

FIRST NATIONAL BANK



OKAWVILLE, ILLINOIS

October 19, 2012

Mr. Ben Bernanke, Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington DC 20551

Mr. Martin J. Gruenberg, Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington DC 20429

Mr. Thomas J. Curry, Comptroller
Office of the Comptroller of the Currency
250 E Street, SW
Washington DC 20219

**RE: Proposed Rulemaking on Minimum Regulatory Capital and the Standardized Approach for Risk-weighted Assets
Basel III Federal Reserve Docket No. R-1430; RIN No. 7100-AD87 and Docket No. R-1442; RIN No. 7100-AD87
Basel III FDIC RIN 3064-AD95, RIN 3064-AD96
Basel III OCC Docket ID OCC-2012-0008 and Docket ID OCC-2012-0009**

Dear Sirs:

Thank you for allowing us to comment on the Basel III Proposals.

I have seen letters sent in by the banking organizations that I am a member of, and receive support from, namely, the Community Bankers Association of Illinois (CBAI) and the Independent Bankers Association of America (ICBA). I have also seen letters sent in by many of my colleagues.

I think these put forth, more than adequately, the concerns that our bank has with Basel III.


We are a small, 50 million dollar bank in rural Southern Illinois and have been a National Bank since 1920. Being well capitalized has always been important to us. As per our Bank's Capital Policy, our self-imposed minimum capital standards are 50% higher than the regulatory minimums require.

Basel III not only raises the minimum levels which, at this time, we have the excess capital to deal with, but lays upon us another layer of complex and costly calculations to compute our capital as per Basel III requirements.

I believe that imposing this requirement upon small, already well-capitalized institutions is punitive and unnecessary. I am confident the designers of Basel III did not have my bank, or similar banks, in mind but, instead, the big international money center banks which take risks we would never dream about.

Once again, thank you for the ability to comment on the proposals and I sincerely hope consideration is given to exempting small community banks from this costly requirement.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Hesker', with a long horizontal flourish extending to the right.

Dennis J. Hesker
President & Chief Executive Officer

sas