JPMORGAN CHASE & CO.

Louis Rauchenberger

Managing Director & Corporate Controller

September 30, 2010

Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

Re: File Reference No. 1790-100: Proposed Accounting Standards Update, Comprehensive Income (Topic 220) Statement of Comprehensive Income

Dear Mr. Golden,

JPMorgan Chase & Co ("JPMorgan Chase" or "the Firm") appreciates the opportunity to comment on File Reference No. 1790-100: Proposed Accounting Standards Update, *Comprehensive Income (Topic 220) Statement of Comprehensive Income* (the "Exposure Draft") issued by the Financial Accounting Standards Board ("FASB" or the "Board").

The Firm does not support the Exposure Draft as it will not provide users with incremental information and would inappropriately deemphasize net income, which is the performance metric most commonly used and accepted by both financial statement users and preparers. In addition, we believe that any changes to the current presentation of other comprehensive income ("OCI") are premature, particularly in light of the impact that other significant FASB proposals may (or may not) have on items included within OCI. Finally, we believe that the Board, prior to proceeding with any changes in the presentation of OCI, must (1) define a principle or characteristics for items qualifying for inclusion in OCI and (2) thoroughly explore with users the perceived benefits of a single statement of comprehensive income.

The Concept of Other Comprehensive Income

The first step in evaluating the presentation of OCI should be to understand what the balances are intended to represent. The FASB has provided no formal definition of what OCI is intended to represent, and instead relies on existing guidance, which was created over many years and through several independent projects. We believe that questions raised in the deliberations over the FASB's Proposed Accounting Standards Update, Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities (the "Financial Instrument Exposure Draft") and through international convergence efforts have increased the focus on the importance of clarity regarding the intended purpose OCI.

One example of the issues raised is a difference in views regarding whether OCI should represent measurement changes that are never expected to be realized and thus should not be reflected in net income, or whether OCI represents some defined group of measurement changes that will never be recognized in earnings, regardless of whether they are realized or not. This issue is fundamental to understanding comprehensive income and should be resolved before changing the significance of comprehensive income in the financial statements.

JPMORGAN CHASE & CO.

The Perceived Benefits of a Single Statement

The Exposure draft states that amendments "would result in greater transparency, consistency, and comparability between how the components of net income and other comprehensive income are reported under U.S. GAAP and IFRS. In addition, such a presentation would improve the understandability of comprehensive income and the relationships between changes in the statement of financial position, components of other comprehensive income, and components of net income for each period."

- Transparency A single statement of comprehensive income inappropriately equates items recognized in OCI with items recognized in net income and makes it less transparent for users of financial statements to understand the current performance of the reporting entity.
- Consistency and comparability The goal of consistent and comparable *display* of OCI items (between U.S. GAAP and IFRS) ignores the fact that there is a more fundamental inconsistency between the FASB and the IASB regarding the *nature* and *purpose* of OCI. For example, the FASB's proposal to remeasure many financial instruments through OCI is not consistent with the IASB's proposal on financial instruments, and the FASB and IASB have expressed different views on the issue of "recycling" of OCI items through earnings upon realization. Given these differences, we do not believe that consistency and comparability is an achievable goal of this exposure draft without a more fundamental review of comprehensive income.
- Understandability Information on other changes in comprehensive income is currently readily
 available for interested financial statement users. We do not believe that understandability is
 improved simply by moving the information currently included in the Consolidated Statement of
 Changes in Stockholders' Equity and Comprehensive Income two pages prior to its current
 location and combining it with the information in the Consolidated Statement of Income.

Based on our discussions with equity and credit analysts, we believe that current practices of reporting OCI— either in a separate statement of comprehensive income or a statement of changes in other comprehensive income within the statement of changes in equity— are well-understood and financial statement users interested in such information have little difficulty finding it. We believe that such presentations achieve the goal of providing OCI information clearly and transparently to financial statement users while acknowledging the focus most users place on net income as the most important metric of operating performance.

Interaction with the Financial Instruments Exposure Draft

We understand that at least one reason for suggesting a single statement of comprehensive income relates to the significant expansion of OCI proposed in the Financial instruments Exposure Draft (in which the changes in fair value of many financial instruments would be recognized in OCI). However, the Board has now received over 1200 comment letters on the Financial Instruments Exposure Draft and it is not clear what the outcome of the redeliberations will be. We believe it is important for the Board to complete its deliberations on the Financial Instruments Exposure Draft before citing those proposed changes as a reason to move forward with the Comprehensive Income Exposure Draft. Given the broader questions raised by this proposal, we believe that the presentation of comprehensive income would be better addressed in the context of the Financial Statement Presentation project. The effective dates of any revised guidance should not precede the effective date of either the Financial Instrument Exposure Draft or the proposal on Financial Statement Presentation, in order to align the significant effects of each of these proposals.

* * * * *

JPMORGAN CHASE & Co.

We appreciate the opportunity to submit our views and would be pleased to discuss our comments with you at your convenience. If you have any questions, please contact me at 212.270.3632 or Bret Dooley at 212.648.0404.

Sincerely yours,

Louis Rauchenberger