

May 8, 2023

**Conditional Approval #1304
June 2023**

Bret Hester
Executive Vice President
General Counsel, Strategy, Policy & Operations, TIAA
601 Thirteenth Street NW
Washington, DC 20005

Subject: Application to Charter TIAA Trust, National Association, Charlotte, North Carolina and related applications for Residency Waivers and Non Cash Contribution to Capital
OCC Control Numbers: 2022-SO-Charter-329362, 2022-SO-Waiver-329517 and
2022-SO-Capital&Div-330356
OCC Charter Number: 25288

Dear Mr. Hester:

The Office of the Comptroller of the Currency (OCC) hereby grants preliminary conditional approval for the application to charter TIAA Trust, National Association, Charlotte, North Carolina (Bank), an uninsured national bank that will engage solely in the operations of a trust company and activities related thereto. The OCC hereby grants preliminary conditional approval of your charter application upon determining that your proposal meets certain regulatory and policy requirements. Your applications for a waiver of director residency requirements and for a non cash contribution from Teachers Insurance and Annuity Association of America, New York, New York (TIAA) consisting of certain trust assets currently held by TIAA, FSB, Jacksonville, Florida are also approved. This approval also grants to the Bank the authority to conduct fiduciary powers, under 12 USC 92a and 12 CFR 5.26.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership.

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to modify, suspend or rescind this preliminary conditional approval should the OCC deem any interim development to warrant such action.

Conditions

This preliminary conditional approval is subject to the following condition(s):

1. The Bank shall: (i) give the OCC Midsize and Trust Bank Supervision division at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations,¹ and (ii) obtain the OCC's written determination of no supervisory objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no supervisory objection. This condition shall remain in effect during the Bank's first three years of operation.
2. After the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a written determination of no supervisory objection from the OCC prior to any new executive officer or director assuming such position. This condition shall remain in effect during the Bank's first two years of operation.
3. At all times, the Bank shall continue to maintain capital (the Bank's "Basic Capital Requirement") at least equal to the greater of:
 - (a) the amount required to be "well-capitalized" under the standards applicable to national banking associations under 12 CFR 6;
 - (b) \$20 million dollars (\$20,000,000) in Tier 1 capital; or
 - (c) such other higher amount as the OCC may require pursuant to the exercise of its regulatory authority under 12 USC 1818, 12 CFR 3, or in connection with any action on any application, notice, or other request made by the Bank.
4. At all times, at least 50 percent (50%) of the Bank's Basic Capital Requirement shall be comprised of Eligible Liquid Assets (the Bank's "Minimum Liquid Capital Requirement"). The Basic Capital Requirement and the Minimum Liquid Capital Requirement together shall constitute the Bank's Minimum Capital Requirement (the Bank's "Minimum Capital Requirement").
5. At all times, the Bank shall maintain liquidity in the form of Eligible Liquid Assets in an amount at least equal to the greater of \$108 million dollars (\$108,000,000) or one hundred and eighty (180) days coverage of operating expenses, excluding any Excluded Expenses (the Bank's "Minimum Liquidity Requirement"). For purposes of meeting the Minimum Liquidity Requirement, the Bank's Minimum Capital Requirement is not an available liquidity source. Thus, in determining compliance with the Minimum Liquidity Requirement and the Minimum Capital Requirement, Eligible Liquid Assets needed to meet the Minimum Capital Requirement shall not be included in calculating whether the Minimum Liquidity Requirement is met.

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

With respect to 3, 4 and 5 above:

