

OFFICE OF THRIFT SUPERVISION

Application Requesting Exemption Under The Depository Institution Management Interlocks Regulations

Order No.: 2006-43
Date: November 13, 2006
Docket No.: H-3304, 15685,
H-3028, 15044

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. Robert W. Lane (Individual), regarding the Individual's continuing service as Chief Executive Officer and Chairman of the board of directors of Deere & Co. (Deere), Moline, Illinois, while he serves as a director of General Electric Company (GE), Fairfield, Connecticut. Both Deere and GE are diversified savings and loan holding companies that control federal savings associations, respectively, FPC Financial, FSB, Madison, Wisconsin, and GE Money Bank, Salt Lake City, Utah.

The Individual is currently serving as Chief Executive Officer and Chairman of Deere, and as a director of GE. The interlock recently became subject to the "major assets" prohibition of the Act¹ and 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) bar 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's total assets exceed \$1.5 billion, and GE'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.

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

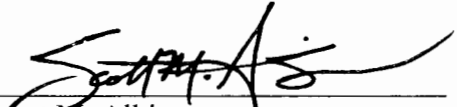
¹ 12 U.S.C. § 3203.

OTS has considered the market shares of Deere and GE (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 Chief Executive Officer and Chairman of the board of directors of Deere while serving as a director of GE 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