

STATE OF IOWA
2021

ANNUAL REPORT

of the

SUPERINTENDENT
OF BANKING

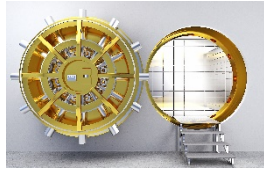
of the

STATE OF IOWA

for the year ending

JUNE 30, 2021

To the Honorable
Kim Reynolds
Governor



IDOBanking
Iowa Division of

KIM REYNOLDS
GOVERNOR
ADAM GREGG
LT. GOVERNOR

JEFF PLAGGE
SUPERINTENDENT

December 22, 2021

TO THE HONORABLE
KIM REYNOLDS
GOVERNOR OF IOWA

Dear Governor Reynolds:

It is my pleasure to submit to you the 2021 State of Iowa Annual Report of the Superintendent of Banking for the fiscal year ending June 30, 2021.

Respectfully submitted,

A handwritten signature in black ink that reads "Jeff Plagge".

Jeff Plagge
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

Jeff Plagge, Chairman

Name	Location	Term
Gregory Gannon	De Witt	July 31, 2020, to April 30, 2024
Robert G. Meyer	Mount Pleasant	May 1, 2019, to April 30, 2023
Deborah Quandt	Westside	September 24, 2020 to April 30, 2024
Glenn S. Rowe	Lorimor	May 1, 2018, to April 30, 2022
Peggy Scott	Greenfield	May 1, 2017, to April 30, 2021

STATE BANKING OFFICIALS, EXAMINERS, AND EMPLOYEES

Jeff Plagge, 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, Senior Examiner—Legal Specialist

Peter T. Angus, Bank Analyst

Brandon C. Hart, Bank Analyst

David D. Lundahl, Bank Analyst

Jill R. Pasbrig, 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, Administrative Assistant II

BANK BUREAU**REGIONAL MANAGER**

Anderson, Mark P.
Olson, Brian L.

Sexton, Jamie L.
Wichman, Timothy M.

SENIOR EXAMINER

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

Lamb, Martin C.
Lauver, Nicole E.
Lehmann, Jerrod A.
Peters, Paula A.
Roland, Roger K.
Saunders, Scott R.
Smith, Chad M.
Wiederin, Julie A.

BANK EXAMINER

Brady, Mark C.
Brauns, Hayley L.
Brown, Erin E.
Brungard, Grady J.
Buehler, Traci A.
Coronado, Kayla J.
Cunningham, Casey R.
Eickert, Emily M.
Estlund, Austin G.
Gehling, Joshua R.
German, Alexander J.
Ghent, Sage K.
Gross, Marci L.
Halls, Austin J.
Hartwig, Carter A.
Irlbeck, Zachery T.
Jensen, Jennifer H.

Jorgensen, Halie C.
Kalinay, Elysiana N.
Kelly, Kristine M.
Lechtenberg, Madison L.
McKee, Stuart W.
O'Brien, Nathan A.
Pogemiller, Deborah K.
Schmitz, Cody B.
Schult, Cameron D.
Smith, Zachery M.
Strother, Rebecca J.
Thompson, Courtney R.
Uetz, Kelsey A.
Vittetoe, Amelia M.
Walter, Daniel G.
Wiederin, Megan 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

Bartkiw, Danielle M.
Evans, Jeffrey M.
Gleason, Kimberly S.
Goddard, Colleen A.
Lampe, Robert E.

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

INSTITUTIONS UNDER THE SUPERVISION OF THIS DIVISION

Iowa Chartered Banks	249
One-Bank Holding Companies	197
Multi-Bank Holding Companies	16
Industrial Loan Licensees	36
Regulated Loan Licensees	319
Money Services Licensees	179
Debt Management Licensees	70
Delayed Deposit Service Licensees	120
Mortgage Banker Licenses	469
Mortgage Broker Licenses	87
Mortgage Banker Company Registrants	30
Mortgage Loan Originators	12,480
Closing Agents	101
Real Estate Appraisers	1,207
Appraisal Management Companies	94
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
None				

MERGERS

Location	Name	Application Received	Decision and Date	Effective Date
Victor (1)	Victor State Bank	05-04-20	Approved 06-12-20	07-24-20
Galesburg, IL (2)	Farmers & Mechanics Bank	11-05-20	Approved 12-28-20	02-05-21
Sumner (3)	First State Bank	12-04-20	Approved 01-20-21	03-26-21
Titonka (4)	Titonka Savings Bank	04-27-21	Approved 06-24-21	Pending
Melvin (5)	Melvin Savings Bank	05-06-21	Approved 06-15-21	06-30-21
Laurens (6)	Laurens State Bank	05-10-21	Approved 06-28-21	Pending
Tripoli (7)	American Savings Bank	06-11-21	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
Waverly (8)	First National Bank	06-04-20	Approved 09-08-20	10-07-20

