



**Conditional Approval #1085  
January 2014**

December 19, 2013

Ms. Leslie A. Schmidt  
President  
Invesco National Trust Company  
Two Peachtree Pointe  
1555 Peachtree Street, N.E.  
Atlanta, Georgia 30309

Re: Applications to charter a national banking association whose operations are limited to those of a trust company and activities related thereto, to establish an operating subsidiary, and for changes in permanent capital  
OCC Control Nos. 2013-NE-133938, 135800, 135801, and 136422

Dear Ms. Schmidt:

The Office of the Comptroller of the Currency (“OCC”) hereby grants conditional preliminary approval for the application to charter a national banking association, whose operations are limited to those of a trust company and activities related thereto, to be located in Atlanta, Georgia, and named Invesco National Trust Company (“New INTC”).<sup>1</sup> Approval is also hereby granted to establish IVZ Merger Company, Inc., as a wholly owned operating subsidiary of New INTC, and for existing Invesco National Trust Company’s (“Existing INTC”) applications to reduce permanent capital and to receive a material non-cash contribution to capital. These approvals are granted after a thorough review of the applications, other materials supplied by the applicant’s representatives, and other information available to the OCC, including commitments and representations made in the application and during the application process. These approvals are also subject to the pre-opening requirements and conditions set out herein.

The OCC’s decision to grant these approvals is made after a determination that the applications met statutory and regulatory requirements. In evaluating an application to charter a national bank, the OCC considers whether the proposed bank has organizers who are familiar with national banking laws and regulations, has competent management, sufficient capital, reasonable expectation of profitability, will be operated in a safe and sound manner, will serve the convenience and needs of the community, and the risk to the Federal deposit insurance fund. Based on a thorough review of all information available, including the representations and commitments made in the application, the OCC hereby conditionally approves the application to charter a national bank.

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<sup>1</sup> The OCC also hereby grants pursuant to 12 U.S.C. § 72 the waivers for residency and citizenship requested in the charter application.

The decision to grant preliminary conditional approval to charter New INTC is made with the understanding that New INTC will become a member of the Federal Reserve. The charter approval is also conditioned on New INTC obtaining deposit insurance from the Federal Deposit Insurance Corporation (“FDIC”), as set out below.<sup>2</sup>

The OCC has granted conditional preliminary approval for New INTC only. Final approval and authorization for New INTC to open will not be granted until the pre-opening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke these conditional preliminary approvals if the OCC deems that any interim development warrants such action.

### **The Proposed Bank and Related Transactions**

The application to charter New INTC was made on behalf of Invesco Ltd. (“Invesco”). Invesco is the current owner of Existing INTC, an insured national bank whose operations are limited to trust and trust related activities.<sup>3</sup> Existing INTC operates two distinct business lines. One involves the management and administration of collective investment funds for retirement plans and providing custodial services for individual retirement accounts (the “Institutional Business”); the other involves providing personal trust services, such as financial planning, investment, and estate planning to individuals and families (the “Personal Business”).<sup>4</sup> Invesco wants to exit the Personal Business and retain only the Institutional Business.

Invesco entered a purchase and assumption agreement with the Canadian Imperial Bank of Commerce (“CIBC”) to sell Existing INTC and its immediate parent company to CIBC. Prior to the sale, the Institutional Business will have been transferred to New INTC, so that CIBC acquires only the Personal Business. Invesco owns Existing INTC through several wholly-owned intermediate subsidiaries. Atlantic Trust Group, Inc. (“ATG”)<sup>5</sup> is Existing INTC’s immediate owner; Invesco North American Holdings, Inc. (“INAH”), is the current direct owner of ATG. Invesco proposes to operate New INTC as a direct subsidiary of INAH. The establishment of New INTC is the first step in a series of transactions by which Invesco seeks to restructure the Institutional Business and, through the proposed sale of ATG and Existing INTC to CIBC, exit the Personal Business. Once all steps in the process are complete, Invesco will

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<sup>2</sup> The application for deposit insurance was submitted to the FDIC on May 24, 2013, concurrent with the charter application filing to the OCC.

