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FOR IMMEDIATE RELEASE

AMERICA'S MUTUAL BANKS COMMENTS ON THE BASEL III PROPOSALS RAISING CONCERNS ON THEIR IMPACT ON MUTUAL COMMUNITY BANKS

(Washington, DC) **OCTOBER 22, 2012** – America's Mutual Banks (AMB), an association of mutual financial institutions, announced today that it has filed a lengthy comment letter with the federal banking agencies in connection with the proposed Basel III capital rules.

AMB expressed its disappointment with the failure of the agencies to consider the need for an alternative Basel III compliant capital instrument for mutual banks which would foster the preservation of the mutual banking industry. AMB noted that the Basel Committee stated that the specific constitution and legal structure of mutual institutions should be taken into account. The letter points out that apparently the EU is making an effort to accommodate mutual institutions with tailored capital requirements that comply with Basel III, as contrasted with the one size fits all US approach.

The letter also discusses the particular burden on mutual banks in complying with fluctuating capital requirements as a result of variable regulatory capital minimums which change with external economic conditions out of the control of the bank. These fluctuations will negatively affect mutual banks' ability to lend, manage risk and serve their communities unless they are given the corresponding flexibility to tap the capital markets.

Marty Neat, Chairman of AMB, stated that "AMB has a responsibility to its members and to their depositors, members and communities to express its belief that if left in their present form the Basel III proposals could have a serious negative impact on the mutual banking industry in the US and we lament that the agencies neglected to endorse the need for a Basel III compliant alternative capital instrument for mutual banks."

For a copy of AMB's comment letter please click here:

http://www.americasmutualbanks.com/images/AMB_Comment_Letter_Basel_III.pdf

About America's Mutual Banks

AMB is an unincorporated association of like-minded mutuals dedicated to preserving and advancing the mutual banking form. AMB is headquartered at 701 8th Street, NW, Suite 700, Washington, D.C. 20001. Please visit www.americasmutualbanks.com or contact Douglas Faucette, Locke Lord LLP, at 202-220-6961 with any questions or requests for additional information regarding AMB.



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