(2) A STATE BANK ALSO SHALL HAVE A SURPLUS IN AN AMOUNT EQUAL TO 20 PERCENT OF ITS CAPITAL STOCK.

(B) EXCEPTION.

THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION DO NOT APPLY TO A STATE BANK WHICH NOW IS ENGAGED IN BUSINESS UNLESS:

(1) THE STATE BANK ESTABLISHES A BRANCH OUTSIDE THE MUNICIPAL AREA OF ITS MAIN OFFICE, IN WHICH CASE THE STATE BANK SHALL INCREASE ITS CURRENT CAPITAL AND SURPLUS BY AN AMOUNT EQUAL TO THE AMOUNT WHICH WOULD BE REQUIRED FOR THE SEPARATE INCORPORATION OF THE BRANCH LESS THE AMOUNT BY WHICH THE CURRENT CAPITAL AND SURPLUS OF THE STATE BANK EXCEEDS THAT OTHERWISE REQUIRED BY SUBSECTION (A) OF THIS SECTION.

(2) THE STATE BANK ESTABLISHES A BRANCH INSIDE THE MUNICIPAL AREA OF ITS MAIN OFFICE, IN WHICH CASE THE STATE BANK SHALL HAVE THE CAPITAL AND SURPLUS REQUIRED BY SUBSECTION (A) OF THIS SECTION.

(C) DEBT INSTRUMENTS.

UNLESS THE LAW PROVIDES OTHERWISE, THE CAPITAL STRUCTURE OF A STATE BANK INCLUDES ITS DEBT INSTRUMENTS ISSUED UNDER §6-125 OF THIS SUBTITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 11, §28 and the last paragraph of Art. 11, §70.

The provisions of present §70 which relate to deferment as to payment are deleted as unnecessary in light of §6-125(d) of this subtitle.

In subsection(a)(i), (ii), and (iii) of this section, the phrase "not more than" is substituted for "up to" to correct a gap which occurs in a municipal area with a population of exactly 15,000, exactly 50,000, or exactly 150,000 inhabitants.

In subsection (b) of this section, the phrase "municipal area of its main office" is substituted for the phrase "where they are now located" to avoid confusion if the State bank has extant branches and to conform with the requirements for establishment of branches by a savings institution. The term "municipal area" is defined in Title 1 of this article.