

OFFICE OF THRIFT SUPERVISION

Application Requesting Exemption Under The Depository Institution Management **Interlocks** Act

Order **Nb.:** 2004-41
Date: August 12, 2004
Docket **Nbs.:** H-3272, 15648

The Office of Thrift Supervision (OTS) **has** reviewed an application (Application) requesting an exemption under the Depository Institution Management Interlocks Act (Act) and 12 C.F.R. § 563f.6(a) of OTS's management interlocks regulations **on** behalf of Stephen D. Quinn (Individual), regarding the Individual's proposed **service** as a member of the boards of directors of American Express Bank Corp. (AEBC), New York, New York, and its subsidiary, American Express Bank Ltd. (AEBL), New York, New York, while he **serves as** a director of a bank holding company, Zions Bancorporation (Zions), Salt Lake City, Utah. AEBC and AEBL are both subsidiaries of American Express Company (Holding Company), New York, New York, a savings and loan holding company that controls American Express Bank, F.S.B. (Savings Bank), Salt Lake City, Utah.

The Individual is currently **a** director of Zions, and proposes **to serve as** a director of both AEBC and AEBL. He **will not be** a management **official** of the Holding Company or any of its other subsidiaries, including the Savings Bank. The Act and 12 C.F.R. § 563f.3(c) prohibit a management official of a depository organization (or any **affiliate** thereof) from simultaneously serving as a management official of an unaffiliated depository organization (or any **affiliate** thereof), regardless of where the depository organizations **are** located, if one of the depository organizations in question **has** total **assets** in **excess** of \$2.5 billion and the other depository organization **has** total assets in **excess** of \$1.5 billion. The proposed management interlock is subject to this prohibition.

Pursuant to section 563f.6(a), OTS may grant an exemption for **an** otherwise prohibited interlock if it determines that the interlock would not result in a monopoly or substantial lessening of competition, or threaten **safety** and soundness. In analyzing the competitive effects of a proposed interlock, OTS must consider the product lines of the entities involved and the market areas in which they compete to determine whether the proposed interlock would create a monopoly or substantially lessen competition.

The Holding Company, through the Savings Bank and other subsidiaries provides a **full** range of domestic financial **services**, including residential lending, credit cards (including **a** small business credit card program), deposit and investment services to a nationwide clientele. AEBC's sole activity is owning all of the stock of AEBL. AEBL engages in international banking activities through its offices in over forty countries. Zions' subsidiaries, including its subsidiary banks, operate through branches in **Arizona**, California, Colorado, Idaho, Nevada, New **Mexico**, Utah and Washington. Zions' subsidiaries offer a **full** line of banking services,

which includes commercial, consumer and residential lending, **as** well as other products similar to those offered by the Holding Company.

Competition exists between the Holding Company and Zions (or **their** affiliates) in national or local markets for the product lines of deposits, commercial/small business lending, credit cards, mortgage lending, insurance and **annuity services**, trust **services**, investment advisory and brokerage services.

OTS has considered the market shares of the Holding Company and Zions in each of several product lines, including deposits, commercial/small business lending, credit cards, mortgage lending, insurance and annuity **services**, trust **services**, investment advisory and brokerage **services** in appropriate national and local markets. With respect to each product line in the relevant geographic market, **OTS** has determined, based **on** the market shares of the Holding Company and Zions, that the proposed interlock would not create a monopoly or substantially diminish competition.

OTS has evaluated the interlock as proposed from a supervisory perspective, and has concluded that the interlock **will** not present **safety** and soundness concerns.

Based **on** the Application and the foregoing analysis, **OTS** concludes that the Individual's proposed **service** as a director for AEBC and AEBL meets the applicable approval criteria. Accordingly, the Application is hereby approved.

By order of the Director of the **Office** of Thrift Supervision, or his designee, effective August 12, 2004.



Scott M. Albinson
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