

STATE OF IOWA
2018

ANNUAL REPORT

of the

SUPERINTENDENT
OF BANKING

of the

STATE OF IOWA

for the year ending

JUNE 30, 2018

To the Honorable
Kim Reynolds
Governor



IDOBanking
Iowa Division of

KIM REYNOLDS
GOVERNOR
ADAM GREGG
I.T. GOVERNOR

RONALD L. HANSEN
SUPERINTENDENT

December 20, 2018

TO THE HONORABLE
KIM REYNOLDS
GOVERNOR OF IOWA

Dear Governor Reynolds:

It is my pleasure to submit to you the 2018 State of Iowa Annual Report of the Superintendent of Banking for the fiscal year ending June 30, 2018.

Respectfully submitted,

A handwritten signature in black ink that reads "Ronald L. Hansen". The signature is written in a cursive style with a large, prominent "R" and "H".

Ronald L. Hansen
Superintendent of Banking

**STATE OF IOWA
DEPARTMENT OF COMMERCE
DIVISION OF BANKING
Office of the Superintendent**

Statement of Policy

The Iowa Division of Banking (IDOB) provides equal employment opportunity to all persons regardless of their race, creed, color, religion, sex, national origin, age, physical or mental disability, sexual orientation, or gender identity consistent with applicable state and federal policies and regulations. The IDOB also applies affirmative action measures to correct the underutilization of females, minorities, and persons with disabilities whenever remedial measures are appropriate.

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Private Banks	0

*Includes main offices

STATE BANKING COUNCIL

Ronald L. Hansen, Chairman

Name	Location	Term
Susan Daley	Walcott	May 1, 2017, to April 30, 2021
Kevin Kness	Albia	May 1, 2015, to April 30, 2019
Gina Lawler-Sitzmann	Sioux City	June 23, 2016, to April 30, 2020
Peggy Scott	Greenfield	May 1, 2017, to April 30, 2021
Surasee Rodari	Des Moines	June 23, 2012, to April 30, 2020
Glenn S. Rowe	Lorimor	May 1, 2018, to April 30, 2022

STATE BANKING OFFICIALS, EXAMINERS, AND EMPLOYEES

Ronald L. Hansen, Superintendent

Shauna Russell Shields, Bank Bureau Chief

Rodney E. Reed, Finance / Professional Licensing Bureau Chief

David Huang, Chief Operating Officer

Tracy L. Bergmann, Chief Examiner

Zachary D. A. Hingst, Examiner—Legal Specialist

Peter T. Angus, Bank Analyst

Brandon C. Hart, Bank Analyst

David D. Lundahl, Bank Analyst

Michael R. Stamper, Bank Analyst

Benjamin T. Hare, Systems Analyst

Dane J. Kaufman, Systems Analyst

Mary T. Teare, Systems Analyst

Richard J. Vicker, Senior Systems Analyst

Jessica M. Beerbower, Accountant II

Christy A. Bills, Administrative Secretary

Kathleen R. Johnson, Office Manager

Jamie A. Moellers, Secretary II

BANK BUREAU**REGIONAL MANAGER**

Anderson, Mark P.
Garrels, Gregory E.
Olson, Brian L.

Sexton, Jamie L.
Wichman, Timothy M.

SENIOR EXAMINER

Angus, Melodee A.
Bartenhagen, Stephen F.
Bergman, Gary A.
Chamberlain, Gretchen L.
Crail, Tracy M.
Cronin, David J.
Digmann, Adam M.
Garman, Kara L.
Honsbruch, Harlan H.

Lamb, Martin C.
Lehmann, Jerrod A.
Luett, Cathi L.
Pasbrig, Jill R.
Peters, Paula A.
Roland, Roger K.
Saunders, Scott R.
Wiederin, Julie A.

BANK EXAMINER

Benjamin, Courtney R.
Beyerink, Anthony D.
Brady, Mark C.
Brauns, Hayley L.
Brown, Erin E.
Burrell, Jennifer A.
Coronado, Kayla J.
Eickert, Emily M.
Estlund, Austin G.
Fette, Sue A.
Forbes, Logan D.
German, Alexander J.
Gross, Marci L.
Halls, Austin J.
Irlbeck, Zachery T.
Jensen, Jennifer H.

Jorgensen, Halie C.
Kelly, Kristine M.
Lauver, Nicole E.
Lechtenberg, Madison L.
Lee, Justin K.
McKee, Stuart W.
O'Brien, Nathan A.
Pogemiller, Deborah K.
Richmond, Sage K.
Schmitz, Cody B.
Schult, Cameron D.
Smith, Zachery M.
Van Houten, Traci A.
Walter, Daniel G.
Wiederin, Megan A.
Wiemers, Nicholas A.

FINANCE BUREAU

Christensen, Craig D.
Gordon, Joseph T.
Hubbell, Ty J.
Jacobi, Michelle R.

Johnson, Randy L.
March, Brandy M.
Siems, Daniel R.

PROFESSIONAL LICENSING BUREAU

Evans, Jeffrey M.
Goddard, Colleen
Lampe, Bob
Lindgren, Tracy
Malek, Sandy K.

