

November 21, 2003

Office of the Secretary  
PCAOB  
1666 K Street, N.W.  
Washington, D.C. 20066-2803

Attention: Mr. Thomas Ray, Deputy Chief Auditor

**Re: PCAOB Rulemaking Docket Matter No. 008**

Dear Sir:

As a public company and highly regulated banking institution, we would like to take this opportunity to comment on the PCAOB Proposed Auditing Standard, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*.

We have reviewed the Proposed Auditing Standard, and while other industries who have not been exposed to the rigors of FDICIA may need to review these controls as proposed by PCAOB, banks with assets in excess of \$500 million have been required to perform a review of internal control under the Federal Deposit Insurance Corporation Improvement Act of 1990. We believe this requirement is more than sufficient to ensure banking institutions have adequate internal control and management oversight, as well as a regulator (FDIC, State, or Federal) that ensures compliance. **Therefore, we strongly believe that banks with assets over \$500 million and subject to FDICIA should be excluded from the Proposed Standard and allowed to continue to evaluate internal controls based on the requirements of the Federal Deposit Insurance Corporation.**

Thank you for your attention to this matter.

Very truly yours,

Thomas E. Hales  
Chairman of the Board, President, and  
Chief Executive Officer

TEH/dh  
(Hales:Let(03)PCAOB Standard Rebuttal