

this State, and any bank, savings institution or trust company, hereafter created under this Article, may amend its charter, articles of incorporation, or association, in any manner not inconsistent with the provisions of law, at any time, and in the case of banking institutions having capital stock such amendment shall be by a vote of its stockholders, representing two-thirds of the capital stock, such vote to be taken at a meeting called for that purpose. Such amendment, certified by the president and cashier, or treasurer, shall be executed, approved, filed and recorded as required for articles of incorporation.

Unless the required surplus will permit, no increase of capital shall be valid until the amount thereof has been subscribed, and actually paid in the manner required by this subtitle for subscriptions to original stock. No stock dividend shall be declared by any banking institution unless the remaining surplus funds of the institution shall be entirely sufficient to take care of all losses, and unless the surplus of said banking institution after the increase in capital shall be at least equal to twenty per cent (20%) of the capital stock as increased. If the surplus of any banking institution increasing its capital by a stock dividend shall, after such increase, be less than one hundred per cent (100%) of its capital as increased, such banking institution shall transfer to surplus at the close of a fiscal period either annually or semi-annually not less than ten per cent (10%) of its net earnings after providing for expenses, losses, interest and taxes accruing or due from said banking institution until such surplus shall equal and thereafter continue to equal one hundred per cent (100%) of its capital. No reduction of capital shall be made to a less amount than is required under the provisions of this Article for capital, nor be valid nor warrant the cancellation of stock certificates, or diminish the personal liability of stockholders, until such reduction has been approved by the Bank Commissioner. Such approval must be based upon a finding by him that the remaining assets of the bank or trust company, after such proposed reduction of its capital stock, will be entirely sufficient for the payment of the claims of existing creditors. The provisions of this section shall be construed retrospectively as well as prospectively.

SEC. 2. *And be it further enacted*, That Section 95 and Section 96 of Article 11 of the Annotated Code of Maryland (1939 Ed.), title "Banks and Trust Companies," subtitle "General Regulations," be and the same are hereby repealed and re-enacted with amendments so as to read as follows: