

**FR Y-14 A and Q Industry Outreach Call
Between Federal Reserve Staff and Representatives of JPMC
October 19, 2011**

Participants: Andrew J Felton, Benjamin W McDonough, Lisa H Ryu, Robert F Sarama, Sabina Golden, Tim P Clark and Christin Patel (Federal Reserve Staff)

Melissa Feldsher, Gregg Gunselman, Jim Oroho, Andrew Spicehandler, Funda Akarsu and Nina Lakhani (JPMC)

Summary: Federal Reserve staff participated in an outreach call with representatives of JPMC in order to address technical and/or clarifying questions submitted by the firm related to the FR Y 14 A and Q data schedules proposed by the Federal Reserve Board and to solicit feedback on the proposal. Federal Reserve staff did not respond to substantive comments raised by the participants during the call. A summary of the issues raised by the participants is provided below.

Q: What is the timeline for the end of comment period and when consideration will be given to comments/ questions?

A: Substantive comments cannot be responded to during the comment period. The Federal Register notices notes that, "In 2011, the Federal Reserve expects to distribute schedules to the BHCs in late-November and to receive the completed data by mid-December 2011."

Q: In previous data collections, Net Interest Income (NII) worksheet was optional (standard or alternative views); this year instructions indicate that this worksheet is mandatory for JPMC. This worksheet is not aligned with how this firm is managed. If data is submitted as requested in proposed schedules, the firm does not believe this would add significant value to the supervisory perspective of the Federal Reserve.

A: Substantive comments cannot be responded to during the comment period.

Q: How does the FRB find what is requested in the PPNR schedule helpful to the supervisory process?

A: Substantive comments cannot be responded to during the comment period.

Q: Submission of the NII worksheet was not required for this firm in the past, how was the materiality threshold determined? The firm's methodology of calculating these line items may be more valuable to supervisory process.

A: Substantive comments cannot be responded to during the comment period.

Q: Current information systems employed by the firm cannot accommodate the data requested by proposed scheduled. The firm would be required to create new information systems to accommodate this data request; the creation of new systems would create a significant burden and could not be completed in time for

the next data collection as proposed. What guidance can be offered if these templates cannot effectively be completed by the firm?

A: Substantive comments cannot be responded to during the comment period.

Q: Follow up question from Federal Reserve: Are there specific line items that are more challenging than others?

A: Interest expense on repos/ short term borrowings, granular level of consumer deposits – could be provided at a higher level, split on home equity between closed end and HELOC, components may be challenging.

Q: Relevancy of level of granularity requested by the proposed schedules is questioned. For example:

- Investment banking, average fee rate, market share for a variety of portfolios for all scenarios.
- Historical and projections for quarter end estimates are not projected by the firm.
- Compensation for investment banking split between investment banking and trading, could be provided holistically.
- Commission/ fees for business lines may not be valuable, total market revenue or principal transaction roll-up numbers may be more valuable.

A: Substantive comments cannot be responded to during the comment period.

Q: Significant concerns on proposed corporate loan and CRE data schedules. For example:

- Significant amount of detail (44 data fields) are proposed for collection related to corporate loan facilities, this would represent a significant burden for the firm.
- Cross collateralization/ cross defaulted data as proposed, cannot be realistically reported in time allotted.

A: Substantive comments cannot be responded to during the comment period.

Q: Given the current, proposed submission deadline, the FRB should consider decoupling requests for data related to capital adequacy determinations and supervisory needs. For example:

- CRE and Corporate Loan templates;
- Retail risk templates (historical SAS data files);
- Forward looking PPNR elements.

A: Substantive comments cannot be responded to during the comment period.

Q: Can the FRB clarify what is meant by “normal rate movements” in the PPNR metrics?

A: Substantive comments cannot be responded to during the comment period.