

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 6.1-56 of the Code of Virginia, relating to the payment of dividends by*
3 *banks.*

4 [H 1732]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That § 6.1-56 of the Code of Virginia is amended and reenacted as follows:**

8 § 6.1-56. Dividends; surplus; undivided profits.

9 The board of directors of any bank may declare a dividend of so much as they shall judge expedient
10 of the net undivided profits of the bank, after providing for all expenses, losses, interest and taxes
11 accrued, or due by such bank. But before any such dividend is declared, any deficit in capital funds
12 originally paid in shall have been restored by earnings to their initial level, and no dividend shall be
13 declared or paid by any bank which would impair the paid-in capital of the bank.

14 To ascertain the net undivided profits before any dividend shall be declared, all debts due to such
15 bank on which interest is past due and unpaid for a period of twelve months, unless the same are well
16 secured and in process of collection by law, shall be deducted from the undivided profits in addition to
17 all expenses, losses, interest and taxes accrued, and the balance shall be deemed to be the net undivided
18 profits.

19 Notwithstanding the foregoing provisions of this section, the Commission may limit *or approve* the
20 payment of dividends by the board of directors of any bank when the Commission determines that such
21 limitation *or approval* is ~~in the public interest and is necessary to ensure the financial soundness~~
22 *warranted by the financial condition* of the bank.

ENROLLED

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