- (a) the term “Liquid Assets” shall mean: (i) unencumbered cash; (ii) deposits at insured depository institutions with a maturity of 90 days or less; (iii) United States government obligations maturing within 90 days or less; and (iv) such other assets as to which the Bank has obtained a written determination of no supervisory objection from the OCC.
- (b) the term “Eligible Liquid Assets” shall mean only Liquid Assets that exceed the aggregate amount of all deposits, borrowed funds, and other liabilities on the Bank’s balance sheet that reflect an obligation to repay funds to any party. The term Eligible Liquid Assets shall not include any assets that are pledged in any manner, nor any assets that are not free and kept free from any lien, encumbrance, charge, right of set off, credit or preference in connection with any claim against the Bank. The term Eligible Liquid Assets shall not include any obligation of Teachers Insurance and Annuity Association of America, New York, New York or any other affiliate.
- (c) the term “Excluded Expenses” shall mean (i) any non-cash charges (*e.g.*, amortization and depreciation expenses); (ii) any account specific investment management fees/expenses paid to an affiliated or unaffiliated investment advisor that directly correlate to, and consist solely of a percent of, the revenues received on the affected account as a result of the Bank’s contractual obligation to provide investment management services; (iii) such other fees as to which the Bank has obtained a written determination of no supervisory objection from the OCC that directly correlate to, and consist solely of a percent of, the revenues received on the affected account.

The conditions of this 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 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

Proposed Bank

An application was made to the OCC, pursuant to 12 USC 21 through 27, 92a and 12 CFR 5.20 to charter the Bank, an uninsured national bank whose operations would be limited to those of a trust company and activities related thereto. *See* 12 USC 27(a) . The Bank will be a direct, wholly-owned subsidiary of TIAA.² This application is made in connection with a restructuring of TIAA, FSB, Jacksonville, Florida (FSB), an indirect, wholly-owned subsidiary of TIAA, specifically, the separation of the FSB’s investment management, fiduciary and custody business from its deposit and lending business. To that end, TIAA, the FSB’s ultimate parent company, proposes to charter Bank and to contribute FSB’s existing investment management, fiduciary and custody business into Bank.

² *A de minimis* number of Bank shares will be owned by the Bank’s directors to satisfy the national bank director qualifying shares requirements.

Organizers, Directors and Officers

The OCC poses no objection to the following person(s) serving as executive officer(s), directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Rashmi Badwe	Organizer, Director
Wendy Harrington	Organizer, Director
Kim Sharan	Organizer, Director
Rohan Williamson	Organizer, Director
Richard Immesberger	Organizer, Director, Chief Executive Officer, President and Chief Fiduciary Officer
Moshe Klagsbrun	Chief Financial Officer
Niladri “Neel” Mukherjee	Chief Investment Officer
Jeremy Intihar	Interim Chief Risk Officer and Chief Compliance Officer
Amy Braswell	Chief Information Security Officer
Andrew Svarre	General Counsel
Troy Burk	BSA Officer

Prior to the Bank’s opening, the Bank must obtain the OCC’s prior written determination of no supervisory objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position.

As indicated above, the OCC also granted your request to waive the residency requirements of 12 USC 72 for four of the five proposed members of the board of directors of the Bank. The waivers are granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, and the Bank’s representation that the waivers will not affect the board’s responsibility to direct the Bank’s operations in a safe, sound, and legal manner. The OCC reserves the right to withdraw or modify the waivers and, at its discretion, to request additional information at any time in the future.

Organizing Steps and Pre-opening Requirements

The Bank’s initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$72 million. It is understood that the transfer of trust business from FSB to Bank will occur in three waves. Upon completion of the transfer of the third wave, the Bank’s paid-in capital shall be no less than \$128 million. The manner in which capital is raised must not deviate from that described in the application without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant’s control. The organizers are expected to proceed diligently, consistent with their application, for the Bank to open for business as soon as possible.

The “Charters” booklet in the *Comptroller’s Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC’s web site:

<https://www.occ.gov/publications/publications-by-type/licensing-manuals/charters.pdf>. The booklet contains all of the steps you must take to receive final approval.

As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to Senior Licensing Analyst Sandya Reddy for our review and acceptance. As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin to engage in fiduciary activities until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Conclusion

This preliminary conditional approval and the activities and communications by OCC employees in connection with the filing 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 foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

This preliminary conditional approval is based on the bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this preliminary conditional approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains.

A letter requesting your feedback on how we handled the referenced application will be provided separately. We would appreciate your response so we may improve our service. Please include the OCC control number on any correspondence related to this filing. If you have any questions, please contact Senior Licensing Analyst Sandya Reddy at (202) 445-9100 or by email at sandya.reddy@occ.treas.gov.

Sincerely,

/s/

Stephen A. Lybarger
Deputy Comptroller for Licensing