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
Exchange State Bank Collins (9)	Ames	07-24-20	Approved 09-24-20	10-06-20

BANK OFFICES

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
American State Bank Sioux Center	Sioux Falls, SD	06-14-19	Approved 07-09-19	02-22-21
Citizens State Bank Wyoming	Maquoketa	09-03-19	Approved 09-16-19	11-16-20
BankIowa Cedar Rapids	Marion	11-01-19	Approved 11-27-19	11-30-20
South Story Bank & Trust Slater	Ames	02-12-20	Approved 02-21-20	11-05-20
Farmers State Bank Marion	Tiffin	04-22-20	Approved 05-14-20	03-15-21
South Story Bank & Trust Slater	West Des Moines	04-30-20	Approved 05-18-20	11-05-20
First National Bank Waverly	Cedar Falls Clarion Eagle Grove Goldfield Plainfield Waverly (2)	06-04-20	Approved 09-08-20	10-07-20
Shelby County State Bank, The Harlan	Avoca	06-08-20	Approved 07-14-20	02-16-21
Northwest Bank Spencer	Ames	06-15-20	Approved 06-16-20	07-27-20
WCF Financial Bank Webster City	Tama	07-10-20	Approved 08-04-20	09-15-20
West Bank West Des Moines	Sartell, MN	07-14-20	Approved 07-28-20	Pending
Exchange State Bank Collins (9)	Collins	07-24-20	Approved 09-24-20	10-06-20
Northwest Bank Spencer	Omaha, NE	09-24-20	Approved 10-12-20	Pending
VisionBank of Iowa Ames	Waukee	09-30-20	Approved 10-12-20	01-21-21
First State Bank Lynnville	New Sharon	10-09-20	Approved 10-16-20	01-04-21

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
Peoples Savings Bank Indianola	Knoxville	10-14-20	Approved 11-05-20	Pending
Availa Bank Carroll	Denison	10-22-20	Approved 11-04-20	12-01-20
Dubuque Bank and Trust Company Dubuque	Cedar Rapids	12-22-20	Approved 01-12-21	02-16-21
First Bank Hampton Hampton	Latimer	02-08-21	Approved 02-17-21	04-05-21
Home State Bank Jefferson	Ankeny	05-21-21	Approved 05-25-21	Pending
West Bank West Des Moines	Mankato, MN	06-01-21	Approved 06-10-21	Pending

COURIER SERVICE OR MOBILE OR CONVENIENCE OFFICES

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

**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
Lincoln Savings Bank Reinbeck	301 Washington Street Cedar Falls	302 Main Street Cedar Falls	04-14-20	Approved 04-21-20	04-17-21
Connection Bank Fort Madison (10)	501 Main Street 1600 Main Street Keokuk	2119 Main Street Keokuk	05-27-20	Approved 06-09-20	03-22-21
Northwest Bank Spencer	213 Duff Avenue Ste 3 Ames	100 South 16 th Street Ames	11-20-20	Approved 12-04-20	Pending
Security State Bank Sutherland	923 North Linn Avenue New Hampton	922 West Milwaukee Str New Hampton	02-23-21	Approved 03-09-21	Pending
Tri-Valley Bank Randolph	123 South Eighth Street Nebraska City, NE	1114 Grundman Boulevard Nebraska City, NE	03-26-21	Approved 03-31-21	Pending
MidWestOne Bank Iowa City (11)	190 John F. Kennedy Rd Dubuque	280 John F. Kennedy Rd Dubuque	04-07-21	Approved 04-22-21	04-22-21
MidWestOne Bank Iowa City (12)	Ninth and Main Streets Dubuque	895 Main Street Dubuque	04-07-21	Approved 04-22-21	04-22-21
Dubuque Bank and Trust Co. Dubuque	5550 Wild Rose Lane West Des Moines	13101 University Ave Clive	05-10-21	Approved 05-21-21	05-24-21
Heartland Bank Somers	200 East State Street Jefferson	1706 North Elm Street Jefferson	06-18-21	Approved 06-28-21	Pending
Peoples Bank Rock Valley	501 Thomas Street Lester	2372 Iowa 9 Street Lester	06-25-21	Pending	

TEMPORARY OFFICE RELOCATION

Bank and Location	Permanent Location	Proposed Temporary Location	Application Received	Decision And Date	Effective Date
Cedar Rapids Bank and Trust Co. Cedar Rapids	700 25 th Street Marion	2075 Seventh Avenue Marion	04-27-21	Approved 04-29-21	06-28-21

BANK NAME CHANGES

Bank Location	Previous Name	New Name
None		

BANK CHARTERS TERMINATED

Location	Bank	Type of Action	Date Terminated
Victor (1)	Victor State Bank	Merger	07-24-20
Sumner (3)	First State Bank	Merger	03-26-21
Melvin (5)	Melvin Savings Bank	Merger	06-30-21

