

**Meeting Between Governor Duke and
Representative of Towne Bank, Portsmouth, Virginia
October 2, 2012**

Participants: Governor Elizabeth Duke

G. Robert Aston, Towne Bank

Summary: Governor Duke and Mr. Aston had a phone conversation to discuss the Federal Reserve's proposed capital regulations. In particular, they discussed the proposal to allow AOCI to flow through to regulatory capital and the potential effect of that proposal on the volatility of securities portfolio and capital planning. They also discussed the proposal for risk weighting mortgages and potential issues raised by Mr. Aston with respect to certain data relevant to the proposal.