<sup>3</sup> Although Existing INTC is FDIC insured it does not accept deposits from the public; it holds only an affiliate deposit in the minimum amount necessary to be deemed engaged in the business of receiving deposits other than trust funds under the FDIC’s regulations. *See* 12 C.F.R. § 303.14. Similarly, New INTC intends only to hold an affiliate deposit in the minimum amount necessary to maintain deposit insurance from the FDIC.

<sup>4</sup> Prior to 2008, the operation of the Personal Business was housed in a separate national trust bank owned by Invesco, Atlantic Trust Company, N.A. (“Atlantic Trust”). During 2008, Invesco merged Atlantic Trust into Existing INTC and continued to operate the Institutional Business and the Personal Business as two separate divisions. *See* OCC Conditional Approval No. 836 (December 20, 2007).

<sup>5</sup> Invesco proposes to convert ATG to an LLC prior to the proposed sale of ATG and Existing INTC to CIBC.

continue to own INAH and New INTC through a chain of several wholly-owned intermediate subsidiaries. (“Invesco Intermediate Subsidiaries”).<sup>6</sup>

The steps involved in the restructuring and sale will occur in succession and include the following. First, an application was filed with the OCC, under 12 U.S.C. §§ 21 through 27 and 12 C.F.R. § 5.20, to charter New INTC as an FDIC insured national bank whose operations would be limited to those of a trust company and activities related thereto. *See* 12 U.S.C. § 27(a) (last sentence). The conditional preliminary charter approval also constitutes the OCC’s grant of authority to New INTC to conduct fiduciary powers, under 12 U.S.C. § 92a and 12 C.F.R. § 5.26.<sup>7</sup>

OCC generally permits a national bank to exercise fiduciary powers if the bank is operating in a satisfactory manner with sufficient capital and surplus, the proposed activities comply with applicable statutes and regulations, and the bank retains qualified fiduciary management. Based on a thorough review of all information available, including the representations and commitments made in the application and by the Bank’s representatives, the OCC hereby approves the New INTC’s application for fiduciary or trust services.

Second, an application was also made to establish IVZ Merger Company, Inc. (“Merger Sub”) as a wholly owned operating subsidiary of New INTC pursuant to 12 U.S.C. § 24(Seventh) and 12 C.F.R. § 5.34. Merger Sub will not conduct any business; it is being established solely to facilitate the transfer of ATG and Existing INTC to CIBC.

A national bank “may conduct in an operating subsidiary, activities that are permissible for a national bank to engage in directly either as part of, or incidental to, the business of banking, as determined by the OCC, or otherwise under statutory authority.” 12 C.F.R. § 5.34(e). The subsidiary qualifies as an operating subsidiary as New INTC will own 100% and will only conduct activities that the New INTC currently engages in.

Next, Merger Sub will merge into ATG, Existing INTC’s immediate owner, and New INTC will be inserted into the ownership chain of ATG and Existing INTC, as a direct wholly-owned subsidiary of INAH.<sup>8</sup>

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<sup>6</sup> The Invesco Intermediate Subsidiaries are Invesco Holding Company Limited, IVZ, Inc., Invesco Group Services, Inc., IVZ UK Limited, and Invesco Management Group, Inc.

<sup>7</sup> Under 12 C.F.R. § 9.4 New INTC’s board of directors bears responsibility for New INTC’s proper exercise of fiduciary powers and, along with New INTC’s officers and employees, is expected to be thoroughly familiar with the OCC’s regulations regarding the fiduciary activities of national banks at 12 C.F.R. Part 9 and 12 C.F.R. § 5.26. Each of the organizers, proposed directors, and proposed senior executive officers of New INTC currently is either a director or senior executive officer of Existing INTC.

