

# **WEST VIRGINIA LEGISLATURE**

**2018 REGULAR SESSION**

**ENROLLED**

**Committee Substitute**

**for**

**House Bill 4343**

BY DELEGATES FRICH, WESTFALL,

WHITE, UPSON, LOVEJOY, ROBINSON AND A. EVANS

[Passed March 3, 2018; in effect ninety days from passage.]



1 AN ACT to amend and reenact §31A-4-20 of the Code of West Virginia, 1931, as amended,  
2 relating to the delivery of financial statements to bank shareholders at or prior to the annual  
3 meeting of shareholders.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 4. BANKING INSTITUTIONS AND SERVICES GENERALLY.**

**§31A-4-20. Stockholders' annual meeting; financial statement; appointment, duties and report of outside auditing firm.**

1 (a) The stockholders of each state banking institution shall meet annually. The banking  
2 institution shall prepare and submit to the stockholders a copy of the institution's most recent fiscal  
3 year audited financial statements. The audited financial statement may be consolidated or  
4 combined statements of the banking institution, its holding company and any subsidiaries, that  
5 include a balance sheet as of the end of the fiscal year, an income statement for that year and a  
6 statement of changes in shareholders' equity for the year. The submission is sufficient if, within  
7 120 days of the close of the fiscal year, the banking institution delivers a physical or digital copy  
8 of the requisite statement through traditional mail or courier service, electronic mail or any other  
9 means of delivery or provides shareholders with notice of access to a digital copy of the  
10 statements published to a website or any other digital media platform or portal.

11 (b) The board of directors of the banking institution or, if such banking institution is  
12 controlled by a bank holding company, the bank holding company shall appoint an outside  
13 auditing firm on an annual basis to serve as the banking institution's auditor for the year.

14 (c) At such time or times as it may be directed to do so by the written request of the board  
15 of directors, or the Commissioner of Financial Institutions, such outside independent auditing firm  
16 shall immediately proceed to examine the condition of the bank, and upon completion of such  
17 examination, shall file its report in writing with the board of directors. Such report shall set forth in  
18 detail all items included in the assets of the bank which the firm has reason to believe are not of  
19 the value at which they appear on the books and records of the bank, and shall give the value of

20 each of such items according to its judgment. The board of directors shall cause such report to  
21 be retained as a part of the records of the bank.

22 (d) The workpapers of any audit, including any materials associated with an audit of the  
23 bank's electronic data procedures, shall be made available to the commissioner or to the  
24 examiners of the Division of Financial Institutions upon request, and will be accorded  
25 confidentiality in conformity with §31A-2-4 of this code.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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*Chairman, House Committee*

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*Chairman, Senate Committee*

Originating in the House.

In effect ninety days from passage.

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*Clerk of the House of Delegates*

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*Clerk of the Senate*

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*Speaker of the House of Delegates*

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*President of the Senate*

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The within ..... this the.....  
day of ....., 2018.

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*Governor*