
IOWA DEPARTMENT OF COMMERCE
DIVISION OF BANKING

2017
Annual Report
of the
Superintendent

STATE OF IOWA
2017

ANNUAL REPORT

of the

SUPERINTENDENT
OF BANKING

of the

STATE OF IOWA

for the year ending

JUNE 30, 2017

To the Honorable
Kim Reynolds
Governor



KIM REYNOLDS
GOVERNOR
ADAM GREGG
LT. GOVERNOR

RONALD L. HANSEN
SUPERINTENDENT

December 20, 2017

TO THE HONORABLE
KIM REYNOLDS
GOVERNOR OF IOWA

Dear Governor Reynolds:

It is my pleasure to submit to you the 2017 State of Iowa Annual Report of the Superintendent of Banking for the fiscal year ending June 30, 2017.

Respectfully submitted,

A handwritten signature in black ink that reads "Ronald L. Hansen".

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, 2014, to April 30, 2018

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

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**

Bergmann, Tracy L.
 Bruns, Paul A.
 Garrels, Gregory E.

Olson, Brian L.
 Wichman, Timothy M.

SENIOR EXAMINER

Anderson, Mark P.
 Angus, Melodee A.
 Bartenhagen, Stephen F.
 Bergman, Gary A.
 Brandenburg, Daniel T.
 Chamberlain, Gretchen L.
 Crail, Tracy M.
 Honsbruch, Harlan H.

Lehmann, Jerrod A.
 Luett, Cathi L.
 Peters, Paula A.
 Saunders, Scott R.
 Simmens, Robert E.
 Toay, David W.
 Wichman, Timothy M.
 Wiederin, Julie A.

BANK EXAMINER

Benjamin, Courtney R.
 Biery, Chas R.
 Brady, Mark C.
 Brauns, Hayley L.
 Burrell, Jennifer A.
 Coronado, Kayla J.
 Crail, Tracy M.
 Cronin, David J.
 Digmann, Adam M.
 Fette, Sue A.
 Garman, Kara L.
 German, Alexander J.
 Gross, Marci L.
 Halls, Austin J.
 Irlbeck, Zachery T.
 Jensen, Jennifer H.

Jorgensen, Halie C.
 Kelly, Kristine M.
 Lamb, Martin C.
 Leigh, David M.
 McKee, Stuart W.
 Meyer, Nicole E.
 Nelson, Nicholas B.
 Pasbrig, Jill R.
 Pogemiller, Deborah K.
 Richmond, Sage K.
 Roland, Roger K.
 Sexton, Jamie L.
 Smith, Zachery M.
 Van Houten, Traci A.
 Walter, Daniel G.
 Wilkin, Madison L.

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

INSTITUTIONS UNDER THE SUPERVISION OF THIS DIVISION

Iowa Chartered Banks.....	279
One-Bank Holding Companies.....	205
Multi-Bank Holding Companies.....	27
Industrial Loan Licensees.....	43
Regulated Loan Licensees.....	196
Money Services Licensees.....	111
Debt Management Licensees.....	60
Delayed Deposit Service Licensees.....	160
Mortgage Banker Licenses.....	349
Mortgage Broker Licenses.....	50
Mortgage Banker Company Registrants.....	16
Mortgage Loan Originators.....	5,608
Closing Agents.....	95
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
Winfield (1)	Peoples State Bank	07-28-16	Approved 09-12-16	09-30-16
Hartwick (2)	Hartwick State Bank	11-17-16	Approved 12-19-16	02-03-17

MERGERS

Location	Name	Application Received	Decision and Date	Effective Date
Corning (3)	Okey-Vernon First National Bank	05-11-16	Approved 06-20-16	07-31-16
Keokuk (4)	Keokuk Savings Bank and Trust Company	07-20-16	Approved 09-12-16	09-16-16
Oskaloosa (5)	TruBank	09-28-16	Approved 11-14-16	11-30-16
Sioux Rapids (6)	First State Bank	06-29-17	Pending	

CONVERSIONS FROM STATE CHARTER

Location	Bank	Application Received	Decision and Date	Effective Date
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None

CONVERSIONS TO STATE CHARTER

Location	Bank	Application Received	Decision and Date	Effective Date
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None

