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Arkansas Bankers' Bank

*Always Your Correspondent, Never Your Competitor*

27 November, 2009

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

RE: Docket No. OP-1369  
RE: Proposed Interagency Guidance-Correspondent Concentration Risks

This letter is in response to the request for comment on the Proposed Interagency Guidance-Correspondence Concentration Risk.

Arkansas Bankers' Bank is one of twenty bankers' banks operating within the United States and is a wholly owned subsidiary of First National Bankers Bankshares, Inc. (Bankshares). Bankshares consist of First National Bankers Bank in Birmingham, Alabama, First National Bankers Bank in Baton Rouge, Louisiana, Mississippi National Banker's Bank in Ridgeland, Mississippi and Arkansas Bankers' Bank in Little Rock, Arkansas. These banks have been using best practices in identifying, monitoring and managing correspondent concentration risk by complying with Regulation F for most of their history. While we believe that additional guidance from the federal regulatory agencies for this area is timely and well intentioned due to the uncertain economic environment all financial institutions are facing, this proposed guidance gives the appearance of much more specific and restrictive requirements than Regulation F ever intended.

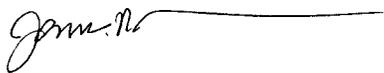
The specific language that most concerns Arkansas Bankers' Bank is centered on the issue of respondent banks having credit exposure above 25% of its Tier 1 capital. Again, while this is well intentioned, all of Bankshares banks are well capitalized and always have been. We submit that if a correspondent bank is well capitalized with good financial ratings, then the concentration risk guideline should be more appropriately set in the 50% range of the respondent bank's Tier 1 capital. With this change in the

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Proposed Interagency Guidance-Correspondent Concentration Risks, it seems the intent would be more in line of Reg F's original intent in establishing risk management protocols for interbank liabilities based on the capitalization and financial condition of correspondent banks.

Thank you for the opportunity to respond to the Proposed Interagency Guidance for Correspondent Concentration Risk. Your consideration of this suggestion will be most appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "James N. Thomason", followed by a long horizontal line extending to the right.

James N. Thomason  
President and CEO