

**524.405 Increase or decrease of capital structure.**

1. A state bank may increase its capital structure or effect an allocation of amounts within its capital structure, by the use of any of the following methods:

- a. Sale of authorized but unissued shares.
- b. Transfer of surplus or undivided profits to capital for authorized but unissued shares.
- c. Transfer of undivided profits to surplus.
- d. Authorization and issuance of common shares, preferred shares, or capital notes or debentures.

2. The superintendent, whenever it appears necessary to do so in the interest of the safety of the deposits of a state bank, may require that the capital structure of the state bank be increased by either of the methods provided for in [subsection 1](#), paragraphs “a” and “d”.

3. Capital or surplus shall not be decreased except with the approval of the superintendent.

[C97, §1856; C24, 27, 31, 35, 39, §9194, 9262, 9264, 9265; C46, 50, 54, 58, 62, 66, §526.38, 528.56, 528.59, 528.60; C71, 73, 75, 77, 79, 81, §524.405]

95 Acts, ch 148, §37; 2004 Acts, ch 1141, §19

Referred to in [§524.103](#), [524.521](#), [524.543](#)