<sup>8</sup> Prior to consummation of the sale of ATG to CIBC, New INTC will hold ATG and Existing INTC as operating subsidiaries, albeit only for a moment in time. Because Existing INTC is not a “bank” for purposes of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.), see 12 U.S.C. § 1841(c)(2)(D), New INTC does not become a bank holding company. The OCC also reviewed the merger transaction for compliance with the affiliate transaction requirements under sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1) and 12 C.F.R. Part 223 (Regulation W) and determined the transaction meets regulatory requirements.

Thereafter, Existing INTC will make a capital distribution to transfer the Institutional Business to New INTC (“Capital Distribution”).<sup>9</sup> Existing INTC filed an application under 12 U.S.C. § 59 and 12 C.F.R. § 5.46 to permanently reduce capital to reflect the Capital Distribution.<sup>10</sup> Existing INTC also filed with the OCC an application for a material non-cash contribution to capital pursuant to 12 C.F.R. § 5.46 to reflect an allocation of fixed assets that is part of the broader transaction between Invesco and CIBC (“Capital Contribution”).

In determining whether to approve a proposed change to a national bank's permanent capital, the OCC considers whether the change is consistent with law, regulation, and OCC policy thereunder; provides an adequate capital structure; and if appropriate, complies with the bank's capital plan. Existing INTC is not subject to a “capital plan” as defined by section 5.46(e)(1), has an adequate capital structure, and the change is consistent with the law and policy. For a material non-cash contribution to capital pursuant to 12 C.F.R. § 5.46, the application must describe the type and amount of the proposed change in permanent capital and explain the reason for the change and provide a description of the method of valuing the contribution. Based on a thorough review of all information available, including the representations and commitments made in the application, the OCC hereby approves Existing INTC’s applications to permanently reduce capital and receive a material non-cash contribution.

Finally, the proposed sale of ATG, with its subsidiary Existing INTC, to CIBC will be consummated following the Capital Distribution.<sup>11</sup> The Capital Contribution will occur simultaneously with the sale closing.

Each step in the process outlined above will happen in succession and last only for a moment in time. After all of the transactions are consummated, New INTC will operate the Institutional Business currently conducted by Existing INTC, and Existing INTC will be owned by CIBC and continue to operate only the Personal Business.<sup>12</sup>

### **Organizers, Directors, and Officers**

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application for New INTC:

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<sup>9</sup> The transfer of trusts and other fiduciary accounts will be accomplished in a manner provided for under applicable law and/or consistent with the terms of the governing instruments.

<sup>10</sup> The Capital Distribution application also includes a request to distribute as a return of capital to Invesco a portion of Existing INTC’s capital remaining after the transfer of the Institutional Business.

<sup>11</sup> CIBC filed a notice with the OCC pursuant to the Change in Bank Control Act, 12 U.S.C. §1817(j) and the OCC’s implementing regulations at 12 C.F.R. § 5.50, in connection with its proposed acquisition of Existing INTC (“Notice”). CIBC filed the Notice at the same time the charter application for New INTC was filed with the OCC.

<sup>12</sup> CIBC proposes to rename Existing INTC “Atlantic Trust Company, National Association.”

<u>Name</u>	<u>Title</u>
Colin D. Meadows	Organizer, Chairman of the Board
Roderick G.H. Ellis	Organizer and Director
Aimee B. Partin	Organizer and Director
Leslie A. Schmidt	Organizer, Director, and President
Benjamin M. Utt	Organizer and Director
Annette Lege	Chief Financial Officer
Miranda O'Keefe	Chief Compliance Officer
Kevin Lyman	General Counsel and Secretary

Prior to opening, New INTC must obtain the OCC's prior written determination of no objection before adding any organizers, or appointing or electing any new executive officers or directors. For a two-year period after New INTC commences business, New INTC must file an *Interagency Biographical and Financial Report* with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

