



Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

November 8, 2000

**Conditional Approval #425
December 2000**

Wayne Dewitt, Esq.
Associate General Counsel
INVESCO Retirement and Benefit Services, Inc.
1315 Peachtree Street, Suite 200
Atlanta, Georgia 30309

Re: Application to Merge Institutional Trust Company, Denver, Colorado, with
AMVESCAP National Trust Company (an Interim National Bank), Atlanta,
Georgia (Control # 2000-SE-02-0019)

Dear Mr. Dewitt:

This is to inform you that the Office of the Comptroller of the Currency (“OCC”) has today conditionally approved your proposal to merge Institutional Trust Company, Denver, Colorado (“ITC”) with/into AMVESCAP National Trust Company, Atlanta, Georgia (“ANTC” or “the Trust Company”), an interim national bank. The surviving entity will be ANTC. This approval is granted based on a thorough review of all information available, including the commitments and representations made in the application and the merger agreement, and by your representatives.

The Trust Company is ultimately owned by AMVESCAP PLC (“AMVESCAP”), a company headquartered in London. AMVESCAP has two foreign banks and many other subsidiaries located outside the United States. However, AMVESCAP is not subject to the Bank Holding Company Act (“BHCA”) or the International Banking Act (“IBA”). There are potential supervisory concerns when a national bank has foreign affiliates, in particular foreign bank affiliates, and the parent is not subject to the BHCA and/or the IBA. The OCC is imposing several special conditions on this approval to address those concerns, as well as conditions related to its operations as a trust bank. This approval is subject to the following conditions:

- (1) The Trust Company will be limited to those activities described in the application and conducted in accordance with the representations made in the application.

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- (2) During the first three years after the merger, the Trust Company will obtain prior approval from the OCC's Southeastern District Office at least sixty (60) days before implementing any significant deviations or changes from the business plan in the application and supplementary information. The Trust Company must also provide a copy of such notice to the relevant FDIC regional office.
- (3) The Trust Company will maintain at all times a minimum level of Tier 1 capital of \$10 million, and will maintain at all times capital that meets or exceeds the levels required under 12 C.F.R. Part 3 for an adequately capitalized bank. (The Trust Company is reminded that it should keep adequate capital and liquidity in accordance with OCC Bulletin 2000-26.)
- (4) The Trust Company and INVESCO Retirement and Benefit Services, Inc. ("IRBS") must enter into a written binding agreement setting forth IRBS' obligations to provide capital maintenance and liquidity support to the Trust Company, if and when necessary. The terms and conditions of this capital and liquidity maintenance agreement must be acceptable to the Trust Company and the OCC and shall include a provision for collateral to support those obligations, if required by the OCC.
- (5) Upon request, AMVESCAP, AVZ, Inc. ("AVZ"), IRBS, and the Trust Company will provide the OCC access to, permit the OCC to examine, and provide the OCC with copies of, all books and records, all electronic records that accurately reflect the information in the books and records, and any other information of or concerning the Trust Company, as requested by the OCC. AMVESCAP, AVZ, IRBS, and the Trust Company will comply with such requests without regard to whether such books and records or other information are located within or without the United States.
- (6) The Trust Company will not engage in any covered transactions under 12 U.S.C. § 371c or any transactions subject to 12 U.S.C. § 371c-1 with any Foreign Affiliate, unless the Trust Company: (i) notifies the OCC of the identity of the affiliate and the nature of the transaction thirty (30) days before the transaction; (ii) maintains at the Trust Company, and has available for OCC review, a complete description and documentation of the transaction, and (iii) maintains at the Trust Company, and has available for OCC review, current financial information on the affiliate, including an annual income statement and balance sheet, expressed in U.S. Dollars and in English, audited by a reputable accounting firm (such information will at all times be no older than 18 months).

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For purposes of this condition, an extension of credit also includes a deposit by the Trust Company with an affiliate.

- (7) All transactions between the Trust Company and any affiliate, foreign or domestic, will be conducted subject to the applicable provisions of 12 U.S.C. § 371c, 12 U.S.C. § 371c-1, or other applicable Federal law. The Board of Directors of the Trust Company will annually review and approve the service agreements, the sub-advisory agreements, and any other transactions with foreign and domestic affiliates, including in particular any cost allocation or fee-sharing provisions in such agreements or other transactions.
- (8) The Trust Company will adopt and implement policies and procedures, including internal controls, reasonably designed to encompass anti-money laundering efforts as well as to ensure compliance with 31 U.S.C. Chapter 53, and the implementing regulations at 31 C.F.R. Part 103, and with 12 C.F.R. § 21.21.
- (9) By forming Trust Company, merging ITC into it, and operating Trust Company thereafter as a national bank, AMVESCAP consents and submits to the personal jurisdiction of any United States federal court of competent jurisdiction and of any Federal Banking Authority for purposes of any investigation or possible investigation, action, subpoena, examination, or proceeding by any Federal Banking Authority, the United States Department of Justice, or the United States Department of the Treasury, relating to the administration or enforcement of any U.S. Law or pursuant to any U.S. Law, including, in particular, section 8 of the Federal Deposit Insurance Act. For this purpose, AMVESCAP shall at all times maintain in the United States a designated agent, acceptable to the OCC, to accept service on its behalf including service of any process, notice order, or subpoena.¹

¹ For purposes of condition (9), "U.S. Law" means:

(i) all federal statutes, rules, and regulations that the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, or any other federal banking agency or department (individually, a "Federal Banking Authority" and, collectively, the "Federal Banking Authorities") administers or for which such Federal Banking Authority has rulemaking or enforcement authority, including without limitation, any conditions imposed in writing in response to approval of an application, and provisions of Title 12, United States Code, as from time to time may be applicable to the Bank, AMVESCAP, AVZ, IRBS, or an institution-affiliated party (an "IAP") of each thereof.

