



Conditional Approval #1110
October 2014

September 15, 2014

Michael Nonaka, Esq.
Covington & Burling LLP
1201 Pennsylvania Avenue, NW
Washington, DC 20004-2401

Re: Applications to Charter Invesco National Trust Company-Texas and Merge Invesco National Trust Company, Atlanta, Georgia, with and into Invesco National Trust Company-Texas
Control Number: 2014-NE-Combination-139415

Dear Mr. Nonaka:

The Office of the Comptroller of the Currency (“OCC”) hereby conditionally approves the applications to charter Invesco National Trust Company-Texas, Houston, Texas (“INTC-Texas”)¹, and merge Invesco National Trust Company, Atlanta, Georgia (“INTC”) with and into INTC-Texas under the authority of 12 U.S.C. § 215a, with the resulting bank to be located in Texas, with the name “Invesco National Trust Company” (“New INTC”).² These approvals are granted based on a thorough evaluation of all information available, including commitments and representations made in the applications and during the application process, and a determination that the proposal meets certain regulatory and policy requirements.³ These approvals are subject to the conditions set out herein.

Background and Transaction Steps

The OCC received applications to charter INTC-Texas and merge INTC with and into INTC-Texas under the authority of 12 U.S.C. § 215a. INTC is an uninsured national trust bank⁴ with a trust office in Houston, Texas; it seeks to convert into a Texas state-chartered trust company.⁵

¹ The OCC granted approval to organize INTC-Texas on August 12, 2014.

² The OCC also hereby grants the requests for residency waivers for the directors of INTC-Texas and New INTC. See 12 U.S.C. § 72.

³ See, e.g. 12 C.F.R. § 5.33 and its discussion of the OCC’s requirements and policy considerations for business combinations.

⁴ “National trust bank” is a commonly used short term for a non-deposit taking national bank whose operations are limited to those of a trust company and activities related thereto.

INTC-Texas is being established as an uninsured national trust bank to facilitate the intended conversion. As proposed, upon consummation of the merger between INTC and INTC-Texas, New INTC will operate for only a brief moment and the conversion will consummate promptly after the merger.⁶

Legal Authority

The OCC received an application to charter INTC-Texas, a national bank whose activities are limited to trust activities. Chartering a national bank that limits its activities to those of a trust company and activities related thereto, is permissible under the National Bank Act and the OCC has chartered many such banks. *See, e.g.* 12 U.S.C. § 27(a) (last sentence); 12 C.F.R. § 5.20(e)(1) & 5.20(l).

In the proposed merger, INTC, an uninsured national trust bank whose main office is in Georgia would merge with INTC-Texas, an uninsured national trust bank whose main office is in Texas. INTC has a trust office in Houston, Texas. Under 12 U.S.C. § 215a, subject to certain procedural requirements, a national banking association "...may merge into a national banking association located within the same state..." 12 U.S.C. § 215a(a). The OCC previously has concluded that a national trust bank is located in any state in which it has a trust office for purposes of merging with another national trust bank or a state trust company in that state under section 215a.⁷ Thus, INTC is located in Texas for section 215a purposes and the merger is legally authorized.⁸

Section 1818 Conditions

These approvals are subject to the following conditions:

⁵The OCC issued final conditional charter approval for INTC on December 27, 2013, subject to, among other things, the requirement that INTC obtain insurance from the Federal Deposit Insurance Corporation ("FDIC") by June 30, 2014, or if unable to do so, submit a plan to the OCC by such date detailing how it would wind up its affairs or otherwise comply with OCC requirements. INTC formally withdrew its application to the FDIC for deposit insurance on April 2, 2014, and submitted a conversion application to the Texas Department of Banking ("TDB") on May 27, 2014 ("Conversion Application"). The proposed merger and conversion are steps in INTC's effort to comply with its conditional charter approval.

⁶The conversion of a national bank into a state bank is not subject to OCC approval; only notice to the OCC is required. *See* 12 U.S.C. § 214a and 12 C.F.R. § 5.24(e).

⁷*See, e.g., Decision on the Application to Merge Neuberger Berman Trust Company, New York, New York, with and into Neuberger Berman National Trust Company, Seattle, Washington* (OCC Corporate Decision No. 2001-29, September 28, 2001).

⁸Upon consummation of the merger, New INTC will succeed to the fiduciary powers of INTC. *See* 12 U.S.C. § 215a(e); *See also* 12 C.F.R. § 5.26(b)(1).

1. The merger shall not consummate prior to the Texas Department of Banking approving the Conversion Application.
2. The conversion shall consummate promptly after consummation of the merger. Within one day following consummation of the merger, if the conversion has not consummated, New INTC shall submit a plan to the OCC to wind down its affairs and terminate its status as a national bank within 90 days of the merger consummation date.

These conditions 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.

Consummation and Other Requirements

The Northeastern District Office must be advised in writing in advance of the desired effective date for the merger transaction, so it may issue the necessary certification letter. Unless an extension is granted, the merger must be consummated within ninety (90) days of the date of these conditional approvals. Failure to consummate within ninety (90) days or an approved extended time period granted by the OCC will cause these conditional approvals to lapse.

To the extent not already submitted, the OCC's Northeastern District Licensing Office must receive the following documents:

1. Certified copies of the board of directors' resolutions approving the merger and conversion, as applicable, and the required shareholder resolutions regarding notice and merger and conversion approval, as applicable.
2. Upon consummation of the conversion, INTC's charter certificate and related materials, and certification that all OCC Reports of Examination and any other OCC documents in the possession of INTC have been returned to the OCC or destroyed.

Conclusion

These conditional approvals and the activities and communications by OCC employees in connection with the applications 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. These conditional approvals are 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

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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.

If you have any questions, please contact Laurie Powell, Licensing Analyst at (917) 344-3432 or laurie.powell@occ.treas.gov. Please include the OCC control number on any correspondence related to these filings.

Sincerely,

signed

Sandya Reddy
Acting Director for District Licensing

cc: Leslie Schmidt, Invesco National Trust Company