

**INTERPRETIVE LETTER 91-30 (NOVEMBER 4, 1991)**

**When state bank has less than five directors, at least one director may not be an officer or employee of bank.**

Please be advised that your letter addressed to the Commissioner of Banks and Trust Companies has been referred to me for response. In your letter, you inquire if the Illinois Banking Act ("Act") places restrictions on the number or proportion of inside directors allowable on the board of directors of a state chartered bank

Section 16 of the Act, Ill. Rev. Stat. 1989, ch. 17, par. 323, governs the directorate of an Illinois state chartered bank. Specifically, paragraph 2(a) states that a state bank may not have less than 5 nor more than 25 directors. If the number of directors of a state bank falls within the above parameters, then the Act places no restrictions on the number or proportion of inside directors allowable.

Section 2(b) allows a state bank, under certain restrictions, to have a minimum of 3 directors. If a state bank has less than 5 directors, then at least one director shall not be an officer or employee of the bank.