(ii) all federal criminal law violations which arise:

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The conditions of this approval are conditions imposed in writing by the agency in connection with the granting of any application or other request within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

In addition, AMVESCAP made the following commitments in writing, upon which we relied in granting conditional approval:

- (A) The Trust Company will maintain, and have available for OCC review, a list of Trust Company's affiliates (as defined in 12 U.S.C. § 371c(b)(1)), both foreign and domestic. The Trust Company will update the list at least annually or more frequently as significant changes occur in affiliates.
- (B) AMVESCAP, AVZ, IRBS, and the Trust Company agree to provide all information, without regard to whether such information is located within or without the United States, when requested, relating to: (a) enforcement or possible enforcement of, or any proceeding under, any U.S. Law against any of them or in which any of them is involved as a party; (b) the direct or indirect ownership or control of the Trust Company, AMVESCAP, AVZ, or IRBS; or (c) the operation or activities of the Trust Company, AMVESCAP, AVZ, IRBS, or any institution-affiliated party ("IAP") with respect to each thereof under the U.S. Law, including any unsafe or unsound practice or breach of fiduciary duty by Bank, Holding Company, or by any IAP with respect to each thereof.

For purposes of commitment (B), "U.S. Law" has the same meaning as used in condition 9.

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- (A) from the applicability of any provision of a U.S. Law, or,
 - (B) under section 1001 of Title 18 of the United States Code as it relates to information, statements, omissions, writings, or reports to a Federal Banking Authority, or,
 - (C) under sections 1004 through 1007, 656, 1344, 1956 and 1957 of Title 18 of the United States Code, or any other provision of Title 18 of the United States Code applicable to the ownership, control, operation, or activities of a bank, bank holding company, or subsidiary thereof, or to the activities of any IAP with respect to such bank, holding company or subsidiary, or,
 - (D) the Bank Secrecy Act, or the Currency and Foreign Transactions Reporting Act or the Foreign Corrupt Practices Act; and,
- (iii) any order or written agreement issued by any Federal Banking Authority pursuant to a U.S. Law against or with the Bank, AMVESCAP, AVZ, or IRBS.

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We note that ITC currently has a web page that contains links to selected affiliates that provide securities-related products and services in the retirement context and otherwise. These include links to "INVESCO Retirement Plan Services" and "INVESCO Funds Group." After the merger, ANTC plans to have a similar web page with links to these affiliates.² Although the bank currently does not permit accounts to be opened entirely online through its web-site, please note that the OCC expects a national bank to exercise appropriate caution and due diligence when opening accounts using the Internet, mail, and other non-traditional means. Any plans by the bank in this regard should include internal systems and controls that address the risks associated with such accounts. Systems and controls should also include appropriate procedures to verify customer information as part of the account opening process and to monitor for fraud after an account has been opened.

You are reminded to submit definitive copies of the proxy materials or information statement to the appropriate district office at the same time they are distributed to the shareholders.

Please refer to the "Corporate Organization" booklet for the required steps to organize an interim national bank. The steps to complete the merger are contained in the "Business Combination" booklet.

As a reminder, the district office must be advised in writing in advance of the desired effective date for the merger, so that the OCC may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the transaction when we receive:

- 1) A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved.
- 2) An executed merger agreement with Articles of Association for the resulting bank attached.

² The OCC previously has indicated that it expects national banks offering links or so-called hyperlinks to take reasonable steps to clearly distinguish between products and services that are offered by the bank and those offered by a third party or bank affiliate. Bank customers should be able to identify when they are dealing with the bank itself and when they are dealing with another party. In general, the bank should indicate that it does not provide, endorse, or guarantee any of the products or services available through the third party web pages. For links to pages that provide nondeposit investment products, the disclosures also should alert customers to risks associated with these products, for example, by stating that the products are not insured by the FDIC, are not a deposit, and may lose value. Further banks have responsibility for the appropriate placement of disclosures via electronic means on their web page(s). See, e.g., OCC Bulletin 98-31 (July 30, 1998) ("FFIEC Guidance on Electronic Financial Services and Consumer Compliance"). The OCC will continue to work with national banks as these aspects of electronic commerce and the Internet develop.

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3) A Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained, if required.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period.

Finally, we note that you requested that ANTC be classified as a "special purpose bank" under our Community Reinvestment Act regulation, 12 CFR § 25.11(c)(3). By letter last week, you were informed that we had approved that request.

If you have questions, please contact Senior Corporate Analyst Debra M. Burke at 404-588-4525.

Sincerely,

-signed-

Alan Herlands
Director, Licensing Operations

cc: Official File