Paulsen, Renee
SchraderBachar, Lori
Simbro, Jill S.
Stull, Teresa
Thompson, Ashley

INSTITUTIONS UNDER THE SUPERVISION OF THIS DIVISION

Iowa Chartered Banks	275
One-Bank Holding Companies	201
Multi-Bank Holding Companies	26
Industrial Loan Licensees	43
Regulated Loan Licensees	267
Money Services Licensees	120
Debt Management Licensees	58
Delayed Deposit Service Licensees	149
Mortgage Banker Licenses	372
Mortgage Broker Licenses	58
Mortgage Banker Company Registrants	20
Mortgage Loan Originators.....	6,290
Closing Agents.....	91
Trust Companies	1

APPLICATIONS TO ORGANIZE A STATE BANK

Proposed Location	Bank	Application Received	Decision and Date	Effective Date
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None

APPLICATIONS FOR VOLUNTARY DISSOLUTIONS, MERGERS, AND CONVERSIONS

VOLUNTARY DISSOLUTIONS

Location	Bank	Application Received	Decision and Date	Effective Date
Marcus (1)	First Trust & Savings Bank, The	05-07-18	Approved 06-05-18	Pending

MERGERS

Location	Name	Application Received	Decision and Date	Effective Date
Sioux Rapids (2)	First State Bank	06-29-17	Approved 09-05-17	10-20-17
Hawarden (3)	First State Bank	07-03-17	N/A	09-25-17
Cedar Rapids (4)	Guaranty Bank and Trust Company	07-26-17	Approved 09-11-17	12-01-17
Alcester, SD (5)	State Bank of Alcester	08-07-17	Approved 09-25-17	11-17-17
Audubon (6)	Landmands Bank	11-03-17	Approved 12-21-17	12-31-17
Independence (7)	Security State Bank	12-20-17	Approved 02-01-18	03-19-18
Osceola (8)	Clarke County State Bank	05-04-18	N/A	Pending
Sioux City (9)	Pinnacle Bank Sioux City	05-14-18	Approved 06-27-18	Pending
Nevada (10)	Community Bank	06-14-18	Pending	

CONVERSIONS FROM STATE CHARTER

Location	Bank	Application Received	Decision and Date	Effective Date
None				

CONVERSIONS TO STATE CHARTER

Location	Bank	Application Received	Decision and Date	Effective Date
Webster City (11)	WCF Financial Bank	04-03-18	Approved 05-30-18	06-30-18

RELOCATION AND BANK OFFICE APPLICATIONS**RELOCATION OF PRINCIPAL PLACE OF BUSINESS FROM
ONE MUNICIPAL CORPORATION TO ANOTHER**

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
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None

BANK OFFICES

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
Central Bank Storm Lake	Dakota Dunes, SD	07-29-16	Approved 08-23-16	10-16-17
American Trust & Savings Bank Dubuque	Windsor Heights	10-06-16	Approved 11-01-16	07-10-17
Primebank Le Mars	Sioux City	03-31-17	Approved 04-25-17	Pending
Two Rivers Bank & Trust Burlington	Des Moines	04-19-17	Approved 05-16-17	Pending
Earlham Savings Bank West Des Moines	Bevington	04-24-17	Approved 05-15-17	02-12-18
Pioneer Bank Sergeant Bluff	Dakota Dunes, SD	05-19-17	Approved 06-13-17	12-26-17
Luana Savings Bank Luana	Norwalk	05-19-17	Approved 08-16-17	Pending
Community State Bank Spencer (2)	Sioux Rapids	06-29-17	Approved 09-05-17	10-20-17
Houghton State Bank Red Oak	Griswold	07-12-17	Approved 07-31-17	12-20-17
PCSB Bank Clarinda	Bedford	07-18-17	Approved 08-08-17	Pending
Bank Iowa West Des Moines	Pella	07-24-17	Approved 09-18-17	10-01-17
Cedar Rapids Bank and Trust Company Cedar Rapids (4)	Cedar Rapids (2) Fairfax Marion	07-26-17	Approved 09-11-17	12-01-17
United Bank of Iowa Ida Grove	Boone	08-03-17	Approved 09-07-17	11-06-17
Premier Bank Rock Valley (5)	Alcester, SD	08-07-17	Approved 09-25-17	11-17-17
American State Bank Sioux Center	Sioux Center	08-11-17	Approved 09-12-17	Pending
Crawford County Trust and Savings Bank Denison (6)	Audubon Kimballton	11-03-17	Approved 12-21-17	12-31-17

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
Northeast Security Bank Sumner (7)	Dysart Independence Urbana	12-20-17	Approved 02-01-18	03-19-18
Danville State Savings Bank New London	Wapello	01-04-18	Approved 01-22-18	01-22-18
Raccoon Valley Bank Perry	Grimes	02-07-18	Approved 03-02-18	Pending
United Bank of Iowa Ida Grove (1)	Aurelia Cleghorn Marcus	02-26-18	Approved 03-27-18	Pending
City State Bank Norwalk	Norwalk	03-12-18	Approved 03-16-18	Pending
Peoples Savings Bank Indianola	Seymour	03-28-18	Approved 04-24-18	06-04-18
WCF Financial Bank Webster City (11)	Independence	04-03-18	Approved 05-30-18	06-30-18
Dubuque Bank and Trust Company Dubuque	Broomfield, CO	04-17-18	Approved 05-21-18	05-21-18
MidWestOne Bank Iowa City	Westminster, CO	05-07-18	Approved 05-29-18	05-29-18
Peoples Bank Rock Valley (9)	Hinton Sioux City	05-14-18	Approved 06-27-18	Pending
Lincoln Savings Bank Cedar Falls	Des Moines	06-01-18	Approved 06-25-18	Pending
Availa Bank Carroll (10)	Holstein Nevada	06-14-18	Pending	

