

***Effective 5/13/2014***

**7-3-15 Dividends allowed -- Surplus requirements.**

- (1) The board of directors of a bank may declare a cash or stock dividend out of the net profits of the bank after providing for all expenses, losses, interest, and taxes accrued or due from the bank, as it shall judge expedient.
- (2) Before any dividend is declared pursuant to Subsection (1), not less than 10% of the net profits of the bank for the period covered by the dividend shall be carried to a surplus fund until the surplus shall amount to 100% of its capital stock.
- (3) Under this section, any amounts paid into a fund for the retirement of any debenture capital or preferred stock of the bank from its net earnings for the period covered by the dividend shall be considered an addition to its surplus fund if, upon the retirement of the debenture capital or preferred stock, the amount paid into the retirement fund for the period may be properly carried to the surplus fund of the bank. In this case the bank shall be obligated to transfer to the surplus fund the amount paid into the retirement fund.

Amended by Chapter 97, 2014 General Session