1790-100
Comment Letter No. 52

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INDEPENDENT COMMUNITY BANKERS of AMERICA®

September 30, 2010

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

File Reference Number 1790-100

Dear Mr. Golden:

The Independent Community Bankers of America[1] (ICBA) welcomes the opportunity to comment on the Financial Accounting Standards Board's Exposure Draft, *Comprehensive Income (Topic 220).* This accounting update would require that all components of comprehensive income be reported in a continuous financial statement that displays the components of net income and the components of other comprehensive income within comprehensive income. An entity would display a total for each part and display each component of net income and each component of other comprehensive income in that statement of financial performance.

The proposed amendment would not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. Nor would it change the option for an entity to show components of other comprehensive income gross or net of the effect of income taxes in the statement of comprehensive income as long as the tax effect for each component is disclosed in the notes to the financial statements or is displayed parenthetically on the statement of comprehensive income.

FASB believes that future projects planned by FASB and the International Accounting Standards Board will increase the volume and complexity of items reported in other comprehensive income and both boards wish to remove the options that permit the components of net income and the components of other comprehensive income to be displayed in separate financial statements to

[1] *The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.*

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing over 300,000 Americans, ICBA members hold $1 trillion in assets, $800 billion in deposits, and $700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

enhance the prominence of the items reported in other comprehensive income for each reporting period.

ICBA Views

ICBA strongly opposes this proposed accounting standards update and urges FASB not to go forward with it. According to FASB, the goal of the proposed accounting standards update is to improve comparability, consistency and transparency in financial reporting. We believe that the proposed update will make the financial statements more complex without reaching FASB's goals. In fact, financial information will be more difficult to decipher and compare as the volume and complexity of items reported in other comprehensive income increases. Community bankers are in agreement that the expanded reporting of comprehensive income is unnecessary and of little use to most financial statement users.

Further, we see the proposal of a continuous statement of comprehensive income as a significant step away from the income statement, a traditional measure of an entity's financial operations. Referring to the proposal, one community banker said to ICBA, "When was the last time you heard a discussion of comprehensive income on CNBC?" Businesses and analysts focus on net income, not comprehensive income. The comprehensive income model does not reflect the business model of community banks or other businesses. Importantly, community banks do not see how a continuous reporting of comprehensive income will aid them in making credit decisions. Rather they will need to wade through more complex financial statements to find the traditional financial measures that they find most useful. We see the costs of adjusting reporting systems and training statement preparers and users far outweighing any perceived benefits of this accounting change. Again, we urge FASB not to go forward with this proposal.

We appreciate the opportunity to comment on this Exposure Draft. If you wish to discuss our comments further, please contact the undersigned at 202-659-8111 or email at ann.grochala@icba.org.

Sincerely,

/s/

Ann M. Grochala
Vice President
Lending and Accounting Policy