COURIER SERVICE OR MOBILE OR CONVENIENCE OFFICES

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
Farmers State Bank Marion	Marion	05-26-17	Approved 06-20-17	Pending

**RELOCATION OF BANK OFFICE OR PRINCIPAL PLACE OF BUSINESS
IN SAME CITY OR MUNICIPAL CORPORATION**

Bank and Location	Current Location	Proposed Location	Application Received	Decision And Date	Effective Date
Bank Midwest Spirit Lake (12)	26 South Broadway 307 North Minnesota	525 Center Street New Ulm, MN	08-22-16	Approved 08-29-16	09-25-17
State Bank of Bussey Bussey	209 Cornerstone Drive Oskaloosa	201 Cornerstone Drive Oskaloosa	11-09-16	Approved 11-22-16	01-29-18
United Bank of Iowa Ida Grove	121 Idaho Street Glidden	425 East Ninth Street Glidden	11-09-16	Approved 11-21-16	02-20-18
Peoples Savings Bank Indianola (13)	102 North Washington 900 North State Street	802 West Jasper Pleasantville	02-06-17	Approved 02-24-17	03-26-18
Luana Savings Bank Luana (14)	755 West Bridge Road Polk City	1015 Tyler Street Polk City	04-21-17	Approved 05-15-17	Pending
MidWestOne Bank Iowa City (15)	835 Southview Blvd St. Paul, MN	930 Southview Blvd St. Paul, MN	05-25-17	Approved 06-20-17	02-20-18
MidWestOne Bank Iowa City	1520 Royal Palm Sq Fort Meyers, FL	8690 Gladiolus Drive Fort Meyers, FL	08-11-17	Approved 08-25-17	06-04-18
Community Savings Bank Edgewood	201 East Main Street Manchester	221 East Main Street Manchester	01-09-18	Approved 01-25-18	Pending
De Witt Bank & Trust Co. DeWitt	104 West Fourth Street Wilton	West Fifth Street Wilton	01-16-18	Approved 02-02-18	Pending
Bankers Trust Company Des Moines	102 NE Trilein Drive Ankeny	1925 N Ankeny Blvd Ankeny	01-24-18	Approved 01-30-18	Pending
Connection Bank Fort Madison	3140 Agency Street Burlington	115 Legacy Drive Burlington	02-12-18	Approved 02-21-18	Pending
Palo Savings Bank Palo	606 First Street Palo	2801 Hollenbeck Road Palo	03-08-18	Approved 03-14-18	Pending
City State Bank Norwalk	801 Main Street Norwalk	1225 Colonial Parkway Norwalk	03-12-18	Approved 03-16-18	Pending
Central State Bank Elkader	2530 Corridor Way Coralville	805 22 nd Avenue Coralville	04-23-18	Approved 04-26-18	Pending
First State Bank Webster City	717 Main Street Jewell	548 Main Street Jewell	05-17-18	Approved 05-25-18	06-04-18
Cedar Rapids Bank and Trust Co. Cedar Rapids	191 Jacolyn Drive, NW Cedar Rapids	3406 F Avenue, NW Cedar Rapids	06-01-18	Approved 06-07-18	Pending

Bank and Location	Current Location	Proposed Location	Application Received	Decision And Date	Effective Date
First Security Bank and Trust Co. Charles City	116 East Elmore Street Manly	3598 Orchid Avenue Manly	06-11-18	Approved 06-29-18	Pending
Breda Savings Bank Breda	103 Main Street Breda	105 Main Street Breda	08-15-18	Approved 08-21-18	04-30-18

TEMPORARY OFFICE RELOCATION

Bank and Location	Permanent Location	Proposed Temporary Location	Application Received	Decision And Date	Effective Date
Iowa State Savings Bank Knoxville	115 B Main Street Melcher-Dallas	116 A Street, SE Melcher-Dallas	07-20-17	Approved 07-21-17	07-24-17

BANK NAME CHANGES

Bank Location	Previous Name	New Name
Clive	Peoples Trust & Savings Bank	Peoples Bank

BANK CHARTERS TERMINATED

Location	Bank	Type of Action	Date Terminated
Hawarden (3)	First State Bank	Merger	09-25-17
Sioux Rapids (2)	First State Bank	Merger	10-20-17
Cedar Rapids (4)	Guaranty Bank and Trust Company	Merger	12-01-17
Audubon (6)	Landmands Bank	Merger	12-31-17
Independence (7)	Security State Bank	Merger	03-19-18

