

## Press Releases

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March 13, 2000

### OTS 00-31 - Federated, Parent of Bloomingdale's and Macy's, Granted Thrift Charter

#### Office of Thrift Supervision

FOR RELEASE at 9:00 A.M. EST

For further information

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OTS 00-31

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### Federated, Parent of Bloomingdale's and Macy's, Granted Thrift Charter

WASHINGTON, D.C., March 13, 2000 - Federated Department Stores, Inc., received approval Friday from the Office of Thrift Supervision (OTS) to convert its national credit card bank to a federal thrift institution that will be named FDS Bank. The new thrift will operate out of its existing office in Mason, Ohio, a suburb of Cincinnati where Federated has its headquarters.

Federated, best known for its Bloomingdale's and Macy's department stores, operates more than 400 department stores in 33 states under various names. Federated reported sales of more than \$18 billion for fiscal year 1999, which ended Jan. 31, 2000, and assets of \$17.7 billion. Federated becomes a unitary thrift holding company.

FDS Bank will continue for the time being to operate primarily as a limited purpose credit card operation. The \$54 million asset institution expects to expand into housing related credit products and eventually make those products available broadly. The bank's CRA assessment area will expand from a portion of its home county to the entire Cincinnati metropolitan statistical area consisting of 12 counties in Ohio, Kentucky and Indiana.

As part of its approval action, FMR Corp., the parent of the Fidelity family of mutual funds, has filed documents with OTS stating that any investment it has in Federated will be maintained at a non-controlling level, or under 25 percent.

Any significant changes from the new thrift's business plan must be approved by OTS, and before initiating mortgage and home equity lending, FSD Bank must develop and implement final underwriting policies and procedures covering those product lines and implement a compliance management program covering deposit and new lending activities. The plan involves such activities as comprehensive training for all affected staff and establishment of a system that ensures compliance with federal consumer protection laws and regulations.

At least 40 percent of the bank's directors have to be individuals who are not officers or employees of the holding company or affiliates. The thrift also must comply with anti-tying restrictions.

Approval Order for Federated - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-31a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).