

sub-title "Savings Institutions", and to enact in lieu thereof, a new Section 40, to stand in the place and stead of the section so repealed, providing that no savings institution or savings bank hereafter incorporated shall have any capital stock but shall be a mutual association, providing the terms, conditions and limitations under which mutual savings institutions, whether hereafter incorporated under said Article or heretofore incorporated under general law or by special act of the General Assembly of Maryland, may be authorized to establish, maintain and operate branches within this State with the approval of the Bank Commissioner, AND THE BANKING BOARD and providing for the continuance, maintenance and operation of existing branches, AND PROVIDING FOR THE EFFECT OF THE ACT IN CALVERT COUNTY.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 40 of Article 11 of the Annotated Code of Maryland (1951 Edition), title "Banks and Trust Companies", sub-title "Savings Institutions", be and the same is hereby repealed, and that a new section, to be known as Section 40 of said Article, be and it is hereby enacted in lieu thereof to stand in the place and stead of the section so repealed, and to read as follows:

40. (a) *No savings institution or savings bank hereafter incorporated shall have any capital stock, but shall be a mutual association.*

(b) *Any savings institution hereafter incorporated or heretofore incorporated under general law or by special act of the General Assembly of Maryland shall have the right and authority to establish, maintain and operate a branch or branches in the city or county in which it is located or at any other point within the State, but only after having first obtained the approval of the Bank Commissioner, which approval may be given or withheld in his discretion, BY AND WITH THE ADVICE AND COUNSEL OF THE BANKING BOARD OF THIS STATE and shall not be given until he shall have ascertained to his satisfaction:*

(1) *That the public convenience and advantage will be promoted by the opening of any such branch for which application shall have been made;*

(2) *That said savings institution has complied with all the other terms and conditions prescribed by this Article applicable to said institution;*

(3) *That in case said savings institution shall, after the effective date of this Section, undertake to establish a branch outside of the city, town or village in which its main office is now located, it shall have set aside as a guarantee fund an amount equal at least to the minimum amount required by Section 42 of this Article, and shall have added to said guarantee fund an amount equal to the minimum requirement under this Article as to the capital and surplus of State banks in the same locality where said branch so applied for is to be established; provided, however, that in estimating such addition to said guarantee fund of said savings institution applying for said branch, credit shall be given for the amount that its existing guarantee fund exceeds the amount thereof required by this Article;*