FOOTNOTES

- (1) Application for approval of plan of The First Trust & Savings Bank, Marcus, to voluntarily cease to carry on the business of banking. Application for United Bank of Iowa, Ida Grove, to acquire certain assets and liabilities of The First Trust & Savings Bank, Marcus, and to establish bank offices at 111 East Second Street, Aurelia; 101 North Lewis Avenue, Cleghorn; and 100 West Pine Street, Marcus.
- (2) Application to merge First State Bank, Sioux Rapids, with and into Community State Bank, Spencer, as the resulting state-chartered bank. Application by Community State Bank, Spencer, to establish a bank office at 123 Main Street, Sioux Rapids.
- (3) Notice of intent to merge First State Bank, Hawarden, with and into Farmers State Bank, Marion, South Dakota, as the resulting South Dakota state-chartered bank.
- (4) Application to merge Guaranty Bank and Trust Company, Cedar Rapids, with and into Cedar Rapids Bank and Trust Company, Cedar Rapids, as the resulting state-chartered bank. Application by Cedar Rapids Bank and Trust Company, Cedar Rapids, to establish bank offices at 2711 Bever Avenue, SE, and 191 Jacolyn Drive, NW, Cedar Rapids; 300 80th Street Court, Fairfax; and 700 25th Street, Marion.
- (5) Application to merge State Bank of Alcester, Alcester, South Dakota, with and into Premier Bank, Rock Valley, as the resulting state-chartered bank. Application by Premier Bank, Rock Valley, to establish a bank office at 190 Iowa Street, Alcester, South Dakota.
- (6) Application to merge Landmands Bank, Audubon, with and into Crawford County Trust and Savings Bank, Denison, as the resulting state-chartered bank. Application by Crawford County Trust and Savings Bank, Denison, to establish bank offices at 201 South Division Street, Audubon; and 105 North Main Street, Kimballton.
- (7) Application to merge Security State Bank, Independence, with and into Northeast Security Bank, Sumner, as the resulting state-chartered bank. Application by Northeast Security Bank, Sumner, to establish bank offices at 402 Main Street, Dysart; 231 First Street East, Independence; and 205 North Union Avenue, Urbana.
- (8) Notice of intent to merge Clarke County State Bank, Osceola, with and into First National Bank, Ames, as the resulting national banking association.
- (9) Application to merge Pinnacle Bank Sioux City, Sioux City, with and into Peoples Bank, Rock Valley, as the resulting state-chartered bank. Application by Peoples Bank, Rock Valley, to establish bank offices at 468 Titan Avenue, Hinton; and 1901 Morningside Avenue, Sioux City.
- (10) Application to merge Community Bank, Nevada, with and into Availa Bank, Carroll, as the resulting state-chartered bank. Application by Availa Bank, Carroll, to establish bank offices at 411 North Main Street, Holstein; and 1121 South G Avenue, Nevada.
- (11) Application to convert WCF Financial Bank, Webster City, a federal savings association, to a state-chartered bank to be known as WCF Financial Bank. Application by WCF Financial Bank, Webster City, to establish a bank office at 305 First Street West, Independence.
- (12) Application by Bank Midwest, Spirit Lake, to relocate two bank offices in New Ulm, Minnesota, from 26 South Broadway and 307 North Minnesota to one location, 525 Center Street.
- (13) Application by Peoples Savings Bank, Indianola, to relocate two bank offices in Pleasantville from 102 North Washington and 900 North State Street to one location, 802 West Jasper.
- (14) Application by Luana Savings Bank, Luana, to relocate a bank office in Polk City from 755 West Bridge Road to 1015 Tyler Street. Address was changed to 855 West Bridge Road.

(15) Application by MidWest*One* Bank, Iowa City, to relocate a bank office in St. Paul, Minnesota, from 835 Southview Boulevard to 900 Southview Boulevard. Address was changed by city to 930 Southview Boulevard.

FINANCIAL DATA

**IOWA DIVISION OF BANKING
FINANCIAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2018**

	BANK AND FINANCE BUREAUS DEPT 213	PROFESSIONAL LICENSING BUREAU DEPT 217	IDOB GRAND TOTAL
Total Budgeted Resources	\$ 12,195,976.47	\$ 5,190,445.22	\$ 17,386,421.69
Total Budgeted Expenditures	12,195,976.47	5,190,445.22	17,386,421.69
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Actual Resources	\$ 12,793,114.91	\$ 4,604,882.40	\$ 17,397,997.31
Total Actual Expenditures	11,076,602.61	2,457,840.11	13,534,442.72
	<u>\$ 1,716,512.30</u> ¹⁾	<u>\$ 2,147,042.29</u> ²⁾	<u>\$ 3,863,554.59</u>

1) \$1,716,512.30
-1,112,932.47 Carry forward balances of special funds
\$603,579.83 Reverted for SFY 2018

2) \$2,147,042.29
-169,849.01 Carry forward balances of special funds
\$1,977,193.28 Reverted for SFY 2018

ABSTRACT #267

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 275 Iowa Chartered Banks as of
 June 30, 2018, as Compared with 279 Iowa Chartered Banks as of June 30, 2017
 (000s)