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
Treynor State Bank Treynor	Council Bluffs	05-18-15	Approved 06-24-15	10-17-16
Rolling Hills Bank & Trust Atlantic	Wheatland, WY	09-08-15	Approved 10-02-15	11-01-16
Charter Bank Johnston	Ankeny	01-19-16	Approved 02-08-16	01-03-17
Hills Bank and Trust Company Hills	Marion	02-15-16	Approved 03-07-16	12-12-16
Fairfax State Savings Bank Fairfax	Amana	03-07-16	Approved 05-09-16	09-09-16
Fidelity Bank & Trust Dubuque	Asbury	05-09-16	Approved 06-14-16	04-03-17
Treynor State Bank Treynor (3)	Corning	05-11-16	Approved 06-20-16	08-01-16
CBI Bank & Trust Muscatine	Davenport	05-26-16	Approved 06-14-16	08-05-16
Wayland State Bank Mount Pleasant (1)	Winfield	06-01-16	Approved 08-01-16	09-30-16
Iowa State Bank Hull	Le Mars	07-14-16	Approved 08-10-16	10-17-16
Fort Madison Bank & Trust Co. Fort Madison (4)	Keokuk (2) Montrose	07-20-16	Approved 09-12-16	09-16-16
Central Bank Storm Lake	Dakota Dunes, SD	07-29-16	Approved 08-23-16	Pending
Community Bank Indianola (5)	Oskaloosa West Des Moines What Cheer	09-28-16	Approved 11-14-16	11-30-16
American Trust & Savings Bank Dubuque	Windsor Heights	10-06-16	Approved 11-01-16	Pending
Central Bank Storm Lake	Waukee	10-20-16	Approved 11-08-16	06-01-17
Central State Bank Elkader	Cedar Rapids	10-27-16	Approved 11-15-16	04-03-17

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
County Bank Sigourney (2)	Hartwick	11-15-16	Approved 12-19-16	02-04-17
Iowa Trust & Savings Bank Emmetsburg	Clive	12-14-16	Approved 01-04-17	01-05-17
Carroll County State Bank Carroll (7)	Jewell Roland Webster City	01-03-17	Approved 02-06-17	03-20-17
City State Bank Norwalk	Grimes	01-13-17	Approved 01-31-17	02-01-17
First State Bank Webster City	Jewell	01-24-17	02-16-17	03-13-17
Blue Grass Savings Bank Blue Grass	Davenport	03-07-17	Approved 04-05-17	06-19-17
MidWestOne Bank Iowa City	Denver, CO	03-22-17	Approved 04-17-17	05-01-17
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	Pending
Pioneer Bank Sergeant Bluff	Dakota Dunes, SD	05-19-17	Approved 06-13-17	Pending
Luana Savings Bank Luana	Norwalk	05-19-17	Pending	
Community State Bank Spencer (6)	Sioux Rapids	06-29-17	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
West Bank West Des Moines	3147 Superior Dr, NW Rochester, MN	2170 Superior Dr, NW Rochester, MN	03-27-14	Approved 04-10-14	11-14-16
Northeast Security Bank Sumner	119 East Main Street Fairbank	120 East Main Street Fairbank	10-28-15	Approved 11-09-15	04-24-17
Heartland Bank Somers	1113 Market Street Gowrie	1201 Market Street Gowrie	03-02-16	Approved 03-15-16	06-26-17
Lincoln Savings Bank Cedar Falls	805 Main Street Adel	312 Nile Kinnick Dr. S Adel	03-10-16	Approved 03-17-16	04-11-17
First State Bank Lynnville	619 Sixth Avenue Grinnell	702 Second Avenue Grinnell	04-20-16	Approved 04-25-16	12-23-16
Bankers Trust Company Des Moines	221 Third Avenue, SE Cedar Rapids	201 First Avenue, SE Cedar Rapids	08-18-16	Approved 08-24-16	11-14-16
Bank Midwest Spirit Lake (8)	26 South Broadway 307 North Minnesota	525 Center Street New Ulm, MN	08-22-16	Approved 08-29-16	Pending
State Bank of Bussey Bussey	209 Cornerstone Drive Oskaloosa	201 Cornerstone Drive Oskaloosa	11-09-16	Approved 11-22-16	Pending
United Bank of Iowa Ida Grove	121 Idaho Street Glidden	425 East Ninth Street Glidden	11-09-16	Approved 11-21-16	Pending
Dubuque Bank and Trust Co. Dubuque	16767 N. Perimeter Dr Scottsdale, AZ	8901 East Raintree Dr Scottsdale, AZ	11-18-16	Approved 12-01-16	12-02-16
Union State Bank Winterset	201 West Court Ave. Winterset	611 West Highway 92 Winterset	12-07-16	Approved 12-15-16	01-17-17
Commercial Savings Bank Carroll	627 Main Adams Street Carroll	325 West Highway 30 Carroll	12-27-16	Approved 01-26-17	Pending
Peoples Savings Bank Indianola	102 North Washington Pleasantville	802 West Jasper Pleasantville	02-06-17	Approved 02-24-17	Pending
Iowa State Bank Hull	105 North Main Street Paullina	103 East Broadway Paullina	02-15-17	Approved 02-16-17	02-21-17
First American Bank Fort Dodge	3701 Tamiami Trail N Naples, FL	4040 Gulf Shore Blvd Naples, FL	03-20-17	Approved 04-12-17	06-30-17
Luana Savings Bank Luana	755 West Bridge Road Polk City	1015 Tyler Street Polk City	04-21-17	Approved 05-15-17	Pending

