



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

April 12, 2019

Luigi De Ghengi, Esq.
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Dear Mr. De Ghengi:

This responds to the request by Ameriprise Financial, Inc. (“Ameriprise”), Minneapolis, Minnesota, for a two-year extension of time, from the date it is approved by the Board to become a savings and loan holding company, to bring its activities and investments into compliance with the requirements of section 13 of the Bank Holding Company Act (“BHC Act”), also known as the Volcker Rule, and the Board’s Regulation VV.¹

Ameriprise has filed with the Board an application to become a savings and loan holding company, pursuant to section 10(e) of the Home Owners’ Loan Act, as amended, and the Board’s Regulation LL, as a result of the proposed conversion of its subsidiary, Ameriprise National Trust Bank, Minneapolis, Minnesota (“Bank”), into a federal savings bank.² In connection with this application, Ameriprise indicated that it currently is reviewing its activities and investments to ensure compliance with section 13 of the BHC Act and the Board’s Regulation VV. Ameriprise has represented that it believes it can take appropriate action to conform its activities and investments within the two years following its approval to become a savings and loan holding company.

The Board is charged with adopting rules to implement the provisions of Section 13 of the BHC Act that provide a banking entity a period of time after the effective date to bring its activities, investments, and relationships into compliance with that section. The Board adopted a final rule to implement the conformance period on

¹ 12 U.S.C. § 1851; 12 CFR part 248.

² See 12 U.S.C. § 1467a(e); 12 CFR part 238. Bank has filed a charter conversion application with the Office of the Comptroller of the Currency.

February 14, 2011.³ The Board’s regulations also clarify how the conformance period applies to a company that was not a banking entity on July 21, 2010, and becomes a banking entity after the conformance date.⁴ As noted in the preamble to the rule, the Board intended the conformance period to be “consistent with the manner in which newly established bank holding companies are treated for purposes of the nonbanking restrictions under section 4 of the BHC Act.”⁵ The regulations provide that a new banking entity generally must bring its activities into conformance with the requirements of the Volcker Rule before two years after the date on which the company first becomes a banking entity.⁶ In this way, the conformance rule provides a period of time for a new banking entity to comply with the Volcker Rule in a manner similar to the conformance period provided to a new bank holding company to comply with the non-banking activity restrictions under section 4 of the BHC Act.⁷

Under section 13 of the BHC Act, a “banking entity” includes certain insured depository institutions and companies that control insured depository institutions.⁸ For purposes of section 13 of the BHC Act, however, the definition of “insured depository institution” excludes certain limited-purpose banks that function solely in a trust or fiduciary capacity and meet certain other eligibility criteria.⁹ Therefore, a company that controls an insured depository institution that is a limited-purpose trust bank and does not otherwise fall within the definition of “banking entity” is not itself a banking entity subject to section 13 of the BHC Act.

Bank was chartered as a federal savings bank on September 18, 2006, and converted to a limited-purpose charter on January 31, 2013. Upon the conversion of Bank from a federal savings bank to a limited-purpose trust bank in 2013, Ameriprise ceased to be a banking entity subject to section 13 of the BHC Act. However, prior to the 2013 conversion of Bank, Bank was an “insured depository institution” for purposes of the Volcker Rule, and Ameriprise was a “banking entity.” Due to its status as a “banking entity” on July 21, 2010, Ameriprise does not meet the conditions under the Board’s Volcker Rule conformance rule for a two-year conformance period.¹⁰ Ameriprise has not

³ See 76 Fed. Reg. 8265, 8265-8278 (February 14, 2011).

⁴ 12 CFR 225.181(a)(2).

⁵ See 76 Fed. Reg. at 8267.

⁶ 12 CFR 225.181(a)(2)(ii).

⁷ See 12 U.S.C. § 1843(a)(2).

⁸ 12 U.S.C. § 1851(h)(1).

⁹ *Id.*

¹⁰ 12 CFR 225.181(a)(2)(ii).

been a banking entity for over six years, however, and providing Ameriprise with an extension of time to comply with the Volcker Rule would be appropriate and consistent with the treatment of other new banking entities under the Board's conformance rule.

Based on all the facts and representations set forth in Ameriprise's request and in related correspondence, and acting under authority delegated by the Board,¹¹ I have granted a two-year extension, beginning on the date Ameriprise is approved to become a savings and loan holding company, for Ameriprise to bring its activities and investments into compliance with the requirements of section 13 of the BHC Act and the Board's Regulation VV.¹² Any change in the facts presented could result in a different conclusion and should be reported immediately to supervisory staff at the Federal Reserve Bank of Minneapolis. For purposes of this action, Ameriprise's commitments constitute conditions imposed in writing in connection with the findings and decision herein and, as such, may be enforced in proceedings under applicable law.¹³

Very truly yours,



Ann E. Misback
Secretary of the Board

¹¹ 12 CFR 265.5(a)(2).

¹² 12 CFR 225.181(a); see 12 CFR 265.5(a)(2).

¹³ 12 U.S.C. § 1818(b).