	June 30, 2018		June 30, 2017		June 30, 2018 compared with June 30, 2017	Percent of Change
		Percent		Percent		
ASSETS						
Cash & Due from Banks	\$ 3,684,916	4.82%	\$ 3,383,566	4.63%	\$ 301,350	8.91%
Federal Funds Sold	316,628	0.41%	364,399	0.50%	(47,771)	-13.11%
Held-to-Maturity Securities	1,127,751	1.47%	1,172,823	1.60%	(45,072)	-3.84%
Available-for-Sale Securities	12,716,409	16.63%	12,914,383	17.67%	(197,974)	-1.53%
Loans & Direct Lease Financing	55,695,011	72.84%	52,532,797	71.87%	3,162,214	6.02%
Less: Loan Loss Valuation	(723,664)	-0.94%	(687,268)	-0.94%	(36,396)	5.30%
Fixed Assets	1,081,314	1.43%	1,045,222	1.43%	36,092	3.45%
Other Real Estate	78,605	0.10%	76,117	0.10%	2,488	3.27%
Intangible Assets	512,176	0.67%	478,209	0.65%	33,967	7.10%
Other Assets	1,977,278	2.59%	1,817,907	2.49%	159,371	8.77%
Total Assets	<u>\$ 76,466,424</u>	<u>100.00%</u>	<u>\$ 73,094,155</u>	<u>100.00%</u>	<u>\$ 3,368,269</u>	4.61%
LIABILITIES						
Transaction Deposits	\$ 16,352,995	21.39%	\$ 16,029,604	21.93%	\$ 323,391	2.02%
Non-transaction Deposits	<u>46,093,220</u>	<u>60.28%</u>	<u>43,659,923</u>	<u>59.73%</u>	<u>2,433,297</u>	5.57%
Total Deposits	\$ 62,446,215	81.67%	\$ 59,689,527	81.66%	\$ 2,756,688	4.62%
Federal Funds Purchased	1,527,593	2.00%	1,512,050	2.07%	15,543	1.03%
Mortgages Payable & Other Borrowings	3,629,027	4.75%	3,273,313	4.48%	355,714	10.87%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0	0%
All Other Liabilities	<u>451,292</u>	<u>0.58%</u>	<u>424,992</u>	<u>0.57%</u>	<u>26,300</u>	6.19%
Total Liabilities	\$ 68,054,127	89.00%	\$ 64,899,882	88.78%	3,154,245	4.86%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0	0%
Total Equity Capital	<u>8,412,297</u>	<u>11.00%</u>	<u>8,198,273</u>	<u>11.22%</u>	<u>214,024</u>	2.61%
Total Liabilities & Equity Capital	<u>\$ 76,466,424</u>	<u>100.00%</u>	<u>\$ 73,098,155</u>	<u>100.00%</u>	<u>\$ 3,368,269</u>	4.61%
Tier 1 Leverage Ratio		10.67%		10.60%		

ABSTRACT #267

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 275 Iowa Chartered Banks as of
 June 30, 2018, as Compared with 276 Iowa Chartered Banks as of December 31, 2017
 (000s)

	June 30, 2018		December 31, 2017		June 30, 2018 compared with Dec. 31, 2017	Percent of Change
		Percent		Percent		
ASSETS						
Cash & Due from Banks	\$ 3,684,916	4.82%	\$ 3,617,409	4.78%	\$ 67,507	1.87%
Federal Funds Sold	316,628	0.41%	462,025	0.61%	(145,397)	-31.47%
Held-to-Maturity Securities	1,127,751	1.47%	1,205,352	1.59%	(77,601)	-6.44%
Available-for-Sale Securities	12,716,409	16.63%	12,888,342	17.03%	(171,933)	-1.33%
Loans & Direct Lease Financing	55,695,011	72.84%	54,638,607	72.18%	1,056,404	1.93%
Less: Loan Loss Valuation	(723,664)	-0.94%	(694,267)	-0.92%	(29,397)	4.23%
Fixed Assets	1,081,314	1.43%	1,059,788	1.40%	21,526	2.03%
Other Real Estate	78,605	0.10%	78,412	0.10%	193	0.25%
Intangible Assets	512,176	0.67%	506,585	0.67%	5,591	1.10%
Other Assets	1,977,278	2.59%	1,933,391	2.55%	43,887	2.27%
Total Assets	<u>\$ 76,466,424</u>	<u>100.00%</u>	<u>\$ 75,695,644</u>	<u>100.00%</u>	<u>\$ 770,780</u>	1.02%
LIABILITIES						
Transaction Deposits	\$ 16,352,995	21.39%	\$ 17,027,834	22.50%	\$ (674,839)	-3.96%
Non-transaction Deposits	<u>46,093,220</u>	<u>60.28%</u>	<u>44,848,986</u>	<u>59.25%</u>	<u>1,244,234</u>	2.77%
Total Deposits	\$ 62,446,215	81.67%	\$ 61,876,820	81.74%	\$ 569,395	0.92%
Federal Funds Purchased	1,527,593	2.00%	1,601,301	2.12%	(73,708)	-4.60%
Mortgages Payable & Other Borrowings	3,629,027	4.75%	3,508,451	4.63%	120,576	3.44%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0	0.00%
All Other Liabilities	<u>451,292</u>	<u>0.58%</u>	<u>406,691</u>	<u>0.54%</u>	<u>44,601</u>	10.97%
Total Liabilities	\$ 68,054,127	89.00%	\$ 67,393,263	89.03%	\$ 660,864	0.98%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0	0.00%
Total Equity Capital	<u>8,412,297</u>	<u>11.00%</u>	<u>8,302,381</u>	<u>10.97%</u>	<u>109,916</u>	1.32%
Total Liabilities & Equity Capital	<u>\$ 76,466,424</u>	<u>100.00%</u>	<u>\$ 75,695,644</u>	<u>100.00%</u>	<u>\$ 770,780</u>	1.02%
Tier 1 Leverage Ratio		10.67%		10.45%		