Bank and Location	Current Location	Proposed Location	Application Received	Decision And Date	Effective Date
MidWestOne Bank Iowa City	835 Southview Blvd St. Paul, MN	930 Southview Blvd St. Paul, MN	05-25-17	Approved 06-20-17	Pending

TEMPORARY OFFICE RELOCATION

Bank and Location	Permanent Location	Proposed Temporary Location	Application Received	Decision And Date	Effective Date
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None

BANK NAME CHANGES

Bank Location	Previous Name	New Name
Carroll	Carroll County State Bank	Availa Bank
Fort Madison	Fort Madison Bank & Trust Co.	Connection Bank
Indianola	Community Bank	TruBank
Malvern	Malvern Savings Bank	Malvern Bank

BANK CHARTERS RENEWED

Location	Name of Bank
None	

BANK CHARTERS TERMINATED

Location	Bank	Type of Action	Date Terminated
Keokuk (4)	Keokuk Savings Bank and Trust Company	Merger	09-16-16
Winfield (1)	Peoples State Bank	Vol Disso	09-30-16
Oskaloosa (5)	TruBank	Merger	11-30-16
Hartwick (2)	Hartwick State Bank	Vol Disso	02-03-17

FOOTNOTES

- (1) Application for approval of plan of Peoples State Bank, Winfield, to voluntarily cease to carry on the business of banking. Application for Wayland State Bank, Mount Pleasant, to acquire certain assets and liabilities of Peoples State Bank, Winfield, and to establish a bank office at 109 South Locust, Winfield.
- (2) Application for approval of plan of Hartwick State Bank, Hartwick, to voluntarily cease to carry on the business of banking. Application for County Bank, Sigourney, to acquire certain assets and liabilities of Hartwick State Bank, Hartwick, and to establish a bank office at 207 Main Street, Hartwick.
- (3) Application to merge Okey-Vernon First National Bank, Corning, with and into Treynor State Bank, Treynor, as the resulting state-chartered bank. Application by Treynor State Bank, Treynor, to establish a bank office at 701 Davis Avenue, Corning.
- (4) Application to merge Keokuk Savings Bank and Trust Company, Keokuk, with and into Fort Madison Bank & Trust Co., Fort Madison, as the resulting state-chartered bank. Resulting bank to be known as Connection Bank. Application by Fort Madison Bank & Trust Co., Fort Madison, to establish bank offices at 501 Main Street and 1600 Main Street, Keokuk, and 121 South First, Montrose.
- (5) Application to merge TruBank, Oskaloosa, with and into Community Bank, Indianola, as the resulting state-chartered bank. Resulting bank to be known as TruBank. Application by Community Bank, Indianola, to establish bank offices at 302 South Market Street, Oskaloosa; 6205 Mills Civic Parkway, West Des Moines; and 108 South Barnes, What Cheer.
- (6) 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.
- (7) Application by Carroll County Savings Bank, Carroll, to establish bank offices at 702 Main Street, Jewell; 120 Main Street, Roland; and 635 First Street, Webster City. Purchase and assumption of First American Bank, Fort Dodge, offices.
- (8) 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.

