

Invesco Ltd.
Form 10-Q
October 26, 2017
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13908

Invesco Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Bermuda

98-0557567

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

1555 Peachtree Street, N.E., Suite 1800, Atlanta, GA

30309

(Address of Principal Executive Offices)

(Zip Code)

(404) 892-0896

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging
growth
company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

As of September 30, 2017, the most recent practicable date, the number of Common Shares outstanding was 407,078,530.

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We include cross references to captions elsewhere in this Quarterly Report on Form 10-Q, which we refer to as this “Report,” where you can find related additional information. The following table of contents tells you where to find these captions.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Invesco Ltd.

Condensed Consolidated Balance Sheets
(Unaudited)

\$ in millions, except per share data	As of	
	September 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	1,716.3	1,328.0
Unsettled fund receivables	830.4	672.9
Accounts receivable	548.5	544.2
Investments	690.9	795.3
Assets of consolidated investment products (CIP):		
Cash and cash equivalents of CIP	485.9	742.2
Accounts receivable and other assets of CIP	69.1	106.2
Investments of CIP	5,124.3	5,116.1
Assets held for policyholders	12,102.6	8,224.2
Prepaid assets	122.8	116.9
Other assets	64.1	95.0
Property, equipment and software, net	483.0	464.7
Intangible assets, net	1,561.2	1,399.4
Goodwill	6,573.4	6,129.2
Total assets	30,372.5	25,734.3
LIABILITIES		
Accrued compensation and benefits	608.5	654.3
Accounts payable and accrued expenses	901.9	812.4
Liabilities of CIP:		
Debt of CIP	4,323.6	4,403.1
Other liabilities of CIP	339.9	673.4
Policyholder payables	12,102.6	8,224.2
Unsettled fund payables	810.8	659.3
Long-term debt	2,075.3	2,102.4
Deferred tax liabilities, net	351.5	309.7
Total liabilities	21,514.1	17,838.8
Commitments and contingencies (See Note 11)		
TEMPORARY EQUITY		
Redeemable noncontrolling interests in consolidated entities	309.6	283.7
PERMANENT EQUITY		
Equity attributable to Invesco Ltd.:		
Common shares (\$0.20 par value; 1,050.0 million authorized; 490.4 million shares issued as of September 30, 2017 and December 31, 2016)	98.1	98.1
Additional paid-in-capital	6,248.1	6,227.4
Treasury shares	(2,783.5)	(2,845.8)

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Retained earnings	5,199.8	4,833.4
Accumulated other comprehensive income/(loss), net of tax	(448.5)	(809.3)
Total equity attributable to Invesco Ltd.	8,314.0	7,503.8
Equity attributable to nonredeemable noncontrolling interests in consolidated entities	234.8	108.0
Total permanent equity	8,548.8	7,611.8
Total liabilities, temporary and permanent equity	30,372.5	25,734.3
See accompanying notes.		

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Invesco Ltd.
Condensed Consolidated Statements of Income
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
\$ in millions, except per share data	2017	2016	2017	2016
Operating revenues:				
Investment management fees	1,062.3	965.9	3,027.9	2,826.2
Service and distribution fees	217.6	213.4	635.3	614.5
Performance fees	42.3	3.4	70.3	26.8
Other	15.5	18.9	51.2	72.2
Total operating revenues	1,337.7	1,201.6	3,784.7	3,539.7
Operating expenses:				
Third-party distribution, service and advisory	380.4	362.1	1,095.6	1,057.7
Employee compensation	393.1	345.1	1,155.5	1,039.8
Marketing	29.5	26.4	83.0	79.6
Property, office and technology	92.8	78.2		