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September 25, 2012

Ms. Leslie F. Seidman, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Sent by email to director@fasb.org

Re: File Reference: No. 2012-200, Exposure Draft: *Disclosures about Liquidity Risk and Interest Rate Risk*

Dear Ms. Seidman:

Exxon Mobil Corporation appreciates the opportunity to respond to the Exposure Draft outlining proposed disclosures about liquidity risk and interest rate risk.

We commend the Board for proposing different approaches for financial institutions and non-financial institutions. The different nature of the liquidity risks faced by the two groups requires careful consideration by the Board.

We are concerned that the proposed disclosures will not improve users' understanding of liquidity, and in fact may promote a misleading view of liquidity. Many companies fund the majority of long-term obligations from future operating cash flows. The proposed disclosures could lead users to compare total obligations to current liquid funds balances. Such a comparison ignores the availability of future operating cash flows. Consequently, users could incorrectly conclude that a company does not have sufficient liquidity to meet its obligations.

In addition, the proposed disclosures overlap significantly with existing SEC disclosure requirements of a company's financial condition. The existing MD&A disclosures already provide users with extensive information on liquidity and contractual obligations. Since financial analysts and investors are not requesting supplemental liquidity information during our frequent interactions with them, existing disclosures appear to meet users' information needs.

We strongly recommend that the Board reconsider the proposed disclosures since they provide users with little or no incremental insight into non-financial institutions' operations. The proposed quarterly frequency of the tabular disclosures described in the Exposure Draft is excessive. We encourage the board to re-examine the costs and benefits and to require quarterly disclosures only when significant changes from the annual disclosures exist. This is especially the case for the Cash Flow Obligations table which includes balances for long-term obligations that do not vary significantly from quarter to quarter.

We appreciate the Board's consideration of these matters and welcome the opportunity to discuss them further. Our responses to the Board's questions regarding the proposed changes are included in Attachment I.

A handwritten signature in black ink, reading "Patrick J. Malone". The signature is written in a cursive style with a large, sweeping initial "P".

Attachment

Attachment I

RESPONSES TO BOARD QUESTIONS POSED IN EXPOSURE DRAFT

Question 2: Cash Flow Obligations Table

For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity's obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

We do foresee significant operational concerns regarding the proposed requirement. The use of expected maturity increases complexity and effort for limited incremental information. For non-financial institutions, the contractual maturity and expected maturity are the same for many obligations. Establishing a process to capture, assign, and report an expected maturity for each obligation where it does not match the contract maturity requires significant additional effort without adding to the value of the disclosure.

In addition, the proposed requirement for quarterly disclosures is excessive. As long as the obligations are expected to be fulfilled with no materially adverse consequences to an entity's financial condition, annual disclosures should be sufficient.

Question 3: Expected Maturities

The proposed amendments would require information about expected maturities for financial assets and financial liabilities to highlight liquidity risk. Expected maturity is the expected settlement of the instrument resulting from contractual terms (for example, call dates, put dates, maturity dates, and prepayment expectations) rather than an entity's expected timing of the sale or transfer of the instrument. Do you agree that the term expected maturity is more meaningful than the term contractual maturity in the context of the proposed liquidity risk disclosures? If not, please explain the reasons and suggest an alternative approach.

See response to Question 2.

Question 4: Available Liquid Funds

The proposed amendments would require a quantitative disclosure of an entity's available liquid funds, as discussed in paragraphs 825-10-50-23S through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

We do not foresee significant operational concerns with the proposed Available Liquid Funds table disclosures. For events that could limit the transferability of funds, the Board should limit the requirement for quantitative estimates of the impact to probable events only.

Question 6: Usefulness for Understanding of Liquidity Risk

As a preparer, do you feel that the proposed amendments would provide sufficient information for users of your financial statements to develop an understanding of your entity's exposure to liquidity risk? If not, what other information would better achieve this objective?

We do not feel that the proposed amendments provide incremental value to users in developing an understanding of our liquidity risk. The Cash Flow Obligations table includes long-term commitments from various business activities that will be funded by future operating cash flows which cannot be captured in a liquid funds table. Including a total for the Cash Flow Obligations table creates the incorrect impression that each of the cash flow obligations has a common level of certainty. In addition, it increases the likelihood that a user will draw the wrong conclusion by comparing the total obligations to the current total available liquid funds.

Question 21: Implementation

Although the proposed amendments do not have an effective date, the Board intends to address the needs of users of financial statements for more information about liquidity risk and interest rate risk. Therefore, the Board will strive to make these proposed amendments effective on a timely basis. How much time do you think stakeholders would require to prepare for and implement the amendments in this proposed Update? Are there specific amendments that would require more time to implement than others? If so, please identify which ones and explain why.

Implementation of the proposed Cash Flow Obligations table will require significant effort to collect quarterly. Systems and process modifications to collect non-general ledger obligations will need to be implemented to meet quarterly public filing deadlines which are accelerated relative to year-end. If the final requirements were known now, year-end 2013 is the earliest date for reporting. If the Board issues final requirements later this year or in 2013, then year-end 2014 is a more reasonable date for first reporting.

Question 22: Overlap with SEC's Current Disclosure Requirements

Do you believe that any of the amendments in this proposed Update provide information that overlaps with the SEC's current disclosure requirements for public companies without providing incremental information? If yes, please identify which proposed amendments you believe overlap and discuss whether you believe that the costs in implementing the potentially overlapping amendments outweigh their benefits? Please explain why.

The proposed disclosures overlap significantly with existing SEC MD&A disclosure requirements of a company's financial condition. The cost to provide the expanded disclosures proposed by the Board exceeds the minimal incremental benefits to users.

The proposed Cash Flow Obligations table duplicates information contained in the existing SEC contractual obligations table. The Board's proposal to use expected maturity rather than contractual maturity under the existing SEC requirements adds complexity while providing limited incremental information since the expected and contractual maturity are the same for many obligations for non-financial institutions. The Board's proposal to expand the number of time intervals disclosed, including by quarter for the four quarters following the reporting date, also provides limited incremental information since the amounts for many obligations do not vary significantly from quarter to quarter.