FINANCIAL DATA

**IOWA DIVISION OF BANKING
FINANCIAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2017**

	BANK AND FINANCE BUREAUS DEPT 213	PROFESSIONAL LICENSING BUREAU DEPT 217	IDOB GRAND TOTAL
Total Budgeted Resources	\$ 10,979,571.56	\$ 4,846,604.70	\$ 15,826,176.26
Total Budgeted Expenditures	10,979,571.56	4,846,604.70	15,826,176.26
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Actual Resources	\$ 11,462,832.65	\$ 4,899,343.20	\$ 16,362,175.85
Total Actual Expenditures	10,566,937.14	2,250,323.81	12,817,260.95
	<u>\$ 895,895.51</u> ¹⁾	<u>\$ 2,649,019.39</u> ²⁾	<u>\$ 3,544,260.95</u>

1) \$895,895.51
-596,632.47 Carry forward balances of special funds
\$299,263.04 Reverted for SFY 2017

2) \$2,649,019.39
-185,859.17 Carry forward balances of special funds
\$2,463,160.22 Reverted for SFY 2017

ABSTRACT #266

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 279 Iowa Chartered Banks as of
 June 30, 2017, as Compared with 283 Iowa Chartered Banks as of June 30, 2016
 (000s)

	June 30, 2017		June 30, 2016		June 30, 2017 compared with June 30, 2016	Percent of Change
		Percent		Percent		
ASSETS						
Cash & Due from Banks	\$ 3,378,526	4.62%	\$ 3,393,961	4.87%	\$ (15,435)	-0.45%
Federal Funds Sold	369,419	0.51%	314,311	0.45%	55,108	17.53%
Held-to-Maturity Securities	1,172,823	1.60%	1,065,262	1.53%	107,561	10.10%
Available-for-Sale Securities	12,914,195	17.67%	12,715,912	18.25%	198,283	1.56%
Loans & Direct Lease Financing	52,536,282	71.87%	49,550,378	71.12%	2,985,904	6.03%
Less: Loan Loss Valuation	(686,291)	-0.94%	(658,668)	-0.95%	(27,623)	-4.19%
Fixed Assets	1,045,211	1.43%	995,626	1.43%	49,585	4.98%
Other Real Estate	76,117	0.10%	74,090	0.11%	2,027	2.74%
Intangible Assets	478,209	0.65%	458,036	0.66%	20,173	4.40%
Other Assets	1,818,683	2.49%	1,764,313	2.53%	54,370	3.08%
Total Assets	<u>\$ 73,103,174</u>	<u>100.00%</u>	<u>\$ 69,673,221</u>	<u>100.00%</u>	<u>\$ 3,429,953</u>	4.92%
LIABILITIES						
Transaction Deposits	\$ 16,050,146	21.95%	\$ 15,037,684	21.58%	\$ 1,012,462	6.73%
Non-transaction Deposits	<u>43,639,381</u>	<u>59.70%</u>	<u>41,456,475</u>	<u>59.50%</u>	<u>2,182,906</u>	5.27%
Total Deposits	\$ 59,689,527	81.65%	\$ 56,494,159	81.08%	\$ 3,195,368	5.66%
Federal Funds Purchased	1,512,050	2.07%	1,596,221	2.29%	(84,171)	-5.27%
Mortgages Payable & Other Borrowings	3,273,313	4.48%	3,237,927	4.65%	35,386	1.09%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0	0%
All Other Liabilities	<u>424,613</u>	<u>0.58%</u>	<u>495,557</u>	<u>0.71%</u>	<u>(79,944)</u>	-14.32%
Total Liabilities	\$ 64,899,503	88.78%	\$ 61,823,864	88.73%	3,075,639	4.97%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0	0%
Total Equity Capital	<u>8,203,671</u>	<u>11.22%</u>	<u>7,849,357</u>	<u>11.27%</u>	<u>354,314</u>	4.51%
Total Liabilities & Equity Capital	<u>\$ 73,103,174</u>	<u>100.00%</u>	<u>\$ 69,673,221</u>	<u>100.00%</u>	<u>\$ 3,429,953</u>	4.92%
Tier 1 Leverage Ratio		10.60%		10.40%		

