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MICHAEL L. KUBACKI
Chairman and Chief Executive Officer

September 27, 2010

Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

I know you have received numerous letters from bankers and others commenting on FASB's proposed application of fair value accounting to commercial bank financial statements. I would like to add my own perspective, which is that of the CEO of a \$2.6 billion publicly-held commercial bank, and someone who has spent his career making loans to business entities of virtually every description one can think of.

Therefore, my opposition to the fair value accounting proposal comes from a lenders mentality. Successful lenders make loans to people and companies who can pay them back, with interest at a fair rate. That is our sole focus. This is a focus that is not only critical to our bank's performance, but to the U.S. economy as well. These loans, particularly business loans, are inherently unmarketable. How valuable they might appear to be based on the application of a market-to-market formula, when we have no intention of selling them, should be irrelevant to ourselves and our investors.

What is important is whether we are making loans that can be paid back, and our financial statements should transparently reflect how well we are doing at this important business. It is a cash-out and cash-back business. Good lenders understand this, and focus on accounting numbers that describe the reality of cash flow. Some numbers are helpful, and some get in the way.

In a similar vein, I believe that bank stock investors' want to know whether the bank they have invested in is making sound loan and deposit decisions, and is generating high quality earnings that will ultimately manifest themselves in cash dividends paid to shareholders. This is investment 101, of course, but it is also reality. In my view, the new rules will create numbers that will not help investors understand the reality of our business. They will get in the way of that understanding, at best. At the worst, the numbers become a reality in and among themselves, where the speculative players in the market take advantage of the misperceptions created by misleading numbers and create trading strategies that add no value to the banking industry, our shareholders, and most importantly, the customers who need our support to keep the economy functioning.

Sincerely,

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