
From: Frank Connealy <FConnealy@plainsstatebank.com>
Sent: Monday, October 22, 2012 10:19 AM
To: Comments
Subject: Basel III FDIC RIN 3064 - AD95, RIN 3064 - AD96, RIN 3064 - AD97

To the Staff:

I am the Chief Financial Officer of The Plains State Bank in Plains, Kansas. Our bank is approximately \$135,000,000 in total assets.

My first comment is that we understand the strengthening of capital standards after the 2008 financial crisis. The real issue we have with Basle III is the addition of

Other Comprehensive Income to the Capital Calculation. At present, that would increase our capital ratios. When the inevitable happens and interest rates rise, it

could reduce our capital below the Well Capitalized level. We have tested the result of a small loss in our portfolio (\$400,000). This would reduced are leverage

capital ratio to less than 8%. A 300 basis point increase would cause this devaluation.

Please reconsider adding Other Comprehensive Income to Capital Ratio Calculation. Thank you for your inyerest.

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