ABSTRACT #266

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 279 Iowa Chartered Banks as of
 June 30, 2017, as Compared with 280 Iowa Chartered Banks as of December 31, 2016
 (000s)

	June 30, 2017		December 31, 2016		June 30, 2017 compared with Dec. 31, 2016		Percent of Change
		Percent		Percent			
ASSETS							
Cash & Due from Banks	\$ 3,378,526	4.62%	\$ 3,779,870	5.25%	\$ (401,344)		-10.62%
Federal Funds Sold	369,419	0.51%	416,573	0.58%	(47,154)		-11.32%
Held-to-Maturity Securities	1,172,823	1.60%	1,178,060	1.64%	(5,237)		-0.44%
Available-for-Sale Securities	12,914,195	17.67%	12,855,646	17.85%	58,549		0.46%
Loans & Direct Lease Financing	52,536,282	71.87%	51,026,420	70.86%	1,509,862		2.96%
Less: Loan Loss Valuation	(686,291)	-0.94%	(665,845)	-0.92%	(20,446)		3.07%
Fixed Assets	1,045,211	1.43%	1,024,927	1.42%	20,284		1.98%
Other Real Estate	76,117	0.10%	70,782	0.10%	5,335		7.54%
Intangible Assets	478,209	0.65%	474,612	0.66%	3,597		0.76%
Other Assets	1,818,683	2.49%	1,845,807	2.56%	(27,124)		-1.47%
Total Assets	<u>\$ 73,103,174</u>	<u>100.00%</u>	<u>\$ 72,006,852</u>	<u>100.00%</u>	<u>\$ 1,096,322</u>		1.52%
LIABILITIES							
Transaction Deposits	\$ 16,050,146	21.95%	\$ 16,540,556	22.97%	\$ (490,410)		-2.96%
Non-transaction Deposits	<u>43,639,381</u>	<u>59.70%</u>	<u>42,538,674</u>	<u>59.08%</u>	<u>1,100,707</u>		2.59%
Total Deposits	\$ 59,689,527	81.65%	\$ 59,079,230	82.05%	\$ 610,297		1.03%
Federal Funds Purchased	1,512,050	2.07%	1,591,405	2.21%	(79,355)		-4.99%
Mortgages Payable & Other Borrowings	3,273,313	4.48%	3,110,800	4.32%	162,513		5.22%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0		0%
All Other Liabilities	<u>424,613</u>	<u>0.58%</u>	<u>430,510</u>	<u>0.59%</u>	<u>(5,897)</u>		-1.37%
Total Liabilities	\$ 64,899,503	88.78%	\$ 64,211,945	89.17%	\$ 687,558		1.07%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0		0.00%
Total Equity Capital	<u>8,203,671</u>	<u>11.22%</u>	<u>7,794,907</u>	<u>10.83%</u>	<u>408,764</u>		5.24%
Total Liabilities & Equity Capital	<u>\$ 73,103,174</u>	<u>100.00%</u>	<u>\$ 72,006,852</u>	<u>100.00%</u>	<u>\$ 1,096,322</u>		1.52%
Tier 1 Leverage Ratio		10.60%		10.39%			

EARNINGS, EXPENSES AND DIVIDENDS OF IOWA CHARTERED BANKS
FOR CALENDAR YEARS 2014 – 2016
(Amounts Expressed in Thousands of Dollars)

