
From: Larry Maschhoff [mailto:lmachhoff@bankofillinois.com]
Sent: Friday, March 06, 2009 9:15 AM
To: Comments
Subject: FDIC premium increase

Dear Sirs, This 20 basis point increase will seriously hurt our bank's earnings this year. We anticipate this year will not be a good earnings year because of the economy and a number of our customers are feeling the economic impact of a down economy. Our delinquencies are increasing and we are seeing strains with our customers. We are increasing our loan loss reserves this year. With this kind of increase in the deposit insurance and the possibility of 10 basis more will dramatically reduce our income. At this time the increases will put a sever strain our our earnings and our ability to increase our loan loss reserve with is very important for our bank and our community. When I look at our UBPR from 12-1-008 and my pier group had a profit of approximately 40 points and I believe this year will be a worse year for earnings. your twenty point increase will wipe out 50% of last years earnings and I believe it will wipe out far more then 50% of earning with banks in my pier group. This large increase will hurt out ability to absorber current loan problems and reduce our ability to make new loans.

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