Leslie Seidman, Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Via email: director@fasb.org

RE: File Reference No. 2012-200: Disclosures about Liquidity Risk and Interest Rate Risk

Dear Chairman Seidman:

Thank you for giving us the opportunity to comment on the Exposure Draft: Disclosures about Liquidity Risk and Interest Rate Risk (ED).

I am Chief Financial Officer at Middleburg Financial Corporation ("MFC"), a bank holding company in Virginia, with $1.22 billion in assets as of June 30, 2012. Middleburg Financial Corporation is an SEC registrant. I am writing to express our opinions on specific provisions of the exposure draft (ED) referenced above.

We are concerned that many of the proposed tables will result in additional costs that will be burdensome to the bank and shareholders. Beyond the additional costs that will be incurred to prepare the tables, we will be disclosing proprietary information on retention and roll rates for time deposits and loans since the gap tables require banks to provide forecasts of their balance sheet for a full year. As a public company, we are also concerned that much of the information that is proposed to be disclosed could be misinterpreted, misleading and indeed harmful to the shareholders. Specifically, the proposed repricing analysis table requires that assets and liabilities be presented based on contractual repricing dates. Like many other community banks, a meaningful portion of our earning assets are in mortgage related investment securities. The contractual maturities of these securities tend to be longer than expected maturities because of their prepayable nature. However, for borrowings such as time deposits and Federal Home Loan Advances that are generally not prepayable, the expected maturities are the same as contractual maturities. It is for this reason that we do not put much value in preparing repricing tables based on contractual maturities of assets and borrowings. Conversely, the proposed tables will tend to 'exaggerate' any mismatch, and readers of the disclosures may conclude that the bank has more interest rate risk than it actually does. We also believe that our audit fees could increase substantially if we are required to provide these proposed disclosures in footnotes that are subject to audit.

Thank you for considering our comments on the Exposure Draft. We hope you find the feedback to be useful and illustrative of the concerns that banks have with the proposal.

Sincerely,

Raj Mehra

Executive Vice President &  
Chief Financial Officer

Middleburg Financial Corporation