Item Description	2016	2015	2014
INTEREST INCOME			
Interest on Loans and Leases	\$ 2,248,484	\$ 2,072,783	\$ 1,944,057
Interest on Securities	323,523	335,260	353,990
Other Interest Income	43,587	36,734	33,364
Total Interest Income	\$ 2,615,594	\$ 2,444,777	\$ 2,331,411
INTEREST EXPENSE			
Interest on Deposits	267,070	240,552	243,175
Expense of Fed Funds	9,036	8,871	9,386
Interest on Borrowed Money	69,351	70,226	68,250
Interest on Notes & Debentures	0	3	8
Total Interest Expense	\$ 345,457	\$ 319,652	\$ 320,819
Net Interest Income	2,270,137	2,125,125	2,010,592
Provision for Loan Losses	92,161	74,751	74,788
Non-interest Income	534,278	510,093	471,549
Securities Gains or (Losses)	25,207	20,238	14,598
NON-INTEREST EXPENSE			
Salaries & Related	1,015,191	948,257	893,980
Net Occupancy Expense	200,988	191,074	191,489
Other Non-interest Expense	519,265	484,627	458,136
Total Non-interest Expense	\$ 1,735,444	\$ 1,623,958	\$ 1,543,605
Income Before Taxes and Extra Items	1,002,017	956,747	878,346
Income Taxes	163,260	150,029	141,573
Income Before Extraordinary Items	838,757	806,718	736,773
Extraordinary Items	0	(7)	(595)
Net Inc Attrib to Noncontrolling Int	0	1	0
Net Income (Loss)	\$ 838,757	\$ 806,712	\$ 736,178
Dividends	\$ 468,252	\$ 471,545	\$ 388,585
Year-end Equity Capital Funds	\$ 7,794,907	\$ 7,336,999	\$ 6,840,864

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, 2016, by entities authorized to make consumer loans at interest rates exceeding that permitted to be charged by depository institutions. Those entities include 234 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 162 delayed deposit services businesses licensed pursuant to Iowa Code Chapter 533D.

During calendar year 2016, the Superintendent of Banking issued 31 regulated loan licenses, 1 industrial loan license, and 3 delayed deposit services licenses. Compared to calendar year-end 2015, the number of regulated loan licenses stayed the same, industrial loan licenses decreased 6, and delayed deposit services licenses decreased 13.

BALANCE SHEET

ASSETS		LIABILITIES	
Cash:		Borrowings:	
a) In banks	\$ 15,496,071	a) Short term	\$ 89,711,241
b) Compensating balance	5,458,071	b) Long term	32,439,852
Short term investments	341,444	Reserves:	
Loans receivable:		a) Dealer reserve	673,270
a) Gross receivable	253,207,700	b) License & taxes	79,618
b) Less unearned	<u>(9,585,524)</u>	c) Other reserves	<u>1,461,056</u>
c) Net receivable	243,622,176	Dividends payable	45,112
d) Less reserve for bad debt	<u>(5,085,688)</u>	Other liabilities	56,340,406
e) Adjusted net receivable	238,536,489	Total liabilities	<u>\$ 180,750,554</u>
Total liquid and earning assets	<u>\$ 259,832,074</u>	Net worth	1,638,805
Inter-company loans	13,880,656	Capital stock:	
Investments in affiliates	0	a) Preferred	16,413,064
Other investments	968,385	b) Common	982,877
Furniture, fixtures, equipment and vehicles (less depreciation)	2,272,342	c) Less treasury stock	<u>0</u>
Building and land (less depreciation)	2,433,412	Paid-in surplus	17,395,940
Repossessed property	1,757,228	Retained earnings	150,899,377
Prepaid expenses & deferred charges	5,349,770	Stockholders' equity	<u>(462,041)</u>
Other assets	<u>63,728,768</u>		<u>\$ 167,833,277</u>
Total assets	<u>\$ 350,222,636</u>	Total liabilities, net worth, and Stockholders' equity	<u>\$ 350,222,636</u>

DETAIL OF LICENSABLE LOANS RECEIVABLE

	INDUSTRIAL	REGULATED	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Gross receivable	\$ 139,051,000	\$ 84,579,922	\$ 12,209,959	\$ 13,003,287	\$ 248,844,169
Less unearned	<u>(2,024,452)</u>	<u>(2,727,080)</u>	<u>(471,700)</u>	<u>0</u>	<u>(5,223,232)</u>
Net receivable	\$ 137,026,548	\$ 81,852,842	\$ 11,738,259	\$ 13,003,287	\$ 243,620,936
Less reserve for bad debt	<u>(1,732,405)</u>	<u>(1,767,145)</u>	<u>(458,920)</u>	<u>(696,721)</u>	<u>(4,655,191)</u>
Adjusted Net receivable	<u>\$ 135,294,143</u>	<u>\$ 80,085,697</u>	<u>\$ 11,279,339</u>	<u>\$ 12,306,566</u>	<u>\$ 238,965,745</u>

