



May 31, 2022

Mr. James P. Sheesley
Assistant Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Statement of Principles for Climate-Related Financial Risk Management for Large Financial Institutions; Comment Request RIN 3064-ZA32

Dear Mr. Sheesley:

Thank you for the opportunity to comment on this important proposal. The Kansas Bankers Association (KBA) was organized in 1887. The KBA's membership includes 99% of the 211 banks and savings & loans headquartered in Kansas as well as 20 out-of-state commercial banks operating in Kansas. The Kansas banking industry employs more than 22,000 Kansans that provide financial services in every county across the state.

As we understand the proposal, it is designed to provide direction on how large banks should incorporate climate-related risk into their overall risk management framework, but our comments will be inclusive of the entire industry as we believe there have been indications that this proposal is an initial step with climate risk management expectations for small institutions likely to follow.

As a state whose economy is heavily reliant on the agriculture and the energy industries, financial institutions operating in Kansas have taken into account climate-related risk for a very long time. On a daily basis, their business decisions are based on an assessment of market data related to the climate risk involved. Across the state, this data is very different as there is great fluctuations in the historical climate trends and every banker has to be cognizant of this for their region. Climate-related financial risk is so naturally embedded into these decisions that it seems odd to be addressing it as a separate proposal.

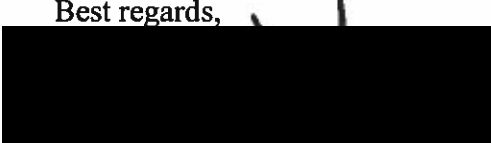
We believe that is why climate risk is so difficult to quantify – it is such an integral part of the overall risk assessment banks conduct that it is not a single consideration in making a decision. There is no specific measurement or standard that would fit every circumstance and trying to single it out would be extremely burdensome to all banks but significantly so for small institutions. We would urge the FDIC to take a broader look at this topic so as to understand its place in overall risk assessment and not try to quantify it on its own.

Kansas is not alone in facing a rapidly declining number of bank charters due to consolidation. The KBA has, as part of its strategic plan, a directive to advocate for a business *and regulatory* environment that sustains the competitiveness and profitability of Kansas banking. We believe that banks are critical to their communities' survival as they provide support to their community with access to local financial services. Imposing regulatory requirements on climate-related risks, such as placing credit limits for the small businesses that they serve, could devastate a community.

It is not unusual for a bank to be the only financial institution in a community - nor is it unusual for that bank to be the only bank with a presence in several communities. The FDIC should be supportive of local access to financial services and not try to limit the industry's ability to serve its business community. This is an opportunity to recognize the importance of the banking industry to its communities and to ensure that communities continue to have access to local financial services.

Thank you for your time and consideration of these comments. Please feel free to contact us if you have any questions or wish to discuss this matter further.

Best regards,



Douglas E. Wareham
President/CEO



Kathleen A. Taylor
EVP/General Counsel



Terri D. Thomas
EVP/COO