EARNINGS, EXPENSES AND DIVIDENDS OF IOWA CHARTERED BANKS
FOR CALENDAR YEARS 2015 – 2017
(Amounts Expressed in Thousands of Dollars)

Item Description	2017	2016	2015
INTEREST INCOME			
Interest on Loans and Leases	\$ 2,394,640	\$ 2,248,443	\$ 2,072,783
Interest on Securities	334,402	323,523	335,168
Other Interest Income	54,995	43,587	36,826
Total Interest Income	\$ 2,784,037	\$ 2,615,553	\$ 2,444,777
INTEREST EXPENSE			
Interest on Deposits	330,370	267,070	240,552
Expense of Fed Funds	11,397	9,036	8,871
Interest on Borrowed Money	71,565	69,351	70,226
Interest on Notes & Debentures	0	0	3
Total Interest Expense	\$ 413,332	\$ 345,457	\$ 319,652
Net Interest Income	2,370,705	2,270,096	2,125,125
Provision for Loan Losses	111,628	92,603	74,751
Non-interest Income	516,316	534,278	510,093
Securities Gains or (Losses)	3,264	25,207	20,238
NON-INTEREST EXPENSE			
Salaries & Related	1,047,432	1,015,191	948,257
Net Occupancy Expense	202,493	200,993	191,074
Other Non-interest Expense	492,528	519,265	484,627
Total Non-interest Expense	\$ 1,742,453	\$ 1,735,449	\$ 1,623,958
Income Before Taxes and Extra Items	1,036,204	1,001,529	956,747
Income Taxes	186,240	163,270	150,029
Income Before Extraordinary Items	849,964	838,259	806,718
Extraordinary Items	217	0	(7)
Net Inc Attrib to Noncontrolling Int	0	0	1
Net Income (Loss)	\$ 850,181	\$ 838,259	\$ 806,710
Dividends	\$ 479,815	\$ 468,225	\$ 471,545
Year-end Equity Capital Funds	\$ 8,302,381	\$ 7,794,907	\$ 7,336,999

ANNUAL REPORT
OF THE SUPERINTENDENT OF BANKING
DEPARTMENT OF COMMERCE
DIVISION OF BANKING

Annual Report of the Loan Licensees

Consolidated report for the year ending December 31, 2017, by entities authorized to make consumer loans at interest rates exceeding that permitted to be charged by depository institutions. Those entities include 262 licensees engaged in the business of making consumer loans pursuant to Iowa Code Chapter 536; 42 licensees engaged in the business of making consumer loans pursuant to Iowa Code Chapter 536A; and 152 delayed deposit services businesses licensed pursuant to Iowa Code Chapter 533D.

During calendar year 2017, the Superintendent of Banking issued 65 regulated loan licenses, 8 industrial loan licenses, and 2 delayed deposit services licenses. Compared to calendar year-end 2016, the number of regulated loan licenses increased 28, industrial loan licenses stayed the same, and delayed deposit services licenses decreased 10.

BALANCE SHEET

ASSETS		LIABILITIES	
Cash:		Borrowings:	
a) In banks	\$ 17,086,138	a) Short term	\$ 48,765,697
b) Compensating balance	4,730,033	b) Long term	64,529,453
Short term investments	645,661	Reserves:	
Loans receivable:		a) Dealer reserve	638,038
a) Gross receivable	203,302,542	b) License & taxes	88,369
b) Less unearned	<u>(7,537,920)</u>	c) Other reserves	<u>1,883,606</u>
c) Net receivable	195,764,621	Dividends payable	71,109
d) Less reserve for bad debt	<u>(11,241,216)</u>	Other liabilities	8,260,898
e) Adjusted net receivable	184,523,405	Total liabilities	<u>\$ 124,237,170</u>
Total liquid and earning assets	<u>\$ 206,985,237</u>	Net worth	1,113,649
Inter-company loans	227,311	Capital stock:	
Investments in affiliates	0	a) Preferred	18,620,303
Other investments	426,019	b) Common	1,430,021
Furniture, fixtures, equipment and vehicles (less depreciation)	1,790,189	c) Less treasury stock	<u>3,224,548</u>
Building and land (less depreciation)	3,000,805	Paid-in surplus	96,322,493
Repossessed property	421,577	Retained earnings	<u>(3,260,007)</u>
Prepaid expenses & deferred charges	4,676,542	Stockholders' equity	<u>\$ 110,661,465</u>
Other assets	<u>17,711,402</u>	Total liabilities, net worth, and Stockholders' equity	<u>\$ 235,239,082</u>
Total assets	<u>\$ 235,239,082</u>		