	INCOME				
	INDUSTRIAL LOAN	REGULATED LOAN	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Charges collected and/or earned	\$ 21,152,746	\$ 8,779,430	\$ 2,561,088	\$ 30,494,579	\$ 62,987,843
Late & deferment charges	708,317	292,881	77,780	22,307	1,101,285
Other loan fees	517,719	11,987	0	N/A	529,706
Credit insurance income	336,347	404,238	29,740	N/A	770,325
Other income	39,178,174	8,294,227	620,420	0	48,092,821
Total operating income	<u>\$ 61,893,303</u>	<u>\$ 17,782,763</u>	<u>\$ 3,289,028</u>	<u>\$ 30,516,886</u>	<u>\$ 113,481,980</u>
	EXPENSES				
Advertising	\$ 291,022	\$ 1,377,556	\$ 3,966	\$ 602,595	\$ 2,275,139
Auditing	151,008	209,658	95,228	44,430	500,324
Bad debt:					
a) Charge off	(319,350)	1,600,247	0	6,529,749	7,810,646
b) Deduct collections on charge off	16,329	128,319	5,602	(2,223,322)	(2,073,072)
c) Additions to reserve for bad debt	1,326,415	971,690	617,264	1,303,218	4,218,587
Depreciation and amortization	342,997	396,562	36,828	1,142,264	1,918,651
Insurance and fidelity bonds	131,905	101,655	24,633	206,677	464,870
Legal fees and disbursements	942,141	160,020	0	501,334	1,603,495
Postage, printing, stationery & supplies	344,825	305,742	22,673	398,807	1,072,047
Rent, janitorial services & utilities	907,309	1,144,410	101,273	3,835,920	5,988,912
Salaries of officers, owners & partners	996,367	476,460	0	623,592	2,096,419
Salaries of all other employees	4,786,622	7,135,326	1,034,072	10,338,485	23,294,505
Taxes (other than income)	276,589	158,571	117,837	282,597	835,594
License fees	51,356	37,548	21,837	73,795	184,536
Telephone & telegraph	584,914	96,507	32,477	427,640	1,141,538
Travel, auto expense & allowance	201,132	244,461	69,414	357,284	872,291
Supervision & administration	5,306,109	1,110,406	0	2,782,630	9,199,145
Other expenses	25,129,078	1,275,574	470,397	2,361,432	29,236,481
Interest paid on borrowed funds	1,535,921	1,194,377	632,516	97,776	3,460,590
Total expenses before income taxes	<u>42,970,032</u>	<u>17,868,449</u>	<u>3,274,814</u>	<u>29,686,903</u>	<u>93,800,199</u>
Income before income taxes	\$ 18,923,271	\$ (85,686)	\$ 14,214	\$ 829,983	\$ 19,681,781
State income taxes	2,340,025	(322)	0	166,749	2,506,452
Federal income taxes	4,420,244	(112,949)	25,949	85,661	4,418,905
Total expenses	<u>\$ 49,730,301</u>	<u>\$ 17,755,179</u>	<u>\$ 3,300,763</u>	<u>\$ 29,939,313</u>	<u>\$ 100,725,556</u>
NET EARNINGS	<u>\$ 12,163,002</u>	<u>\$ 27,584</u>	<u>\$ (11,735)</u>	<u>\$ 577,573</u>	<u>\$ 12,756,424</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	\$ 152,632,503	\$ 51,667,851	\$ 17,348,802	\$ 12,651,788
Net income	\$ 12,163,002	\$ 27,584	\$ (11,735)	\$ 577,573
Rate of return	7.97%	0.05%	(0.07%)	4.57%
Analysis of charges on loans:				
Charges collected and/or earned	\$ 21,152,746	\$ 8,779,430	\$ 2,561,088	\$ 30,494,579
Average monthly rate collected	1.15%	1.42%	1.23%	24.59%
Analysis of expense per account:				
Average number of accounts outstanding	18,624	11,706	1,574	33,164
Total expenses	\$ 42,970,032	\$ 17,868,449	\$ 3,274,814	\$ 29,686,903
Average monthly expense per account	\$192.27	\$127.20	\$173.38	\$74.60
Delinquency Summary:				
60 – 90 days past due	\$ 1,172,494	\$ 274,722	\$ 223,508	\$ 181,672
90 – 119 days past due	\$ 541,295	\$ 158,153	\$ 278,004	\$ 910,343
120 days or more past due	\$ 4,579,360	\$ 508,588	\$ 725,816	\$ 0
Total contractual past due accounts	\$ 6,293,149	\$ 941,463	\$ 1,227,328	\$ 1,452,675
Delinquency as a percent of gross outstanding	4.53%	1.11%	10.05%	11.17%

