The Dodd-Frank Act and the Basel III capital rules

A number of factors should be considered—and a long-term perspective is necessary. The large number of other organizations may not need a BHC. Reviews of BHCs should be conducted with the following points in mind:

1. What to Do:

   a. BHCs' benefits have been reduced by the Dodd-Frank Act, the Basel III capital rules, and the Slow Growth and Difficulties

   BHC must be a source of strength for their banks. Federal Reserve Regulation N permits transactions among affiliates. Capital

   losses and gains can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not

   Disclaimer:

   Jones Day is a legal institution with more than 2,500 lawyers on five continents. We are One Firm Worldwide

2. Key Takeaways from

   Summit: Bank Holding Companies

3. What Banks Should Consider

   The complex and varied conditions that Small BHCs face are demanding and different. BHCs conducting nonbanking and FHC activities will need a BHC. Small BHCs will find holding companies extremely useful in meeting regulatory approval.

   Numerous other organizations should consider:

   Core

   The cost and time savings from converting to state or national banks, including state banks, personal, accounting, and bank

   Reduced Regulation

   Elimination of BHC regulation, although most BHC regulation focuses on depository institutions

   Activities, Assets, and Capital

   For what purposes can a BHC be conducted and held by the bank? All grandfathers acquisition or asset held by a corporation?

   Funding

   BHC may have up to five percent of any class voting securities of any entity, without prior regulatory approval.

   Governance

   BHCs under the Federal Reserve's Small BHC Policy and (ii) those engaged in nonbanking activities.

   Charter

   Charter changes or a merger are most useful for organizations (i) under $1 billion in assets that are "Small BHCs" under

   Costs

   Acquisitions

   BHC must be a source of strength for their banks. Federal Reserve Regulation W limits transactions between a bank and its BHC affiliates.

   Banking

   The recently eliminated deficiency was in the Federal Reserve's Small BHC Policy and (ii) those engaged in nonbanking activities.

   Tax

   A reorganization should be structured as a nontaxable transaction, which preserves existing tax benefits and facilitates future tax savings.

   Acquisitions

   BHC will have to be evaluated for the accuracy of the information provided by BHC and the necessary due diligence on behalf of BHC.

   Conclusions

   BHCs, especially BHCs that exercise financial holding company ("FHC") powers, can conduct more activities, assets, and capital

   Activities

   BHCs' activities, assets, and capital gains can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not

   Capital

   Small BHCs may incur up to 300 percent debt to equity, and capital adequacy is evaluated only at the consolidated level. All other organizations may incur

   Activities, Assets, and Capital

   BHCs' activities, assets, and capital gains can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not

   Governance

   BHCs under the Federal Reserve's Small BHC Policy and (ii) those engaged in nonbanking activities.

   Charter

   Charter changes or a merger are most useful for organizations (i) under $1 billion in assets that are "Small BHCs" under

   Costs

   Acquisitions

   BHC must be a source of strength for their banks. Federal Reserve Regulation W limits transactions between a bank and its BHC affiliates.

   Banking

   The recently eliminated deficiency was in the Federal Reserve's Small BHC Policy and (ii) those engaged in nonbanking activities.