



Ohio Revised Code

Section 1109.44 Investing in bank subsidiary corporations and bank service corporations.

Effective: January 1, 1997

Legislation: House Bill 538 - 121st General Assembly

- (A) A bank may invest, in the aggregate, twenty-five per cent of its assets in the stock, obligations, and other securities of bank subsidiary corporations and bank service corporations.
- (B) A bank shall obtain the approval of the superintendent of financial institutions prior to investing in, acquiring, or establishing a bank subsidiary corporation or bank service corporation, or performing any new activities in a bank subsidiary corporation or bank service corporation.
- (C)(1) A bank subsidiary corporation may engage in any activities, except taking deposits, that are a part or an extension of the business of banking.
- (2) A bank service corporation shall be owned solely by one or more depository institutions, and may, at any location, do any of the following:
- (a) Provide clerical, bookkeeping, accounting, statistical, or similar services;
 - (b) Engage in any activities, except taking deposits, that all of its owner depository institutions are authorized to engage in;
 - (c) Engage in any activity, except taking deposits, the board of governors of the federal reserve system has determined to be permissible for a bank holding company under section 4(c)(8) of the "Bank Holding Company Act of 1956," as amended, 70 Stat. 133, 12 U.S.C.A. 1843(c)(8).
- (D) Bank subsidiary corporations and bank service corporations are subject to examination and regulation by the superintendent.
- (E) Only if the company in which the investment is to be made qualifies as either a bank subsidiary corporation or a bank service corporation under this section may a bank invest in securities pursuant



to section 1109.39 of the Revised Code or make investments pursuant to section 1109.40 of the Revised Code that result in any of the following:

- (1) The bank, directly or indirectly, or acting through one or more other persons, owns, controls, or has the power to vote twenty-five per cent or more of any class of voting securities of the company in which the investment is being made.
- (2) The bank controls in any manner the election of a majority of the directors or trustees of the company in which the investment is being made.
- (3) As determined by the superintendent after notice and opportunity for a hearing, the bank directly or indirectly exercises a controlling influence over the management or policies of the company in which the investment is being made.