### **Organizing Steps and Pre-opening Requirements**

The "Charters" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing a national bank. The booklet contains all of the steps New INTC needs to take to complete its organization and receive its charter. The booklet is located at the OCC's web site: <http://www.occ.gov/publications/publications-by-type/licensing-manuals/charters.pdf>

As detailed in the booklet, the corporate existence of New INTC may be established and organization activities may proceed as soon as the Articles of Association and the Organization Certificate are adopted and forwarded to Licensing Analyst Kerry Rice in the OCC's Northeastern District Licensing Office for review and acceptance. As a "body corporate," or legal entity, New INTC may begin taking those steps necessary to obtain final approval. New INTC may not commence business until it fulfills all requirements for a national bank in organization and the OCC grants final approval.

Enclosed are minimum policies and procedures and standard requirements for new national banks that must be met before the OCC will issue final approval. New INTC's board of directors must ensure that applicable policies and procedures are established and adopted before New INTC begins operation.

### **Section 1818 Conditions**

These approvals are subject to the following conditions:

1. Within one (1) business day after opening, New INTC shall enter into a written Operating Agreement with the OCC on terms and conditions acceptable to the OCC. New INTC shall thereafter implement and adhere to the terms of the Operating Agreement.

2. Within three (3) business days after the effective date of the Operating Agreement between New INTC and the OCC, New INTC shall enter into a written Capital and Liquidity Support Agreement (“CSA”) with Invesco, the Invesco Intermediate Subsidiaries, INAH and the OCC on terms and conditions acceptable to the OCC, setting forth Invesco’s, the Invesco Intermediate Subsidiaries’ and INAH’s obligation to provide capital and liquidity support to New INTC if and when necessary. New INTC shall thereafter implement and adhere to the terms of the CSA.
3. Within three (3) business days after the effective date of the Operating Agreement between New INTC and the OCC, New INTC shall enter into a written Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) with Invesco, the Invesco Intermediate Subsidiaries and INAH on terms and conditions acceptable to the OCC, setting forth Invesco’s, the Invesco Intermediate Subsidiaries’ and INAH’s obligation to provide capital and liquidity support to New INTC if and when necessary. New INTC shall thereafter implement and adhere to the terms of the CALMA.
4. Invesco and New INTC shall take all steps necessary to ensure that the commitments and representations set forth in the letter dated December 11, 2013, from the Chief Financial Officer of Invesco to Richard T. Baskin, Assistant Deputy Comptroller, are fully adopted implemented and adhered to.
5. New INTC shall obtain deposit insurance by June 30, 2014. If New INTC has not obtained deposit insurance by June 30, 2014, then New INTC shall submit a plan to the OCC by June 30, 2014 detailing how it will wind up its affairs or otherwise comply with OCC requirements by December 31, 2014.

These conditions of approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

## **Conclusion**

These conditional approvals and the activities and communications by OCC employees in connection with the filings do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The OCC’s approval is based on the representations, submissions, and other information provided in connection with the applications available to the OCC as of this date. Any material change in the information on which the OCC has relied, may result in modification, suspension or rescission of these approvals. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Ms. Leslie A. Schmidt  
Invesco National Trust Company  
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Page 7 of 7

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available in electronic form on our Web site <http://www.occ.gov/publications/publications-by-type/licensing-manuals/index-licensing-manuals.html>

If New INTC has not commenced business within eighteen (18) months from the conditional preliminary charter approval date, the conditional preliminary charter approval and all the other approvals contained herein expire, unless extended by the OCC.

All correspondence, information required to be submitted to the OCC, or any questions concerning the conditional preliminary charter approval or any of the other approvals should be directed to Licensing Analyst Kerry Rice in the OCC's Northeastern District Licensing Office at (212) 790-4055. Please include the application control number(s) on any correspondence related to these filings.

Sincerely,

*Stephen A. Lybarger*

Stephen A. Lybarger  
Deputy Comptroller for Licensing

Enclosures