

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

1. A state bank incorporated as a stock corporation 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 incorporated as a stock corporation, 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.

4. A state bank incorporated as a mutual corporation may raise capital by accepting payments on savings and demand accounts and by any other means authorized by the superintendent. Whenever it appears necessary to do so in the interest of the safety of the deposits of a state bank incorporated as a mutual corporation, the superintendent may require that the capital structure of the state bank be increased by any means authorized by 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](#); [2012 Acts, ch 1017, §7, 18](#)

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