DETAIL OF LICENSABLE LOANS RECEIVABLE

	INDUSTRIAL	REGULATED	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Gross receivable	\$ 83,947,467	\$ 98,274,640	\$ 9,708,604	\$ 11,705,734	\$ 203,636,445
Less unearned	<u>(1,179,464)</u>	<u>(6,692,360)</u>	<u>0</u>	<u>0</u>	<u>(7,781,824)</u>
Net receivable	\$ 82,768,003	\$ 91,582,280	\$ 9,708,604	\$ 11,705,734	\$ 195,764,621
Less reserve for bad debt	<u>(1,868,556)</u>	<u>(8,149,501)</u>	<u>(498,060)</u>	<u>(432,778)</u>	<u>(10,948,895)</u>
Adjusted Net receivable	<u>\$ 80,899,447</u>	<u>\$ 83,432,779</u>	<u>\$ 9,210,544</u>	<u>\$ 11,272,956</u>	<u>\$ 184,815,726</u>

	INCOME				
	INDUSTRIAL LOAN	REGULATED LOAN	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Charges collected and/or earned	\$ 10,793,866	\$ 15,535,899	\$ 1,968,879	\$ 28,615,183	\$ 56,913,826
Late & deferment charges	337,283	428,738	56,754	36,316,312	37,139,087
Other loan fees	329,770	276,728	21,296	N/A	627,794
Credit insurance income	347,857	406,766	50,397	N/A	805,020
Other income	<u>37,614,547</u>	<u>6,810,103</u>	<u>42,705</u>	<u>0</u>	<u>44,467,354</u>
Total operating income	<u>\$ 49,423,322</u>	<u>\$ 23,458,234</u>	<u>\$ 2,140,031</u>	<u>\$ 64,931,495</u>	<u>\$ 139,953,082</u>
	EXPENSES				
Advertising	\$ 226,841	\$ 711,357	\$ 2,380	\$ 1,854,049	\$ 2,794,626
Auditing	134,811	144,917	65,939	42,298	387,965
Bad debt:					
a) Charge off	(646,514)	2,302,875	0	4,712,779	6,369,140
b) Deduct collections on charge off	22,588	442,885	0	(2,187,164)	(1,721,691)
c) Additions to reserve for bad debt	1,057,208	3,076,232	416,416	13,943,132	18,492,988
Depreciation and amortization	179,336	570,398	53,610	686,075	1,489,419
Insurance and fidelity bonds	68,275	95,182	18,461	216,018	397,936
Legal fees and disbursements	837,444	195,081	0	428,793	1,461,318
Postage, printing, stationery & supplies	234,409	272,353	17,340	684,865	1,208,967
Rent, janitorial services & utilities	485,448	1,198,486	23,964	8,360,220	10,068,118
Salaries of officers, owners & partners	1,016,554	165,916	0	3,030,016	4,212,486
Salaries of all other employees	2,961,134	7,199,173	597,830	17,321,346	28,079,483
Taxes (other than income)	239,230	154,894	65,376	185,756	645,256
License fees	42,500	30,517	5,234	282,164	360,415
Telephone & telegraph	31,939	147,541	30,169	550,367	760,016
Travel, auto expense & allowance	103,906	99,968	34,454	724,525	962,854
Supervision & administration	756,360	468,033	0	2,942,182	4,166,575
Other expenses	23,957,954	2,891,732	265,150	4,424,805	31,341,641
Interest paid on borrowed funds	<u>1,128,028</u>	<u>3,021,256</u>	<u>497,009</u>	<u>77,094</u>	<u>4,723,387</u>
Total expenses before income taxes	<u>32,594,274</u>	<u>22,303,026</u>	<u>2,093,333</u>	<u>58,279,320</u>	<u>115,269,953</u>
Income before income taxes	\$ 16,829,048	\$ 1,155,208	\$ 46,698	\$ 6,652,175	\$ 24,683,128
State income taxes	341,074	25,772	0	1,103,000	1,469,846
Federal income taxes	<u>17,801,880</u>	<u>160,631</u>	<u>0</u>	<u>73,754</u>	<u>18,036,265</u>
Total expenses	<u>\$ 50,737,228</u>	<u>\$ 22,489,429</u>	<u>\$ 2,093,333</u>	<u>\$ 59,456,074</u>	<u>\$ 134,776,064</u>
NET EARNINGS	<u>\$ (1,313,906)</u>	<u>\$ 968,805</u>	<u>\$ 46,698</u>	<u>\$ 5,475,421</u>	<u>\$ 5,177,017</u>

