

The background of the slide features a blurred image of financial data charts, including a candlestick chart and several line graphs with various colored lines (red, green, blue, purple) and dotted grid lines. The charts are overlaid on a dark purple gradient that transitions into a dark blue gradient at the bottom.

Core Concept #2: The Structure of Bank Regulation

The Structure of Bank Regulation: Three Big Ideas

1. Deposit-taking activities may only take place within a specially chartered and licensed form of legal entity – the “Insured Depository Institution” or “IDI”
 - The IDI’s deposits must be insured by the FDIC
 - The IDI’s activities must be limited to banking and incidental activities
2. An IDI may affiliate with companies engaged in a broader range of activities closely related to banking or other financial activities under a Bank Holding Company (“BHC”) (e.g., securities brokerage or dealing, asset management or insurance)
3. An IDI may not affiliate with companies engaged in commercial activities
 - This reflects the “separation of banking and commerce” that is a key element of the U.S. framework for banks

The Structure of Bank Regulation – Illustrated

