

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Committee Substitute

for

House Bill 4343

BY DELEGATES FRICH, WESTFALL,

WHITE, UPSON, LOVEJOY, ROBINSON AND A. EVANS

[Reported down February 12, 2018, 2018; Referred to

the Committee on Banking and Insurance then the

Judiciary.]

1 A BILL to amend and reenact §31A-4-20 of the Code of West Virginia, 1931, as amended, relating
2 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. ~~At the annual~~
2 ~~meeting it is the duty of the cashier or other executive officer of~~ The banking institution to shall
3 prepare and submit to the stockholders a copy of the institution's most recent fiscal year audited
4 financial statements. ~~This requirement is satisfied if the banking institution mails or otherwise~~
5 ~~delivers to its shareholders annual audited financial statements, which may be consolidated or~~
6 ~~combined statements of the banking institution, its holding company and any subsidiaries, that~~
7 ~~include a balance sheet as of the end of the fiscal year, an income statement for that year and a~~
8 ~~statement of changes in shareholders' equity for the year, within one hundred twenty days of the~~
9 ~~close of the fiscal year~~ The audited financial statement may be consolidated or combined
10 statements of the banking institution, its holding company and any subsidiaries, that include a
11 balance sheet as of the end of the fiscal year, an income statement for that year and a statement
12 of changes in shareholders' equity for the year. The submission is sufficient if, within 120 days of
13 the close of the fiscal year, the banking institution delivers a physical or digital copy of the requisite
14 statement through traditional mail or courier service, electronic mail or any other means of delivery
15 or provides shareholders with notice of access to a digital copy of the statements published to a
16 website or any other digital media platform or portal.

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

20 (c) At such time or times as it may be directed to do so by the written request of the board
21 of directors, or the Commissioner of Financial Institutions, such outside independent auditing firm
22 shall immediately proceed to examine the condition of the bank, and upon completion of such
23 examination, shall file its report in writing with the board of directors. Such report shall set forth in
24 detail all items included in the assets of the bank which the firm has reason to believe are not of
25 the value at which they appear on the books and records of the bank, and shall give the value of
26 each of such items according to its judgment. The board of directors shall cause such report to
27 be retained as a part of the records of the bank.

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

NOTE: The purpose of this bill is to permit the digital delivery of publication of a bank's most recent year end audited financial statements to their shareholders at or prior to their annual meeting.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.