LOAN BUSINESS PROFIT PERCENTAGES

	<u>INDUSTRIAL</u>	<u>REGULATED</u>	<u>CREDIT SALE</u>	<u>DELAYED DEPOSIT</u>
Rate of Return:				
Average net receivable outstanding	\$ 83,879,254	\$ 47,097,011	\$ 10,646,133	\$ 11,606,938
Net income	\$ (1,313,906)	\$ 968,805	\$ 46,698	\$ 5,475,421
Rate of return	1.57%	2.06%	0.44%	47.17%
Analysis of charges on loans:				
Charges collected and/or earned	\$ 10,793,866	\$ 15,535,899	\$ 1,968,879	\$ 28,615,183
Average monthly rate collected	1.07%	2.75%	1.54%	20.54%
Analysis of expense per account:				
Average number of accounts outstanding	11,231	23,825	1,139	30,365
Total expenses	\$ 32,594,274	\$ 22,303,026	\$ 2,093,333	\$ 58,279,320
Average monthly expense per account	\$241.85	\$78.01	\$153.16	\$159.94
Delinquency Summary:				
60 – 90 days past due	\$ 257,386	\$ 707,970	\$ 97,777	\$ 225,976
90 – 119 days past due	\$ 90,452	\$ 279,601	\$ 126,921	\$ 1,103,297
120 days or more past due	\$ 244,348	\$ 893,165	\$ 312,170	\$ 0
Total contractual past due accounts	\$ 592,186	\$ 1,880,736	\$ 536,868	\$ 1,704,903
Delinquency as a percent of gross outstanding	0.71%	1.91%	5.53%	14.56%

ANALYSIS OF BUSINESS ACTIVITY

	<u>INDUSTRIAL</u>		<u>REGULATED</u>		<u>CREDIT SALE</u>		<u>DELAYED DEPOSIT</u>	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
Loans outstanding at beginning of year	11,113	\$ 78,579,356	28,826	84,438,619	1,311	\$ 11,755,600	33,039	\$ 12,763,328
Loans made during year	6,437	61,774,961	22,380	123,086,761	N/A	N/A	641,293	240,667,178
Loan balances purchased during year	<u>572</u>	<u>486,309</u>	<u>0</u>	<u>0</u>	<u>388</u>	<u>4,901,402</u>	<u>0</u>	<u>0</u>
Total	18,122	\$ 140,840,626	51,206	\$ 207,525,379	1,699	\$ 16,657,002	674,332	\$ 253,430,506
Loan balances charged off during year	404	\$ 1,407,112	2,298	\$ 7,272,319	307	\$ 1,661,633	13,172	\$ 4,600,527
Loan balances sold during year	1	6,550	0	0	0	0	3,190	1,223,952
Loans outstanding at year end	<u>11,231</u>	<u>82,768,003</u>	<u>31,199</u>	<u>91,582,205</u>	<u>1,066</u>	<u>9,708,604</u>	<u>30,072</u>	<u>11,705,734</u>
Total	11,636	\$ 84,181,665	33,497	\$ 98,854,524	1,373	\$ 11,370,237	46,434	\$ 17,530,213
Collection of principal during the year	<u>6,486</u>	<u>\$ 56,658,961</u>	<u>17,709</u>	<u>\$ 108,670,855</u>	<u>326</u>	<u>\$ 5,286,765</u>	<u>627,898</u>	<u>\$ 235,900,293</u>

LOAN BUSINESS — LEGAL ACTION

	INDUSTRIAL		REGULATED		CREDIT SALE		DELAYED DEPOSIT	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
Suits for recovery:								
a) Suits instituted during period	136	\$ 432,516	505	\$ 1,165,697	0	\$ 0	406	\$ 158,379
b) Suits settled before jdgmnt during period	1	\$ 4,200	1	\$ 1,999	0	\$ 0	10	\$ 2,752
c) Real estate foreclosure	0	\$ 0	0	\$ 0	N/A	N/A	N/A	N/A
Possession of chattels obtained by licensee:								
a) Household goods	0	\$ 0	0	\$ 0	0	\$ 0	N/A	N/A
b) Automobiles	313	\$ 2,108,812	88	\$ 440,393	0	\$ 0	N/A	N/A
c) Other chattels and property	0	\$ 0	1	\$ 4,659	N/A	N/A	N/A	N/A
d) Real estate	0	\$ 0	0	\$ 0	N/A	N/A	N/A	N/A
Sales of chattels by licensee:								
a) Number		259		82		0		N/A
b) Amount due	\$	1,542,841	\$	405,292	\$	0		N/A
c) Amount collected	\$	587,553	\$	297,419	\$	0		N/A
Sales of real estate by licensee:								
a) Number		0		0		N/A		N/A
b) Amount due	\$	0	\$	0		N/A		N/A
c) Amount collected	\$	0	\$	0		N/A		N/A

SUPPLEMENT INSURANCE REPORT**INDUSTRIAL LOAN**

1. Loans made during the year:	
a) Number	6,437
b) Amount (Gross loan amount)	\$ 63,628,196

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number	1,089	900	687
b) Amount (Gross loan amount)	\$ 8,231,936	\$ 6,537,810	\$ 7,749,968
3. Premiums	\$ 127,536	\$ 190,610	\$ 197,863
4. Claims paid	\$ 74,054	\$ 68,063	\$ 46,661
5. Net income from all credit insurance	\$ 347,857		

REGULATED LOAN

1. Loans made during the year:	
a) Number	22,380
b) Amount (Gross loan amount)	\$ 123,549,709

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number	9,582	7,992	9,219
b) Amount (Gross loan amount)	\$ 66,080,425	\$ 7,645,126	\$ 12,539,845
3. Premiums	\$ 1,346,938	\$ 2,104,849	\$ 958,639
4. Claims paid	\$ 70,024	\$ 26,770	\$ 25,080
5. Net income from all credit insurance	\$ 406,766		