



Independent Bankers' Bank

August 2, 2006



LETTER OF COMMENT NO.

114 A

Mr. Lawrence W. Smith
Chairman of Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856-5116

Dear Mr. Smith:

Re: Draft Abstract for EITF Issue 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements"

Dear Mr. Smith:

I am the Vice Chairman and Chief Executive Officer of Independent Bankers' Bank and have reviewed the information regarding EITF Issue No. 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements" in order to evaluate the impact of the EITF's proposed consensus on our bank.

I am writing to express strong opposition to the EITF's proposed accounting treatment for endorsement split-dollar plans. Our bank has such plans and we fail to understand the EITF's reasoning for requiring the employer to record a liability for the obligations of an insurance company.

It appears to us that the EITF has misconstrued the nature of a split-dollar transaction. We acquired life insurance policies that will provide a significant death benefit upon the death of the people whose lives are insured. Through a split-dollar arrangement we are sharing the right to a portion of that insurance coverage with the insured individuals. The cost of that coverage is being recorded already in our financial statements. It is perplexing to understand under what doctrine the EITF believes that we should then record an additional liability for the very coverage that is already being expensed.

Implementation of your proposal on this matter cannot help but confuse the readers of our financial statements and the financial statements of any other company with such plans. The portrayal of an obligation that does not exist is not only counter intuitive, it is false and misleading. Surely, upon further study the EITF or FASB can come up with a better solution to some perceived inadequacy in present practice, for the solution in your proposal is simply confounding.

3161 W. White Oaks Drive
Suite #300
Springfield, IL 62704
800-422-0734
Fax 877-409-2262

100 S. Fourth Street
Suite #930
St. Louis, MO 63102
888-829-2663
Fax 314-588-0044

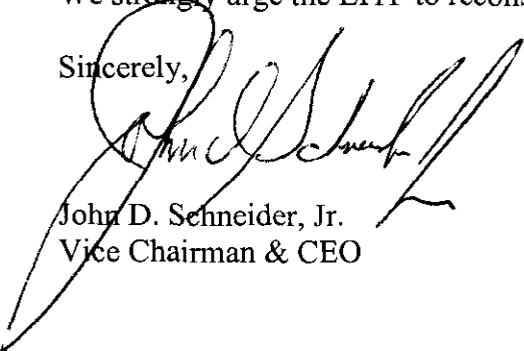
20 Martingale Road
Suite #225
Schaumburg, IL 60173
800-422-0734
Fax 877-409-2262

3200 Fishback Road
Suite #30
Carbondale, IL 62901
618-457-4850
Fax 618-529-7612

If the EITF moves forward with this proposed accounting treatment, the impact to our regulatory capital and to the regulatory capital of many other institutions across the country will be significant. It is likely that some or all of the split-dollar plans in our bank and in others will need to be terminated simply to remain in compliance with regulatory capital requirements. This is a significant detriment to many executives and directors for an accounting approach that eludes the test of reason and common sense. Furthermore, the short timeframe provided in your proposal to implement this change in accounting is totally inadequate for a thorough analysis of the impact and alternative actions required to assure adherence to regulatory guidelines on January 1, 2007.

We strongly urge the EITF to reconsider its proposal. Thank you for your consideration.

Sincerely,



John D. Schneider, Jr.
Vice Chairman & CEO