

# ZIONS BANCORPORATION

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HARRIS H. SIMMONS  
*Chairman, President and  
Chief Executive Officer*

April 27, 2012

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20551

Re: Re: Docket No. 1438 and RIN 7100-AD-86: Proposed Rule on Enhanced Prudential Standards and Early Remediation Requirements for Covered Companies

Ladies and Gentlemen:

I am CEO of Zions Bancorporation, a \$53 billion (assets) bank holding company with operations throughout the western United States. I am writing to comment on a specific proposed requirement found in Section 252.126 in the above-referenced rulemaking, regarding the appointment and role of a Chief Risk Officer ("CRO") by a covered company.

While there is an uncontested need for an independent risk management function in large banking organizations, I would urge the Board to allow covered companies a measure of flexibility in determining how such an organization should be structured.

In our organization, for example, we currently have both a Chief Credit Officer and an Executive Vice President for Risk Management; each reports directly to the CEO and provides regular reporting to the Risk Oversight Committee of the Board of Directors. The Chief Credit Officer is responsible for credit policy and organizational compliance with such policy, and the EVP for Risk Management is responsible for other risk functions, including the oversight and management of our risk appetite framework, and oversight of non-credit risk exposures. These executive officers' activities are regularly coordinated and reviewed at meetings of our management-level Enterprise Risk Management Committee.

We have deliberately chosen such a structure because, in a more traditional commercial banking organization such as Zions Bancorporation, we believe credit risk generally constitutes the greatest source of risk to our capital; it has proven, over time, to eclipse all other risks combined. We believe that having the Chief Credit Officer administratively report directly to the CEO, as opposed to subordinating the credit officer position by having it report to an intermediate CRO,

enhances the Chief Credit Officer's stature and clout within our organization, consistent with the objectives of the proposed regulation. It allows us to have a senior executive who is focused solely on credit and not spread thin by having responsibility for an assortment of other risks. We believe it also enables us to recruit, compensate and retain a highly talented credit executive more readily than would be the case if a "one size fits all" approach of having a single "uber" CRO is mandated by regulation.

Accordingly, I ask that consideration be given to allowing greater flexibility in determining the structure of the risk management function, with the possibility of multiple risk officers reporting to both the CEO and the risk committee of the board.

Respectfully,

A handwritten signature in black ink, appearing to read "Harris H. Simmons", written in a cursive style.

Harris H. Simmons  
Chairman and CEO  
Zions Bancorporation