



Ohio Revised Code

Section 1107.15 Declaring dividends and distributions.

Effective: September 29, 1999

Legislation: House Bill 283 - 123rd General Assembly

A bank's board of directors may declare dividends and distributions on the bank's outstanding shares, subject to all of the following conditions:

- (A) Except as otherwise provided in division (B) of this section, payment of a dividend or distribution may only be funded from undivided profits.
 - (B) A dividend or distribution may be funded, in whole or in part, from surplus with the approval of both of the following:
 - (1) The holders of at least two-thirds of the outstanding shares of each class of the bank's stock;
 - (2) The superintendent of financial institutions.
 - (C) A dividend or distribution may be paid in treasury shares or in authorized but unissued shares, if the board makes the required transfers to surplus and paid-in capital.
 - (D) The approval of the superintendent is required for the declaration of dividends and distributions if the total of all dividends and distributions declared on the bank's shares in any year, and not paid in shares, exceeds the total of its net income for that year combined with its retained net income of the preceding two years.
 - (E) Prior to the declaration of any dividend or distribution the bank has made all required allocations to reserves for losses or contingencies.
-