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Subject: Regulation Y

Comments:

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Proposal: Resolution Plans And Credit Exposure Reports Required
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Comments:

ZIONS BANCORPORATION CORPORATE RISK MANAGEMENT
June 10, 2011
Jennifer J. Johnson, Secretary Board of Governors
of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington DC 20551

Robert E. Feldman,
Executive Secretary

Attention: Comments/Legal ESS Federal Deposit Insurance Corporation 550 17th Street, NW Washington, DC 20429 Re: Resolution Plans and Credit Exposure Reports Required of Section 165(d) of the Dodd-Frank Act FRB Docket No. D-1414 RIN 7100-AD73 FDIC RIN 3064-AD77 Ladies and Gentlemen: Zions Bancorporation ("Zions") is pleased to submit comments regarding the above referenced notice of proposed rulemaking. Zions is a $51 billion bank holding company operating under local management teams and identities over 500 full-service banking offices in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah and Washington. Zions is generally supportive of the comments set forth by the Financial Services Roundtable, the American Bankers Association, the Securities Industry and Financial Markets Association, The Clearing House Association L.L.C. and the Institute of International Bankers regarding the above referenced notice of proposed rule making. In addition, we wish to highlight a number of points that are of particular interest to us: 1. Requirements for regional and other less complex bank holding companies should be tailored and proportional to their risk profile. Asset size, while a viable indicator, is an insufficient gauge of an institution's potential impact on the financial system during a crisis. Title I explicitly permits differentiation among financial firms, "on an individual basis or by category", and tailoring of regulatory requirements and timing based on differences in capital structure, complexity, financial activity, size and other risk-related characteristics. With $51 billion in assets, Zions may be considered "barely systemic". For example, Zions is a U.S. domestic bank holding company with derivatives activity limited almost exclusively to hedging internal balance sheet exposures. Also, Zions has virtually no international operations

and limited complexity. The overwhelming majority of our business is conducted through eight separate and distinct community bank subsidiaries, the largest of which has total assets of approximately $16 billion. Accordingly, we question whether the requirements in the proposed rule should be the same for a "Main Street" commercial bank as for a much larger, internationally active financial services company with extensive derivatives and capital markets operations. Instead, existing risk assessment processes at Zions, such as stress testing of loan portfolios and security holdings and assessments of the related impacts on capital, funding and liquidity could be relied upon to trigger certain measures in the proposed rule. Requiring information on an "as needed" basis rather than through a set requirement for all should promote effective use of limited company and regulatory resources. 2. Timing of plan submission should not conflict with existing reporting requirements. The initial plan submission deadline should facilitate development of thoughtful and integrated plans with a robust review by the company's board of directors. Similar to adoption of Basel and IFRS, it is unworkable to expect that a new risk management and resolution planning system will be implemented without full contemplation of the new requirements. If the rule is finalized in July 2011, the current 180 day plan submission deadline directly conflicts with most banks' year-end reporting requirements (e.g., Form 10-K, annual report). We urge consideration of at least a 270 day plan submission deadline, in lieu of 180. Further, annual plan updates as required by the proposed rule fall into the first quarter of each calendar year, extending this conflict indefinitely. A second quarter requirement in lieu of first quarter would alleviate this problem. Finally, the requirements for a revised plan 45 days after a qualifying event or change may needlessly trigger multiple plan submissions by periods of short-term market volatility or by stock buybacks. The threshold for any required interim plan updates should be high (e.g., a fundamental change in business structure, acquisitions that are substantial in size relative to the company's preexisting assets or revenues, or material changes in business strategy). 3. Data included in submitted plans should be protected. The final rule should explicitly provide for the protection of confidential and proprietary information in resolution plans and credit exposure reports (e.g., competitively sensitive credit data, confidential supervisory and attorney-client privileged information, trading position reports). 4. Data collection efforts should follow a holistic, integratedrisk management
approach. Planning for recovery and resolution should be considered as part of an integrated continuum. There are several other initiatives underway or contemplated, such as data to support single counterparty credit exposure limits and stress testing responsibilities under the Dodd-Frank Act. It is important to ensure that data collected through these other initiatives will be coordinated and harmonized to the extent possible so as to minimize redundant data collections. Developing a holistic or "end-to-end" approach to living will requirements could make them into useful supervisory and management tools for healthy firms. Sincerely, Dean L. Marotta Executive Vice President - Risk Management Zions Bancorporation