

OFFICE OF THRIFT SUPERVISION

Application Requesting Exemption Under The Depository Institution Management Interlocks Regulations

Order No.: 2006-40
Date: November 13, 2006
Docket No.: H-3304, 15685,
H-3064, 15128

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 for Mr. Dipak C. Jain (Individual), regarding the Individual's continuing service as a member of the board of directors of Deere & Co. (Deere), Moline, Illinois, while he serves as a director of Northern Trust Corporation (Northern Trust), Chicago, Illinois. Both Deere, a savings and loan holding company, and Northern Trust, a bank holding company, control federal savings associations, respectively, FPC Financial, FSB, Madison, Wisconsin, and Northern Trust Bank, FSB, Bloomfield Hills, Michigan.

The Individual is currently serving as a director of Deere and as a director of Northern Trust. The interlock recently became subject to the "major assets" prohibition of the Act¹ and 12 C.F.R. Part 563f (the Interlocks Regulations) due to an increase in Deere's assets, as calculated under the Interlocks Regulations. 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. Deere is a diversified savings and loan holding company. For the purpose of calculating the total assets of a diversified savings and loan holding company, only the assets of its depository institution affiliates are considered. Deere's savings association subsidiary's total assets exceed \$1.5 billion, and Northern Trust's total assets exceed \$2.5 billion.

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 considers 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. In doing so, OTS generally applies Department of Justice Guidelines for reviewing horizontal mergers.

¹ 12 U.S.C. § 3203.

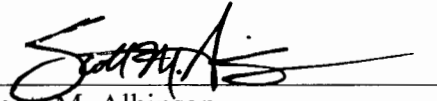
Competition exists between Deere and Northern Trust (or their affiliates) with respect to commercial lending, small business lending, and credit cards and consumer finance.

OTS has considered the market shares of Deere and Northern Trust (and their affiliates) in each relevant product and geographic market. OTS has determined, based on the level of concentration in the respective markets, the ease of entry into certain of those markets and the market shares of the relevant entities, that the proposed interlock would not create a monopoly or substantially diminish competition.

OTS has evaluated the proposed interlock 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 of Deere while serving as a director of Northern Trust 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 November 13, 2006.



Scott M. Albinson
Managing Director
Office of Examinations, Supervision and
Consumer Protection