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December 2, 2019

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

SEC Release No. 33-10688; 34-86984; File No. S7-02-17
Update of Statistical Disclosures for Bank and Savings and Loan Registrants

Dear Madam Secretary:

We appreciate the opportunity to respond to the Securities and Exchange Commission's (SEC or Commission) request for comments on the proposed rule, Update of Statistical Disclosures for Bank and Savings and Loan Registrants (Proposed Rule or Proposal). We continue to support the ongoing efforts of the SEC staff to improve the public company disclosures provided to investors for purposes of making their investing and voting decisions. Further, as a firm involved in various aspects of financial reporting by public companies, we have observed situations where some of the disclosures currently called for by Industry Guide 3, Statistical Disclosure by Bank Holding Companies, (Guide 3) overlap with subsequently adopted SEC rules, U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), or International Financial Reporting Standards ("IFRS"). We generally agree with the proposed amendments that would update the disclosures that investors receive through codifying certain Guide 3 disclosures and eliminating others. Furthermore, we also support relocating the codified disclosures to a new subpart of Regulation S-K and rescinding Guide 3.

We believe the following suggestions may help the SEC achieve its objective of providing useful information to investors.

Disclosure Requirements – Considerations

In the Proposed Subpart 1400 of Regulation S-K, we noted that certain of the existing Guide 3 disclosures would continue to be required and new disclosures would be required. For instance, Item 1405, Allowance for Credit Losses, would require disclosure of certain credit ratios, disaggregated by loan category, that are not required under U.S. GAAP or IFRS, either Accounting Standards Codification (ASC) 310, Receivables, ASC 326, Financial Instruments – Credit Losses, or IFRS 9, Financial Instruments.

Given that the standard setting process for ASC 326 and IFRS 9 was only recently completed by the FASB and IASB and has resulted in major changes to the previous accounting standards, we believe it is premature to determine which incremental disclosure requirements may be useful to investors. We recommend that the Commission omit disclosures beyond those that GAAP requires until such time it is clear that incremental disclosures are necessary.

Undue Burden or Expense

The guidance in Securities Act Rule 409 and Exchange Act Rule 12b-21 both indicate that information required needs to be disclosed only to the extent it is known or reasonably available to the registrant. If any required information is unknown and not reasonably available to the registrant, either because the obtaining thereof would involve unreasonable effort or expense, or because it rests peculiarly within the knowledge of another person not affiliated with the registrant, the information may be omitted, subject to certain conditions.

As auditors, we have observed very limited use of the guidance in Securities Act Rule 409 and Exchange Act Rule 12b-21 where a registrant could adequately demonstrate that the required information is not reasonably available or would require unreasonable effort or expense.

If the Commission believes that the use of the guidance in Securities Act Rule 409 and Exchange Act Rule 12b-21 would not be extremely limited, we would encourage the SEC staff to provide more detailed guidance for registrants and auditors to consider when evaluating the assertion that the requested information is unknown and not reasonably available without unreasonable effort or expense.

Transition Guidance

In our experience, detailed transition guidance provided within a new rule facilitates the smooth implementation of that rule. On that basis, we encourage the Commission to provide detailed transition guidance within any final rule that addresses the effective date, including consideration of the timing of the rule's effective date and approaching relevant filing deadlines.

We appreciate the opportunity to respond to the request for comments on the Proposed Rule. If you have any questions regarding our comments or other information included in this letter, please do not hesitate to contact Jeffrey Jones [REDACTED] or [REDACTED] or Timothy Phelps [REDACTED] or [REDACTED].

Very truly yours,

KPMG LLP

cc:

SEC

Mr. Jay Clayton, Chairman
Mr. Robert J. Jackson Jr., Commissioner
Ms. Allison H. Lee, Commissioner
Ms. Hester M. Peirce, Commissioner
Mr. Elad L. Roisman, Commissioner
Mr. William Hinman, Director, Division of Corporation Finance
Mr. Kyle Moffatt, Chief Accountant, Division of Corporation Finance
Mr. Sagar Teotia, Chief Accountant

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