WEST VIRGINIA CODE: §31A-4-25

§31A-4-25. Dividends; limitations; penal provisions.

(a) The directors of any state-chartered banking institution may, quarterly, semiannually or annually, declare a dividend of so much of the net profits of that banking institution as they shall judge expedient, except that until the surplus fund of such banking institution shall equal its common stock, no dividends shall be declared unless there has been carried to the surplus fund not less than one- tenth part of that banking institution's net profits of the preceding half year in the case of quarterly or semiannual dividends, or not less than one-tenth part of its net profits of the preceding two consecutive half-year periods in the case of annual dividends;

(b) The prior approval of the commissioner of banking shall be required if the total of all dividends declared by such banking institution in any calendar year shall exceed the total of its net profits of that year combined with its retained net profits of the preceding two years;

(c) For the purpose of this section the term "net profits" shall mean the remainder of all earnings from current operations plus actual recoveries on loans and investments and other assets, after deducting from the total thereof, all current operation expenses, actual losses, and all federal and state taxes;

(d) Any director voting to declare any dividend, in violation of the provisions of this section, shall be personally liable to the creditors of such banking institution for any loss occasioned thereby, and shall be guilty of a misdemeanor.

WV Legislature