ANALYSIS OF BUSINESS ACTIVITY

	<u>INDUSTRIAL</u>		<u>REGULATED</u>		<u>CREDIT SALE</u>		<u>DELAYED DEPOSIT</u>	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBE</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Loans outstanding at beginning of year	19,147	\$ 163,613,249	14,979	64,202,857	1,804	\$ 20,875,555	30,279	\$ 11,607,513
Loans made during year	14,535	81,253,658	20,011	129,421,140	N/A	N/A	688,296	256,533,781
Loan balances purchased during year	681	569,075	0	0	205	3,093,808	0	0
Total	34,363	\$ 245,435,982	34,990	\$ 193,623,997	2,009	\$ 23,969,363	718,575	\$ 268,141,294
Loan balances charged off during year	576	\$ 2,401,348	459	\$ 1,389,813	362	\$ 2,715,045	13,499	\$ 5,105,562
Loan balances sold during year	426	18,141,469	12,977	87,277,027	0	0	3,625	1,389,294
Loans outstanding at year end	17,586	137,026,548	16,719	81,852,842	1,303	11,738,259	33,604	13,003,287
Total	18,588	\$ 157,569,365	30,155	\$ 170,519,682	1,665	\$ 14,453,304	50,728	\$ 19,498,143
Collection of principal during the year	15,775	\$ 87,866,617	4,835	\$ 23,104,315	344	\$ 9,516,059	667,847	\$ 248,643,151

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	60	\$ 1,054,297	455	\$ 626,732	14	\$ 80,887	577	\$ 218,596
b) Suits settled before jdgmnt during period	0	\$ 0	3	\$ 2,855	0	\$ 0	12	\$ 5,222
c) Real estate foreclosure	31	\$ 1,686,784	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	132	\$ 779,039	87	\$ 361,168	142	\$ 1,034,273	N/A	N/A
c) Other chattels and property	0	\$ 0	1	\$ 39,725	N/A	N/A	N/A	N/A
d) Real estate	37	\$ 2,037,409	0	\$ 0	N/A	N/A	N/A	N/A
Sales of chattels by licensee:								
a) Number		216		59		0		N/A
b) Amount due	\$	1,411,708	\$	318,493	\$	0		N/A
c) Amount collected	\$	534,463	\$	146,464	\$	0		N/A
Sales of real estate by licensee:								
a) Number		26		0		N/A		N/A
b) Amount due	\$	2,017,114	\$	0		N/A		N/A
c) Amount collected	\$	1,151,090	\$	0		N/A		N/A

SUPPLEMENT INSURANCE REPORT**INDUSTRIAL LOAN**

1. Loans made during the year:	
a) Number	14,535
b) Amount (Gross loan amount)	\$ 82,585,308

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number	1,207	972	988
b) Amount (Gross loan amount)	\$ 8,955,668	\$ 7,116,069	\$ 7,648,599
3. Premiums	\$ 86,947	\$ 114,705	\$ 63,248
4. Claims paid	\$ 14,987	\$ 140,709	\$ 8,352
5. Net income from all credit insurance	\$ 336,347		

REGULATED LOAN

1. Loans made during the year:	
a) Number	20,011
b) Amount (Gross loan amount)	\$ 131,309,383

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number	9,033	7,731	8,831
b) Amount (Gross loan amount)	\$ 46,971,608	\$ 42,903,557	\$ 45,226,992
3. Premiums	\$ 1,407,877	\$ 2,290,425	\$ 1,600,624
4. Claims paid	\$ 285,971	\$ 456,145	\$ 197,376
5. Net income from all credit insurance	\$ 404,238		