and Transition

Johnson Financial Group is most concerned with this issue as it relates to contractual arrangements that reference other metrics based on the financial statements, specifically, book value and regulatory capital.

As a private company, a formula based substantially on book value is our primary metric for value creation for both our long-term shareholders as well as participants in our various compensation plans. Johnson Financial Group strives to ensure that business results are the primary driver of changes in book value, as opposed to accounting changes. Our initial analysis of the proposed accounting changes indicates that the immediate recognition of the status of our pension and postretirement benefit plans in the adoption year will negatively impact our book value. This has a direct economic impact on the company, our shareholders and employees and also undermines the motivational intent of our various compensation programs.

As a financial holding company that is heavily regulated by Federal and State banking agencies, total equity is the primary metric. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on our financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, Johnson Financial Group must meet specific capital guidelines that involve quantitative measures of our assets. The potential negative impact to capital in the adoption year directly impacts these measures and therefore will limit our ability to grow and create jobs in the communities we serve.

Other Issues

Issue 4 and 5 do not pertain to Johnson Financial Group and, therefore, we have no comment.

Two-Phase Approach

Johnson Financial Group is concerned about the implications of the two-phase approach for making long-term decisions around funding, investment strategy and plan design. Our decisions are based primarily on what is best for our employees, the long-term affordability of the plans, and the financial statement implications that may limit our ability to grow. Since measurement and recognition issues are not addressed until phase II. We feel our ability to make a well informed long-term decision is impaired by not having a single comprehensive reconsideration of all the issues.

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Summary

Johnson Financial Group requests that the Board reconsider the transition process related to the implementation of the proposed accounting rule changes for postretirement pension and welfare programs. Please consider the inclusion of a phase-in type transition period which would allow privately held companies to better plan for, and absorb the expected impact. We also request that the Board reconsider the multi-phase approach and continue to rely of information provided through disclosure until the measurement and recognition issues are fully deliberated.

In closing, we believe the transition process and multi-phase approach, if left unchanged, could be significantly disruptive and costly to many privately held companies. We encourage the board to develop a single comprehensive review of all the issues.

Very truly yours,

Dennis R. Axelson

Executive Vice President and Chief Financial Officer

Johnson Financial Group, Inc.