FOOTNOTES

- (1) Application to merge Victor State Bank, Victor, with and into Chelsea Savings Bank, Belle Plaine, as the resulting state-chartered bank.
- (2) Application to merge Farmers & Mechanics Bank, Galesburg, Illinois, with and into CBI Bank & Trust, Muscatine, as the resulting state-chartered bank.
- (3) Application to merge First State Bank, Sumner, with and into Northeast Security Bank, Sumner, as the resulting state-chartered bank.
- (4) Application to merge Titonka Savings Bank, Titonka, with and into NSB Bank, Mason City, as the resulting state-chartered bank.
- (5) Application to merge Melvin Savings Bank, Melvin, with and into Iowa State Bank, Hull, as the resulting state-chartered bank.
- (6) Application to merge Laurens State Bank, Laurens, with and into Community State Bank, Spencer, as the resulting state-chartered bank.
- (7) Application to merge American Savings Bank, Tripoli, with and into Readlyn Savings Bank, Readlyn, as the resulting state-chartered bank.
- (8) Application to convert First National Bank, Waverly, to a state-chartered bank to be known as First Bank.
- (9) Application by Exchange State Bank, Collins, to relocate principal place of business to Ames. Application to establish a bank office at 104 Main Street, Collins.
- (10) Application by Connection Bank, Fort Madison, to relocate bank offices in Keokuk at 501 Main Street and 1600 Main Street to one location, 2119 Main Street.
- (11) Application by MidWestOne Bank, Iowa City, to relocate bank office in Dubuque from 190 John F. Kennedy Road to 280 John F. Kennedy Road.
- (12) Application by MidWestOne Bank, Iowa City, to relocate bank office in Dubuque from Ninth and Main Streets to 895 Main Street.

FINANCIAL DATA

**IOWA DIVISION OF BANKING
FINANCIAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2021**

	BANK AND FINANCE BUREAUS DEPT 213	PROFESSIONAL LICENSING BUREAU DEPT 217	IDOB GRAND TOTAL
Total Budgeted Resources	\$ 14,420,230.36	\$ 4,576,711.15	\$ 18,996,941.51
Total Budgeted Expenditures	14,420,230.36	4,576,711.15	18,996,941.51
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Actual Resources	\$ 13,723,821.14	\$ 2,130,327.74	\$ 15,854,148.88
Total Actual Expenditures	11,661,925.77	1,889,640.19	13,551,565.96
	<u>\$ 2,061,895.37</u> ¹⁾	<u>\$ 240,687.55</u> ²⁾	<u>\$ 2,302,582.92</u>

1) \$2,061,895.37
-710,236.70 Carry forward balances of special funds
\$1,351,658.67 Reverted for SFY 2021

2) \$240,687.55
-266,014.61 Carry forward balances of special funds
(\$25,327.06) Reverted for SFY 2021

ABSTRACT #270

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 249 Iowa Chartered Banks as of
 June 30, 2021, as Compared with 250 Iowa Chartered Banks as of June 30, 2020
 (000s)

	June 30, 2021		June 30, 2020		June 30, 2021, compared with June 30, 2020	Percent of Change
		Percent		Percent		
ASSETS						
Cash & Due from Banks	\$ 9,463,069	9.65%	\$ 6,950,606	7.77%	\$ 2,512,463	36.15%
Federal Funds Sold	1,354,893	1.38%	829,736	0.93%	525,157	63.29%
Held-to-Maturity Securities	994,840	1.01%	822,872	0.92%	171,968	20.90%
Available-for-Sale Securities	20,301,294	20.69%	13,771,216	15.40%	6,530,078	47.42%
Loans & Direct Lease Financing	62,699,645	63.91%	63,701,296	71.21%	(1,001,651)	-1.57%
Less: Loan Loss Valuation	(885,614)	-0.90%	(842,040)	-0.94%	(43,574)	5.17%
Fixed Assets	1,193,054	1.22%	1,148,335	1.28%	44,719	3.89%
Other Real Estate	36,306	0.04%	62,469	0.07%	(26,163)	-41.88%
Intangible Assets	646,302	0.66%	645,689	0.72%	613	0.09%
Other Assets	2,304,227	2.35%	2,361,437	2.64%	(57,210)	-2.42%
Total Assets	<u>\$ 98,108,016</u>	<u>100.00%</u>	<u>\$ 89,451,616</u>	<u>100.00%</u>	<u>\$ 8,656,400</u>	9.68%
LIABILITIES						
Transaction Deposits	\$ 27,335,723	27.86%	\$ 20,197,712	22.58%	\$ 7,138,011	35.34%
Non-transaction Deposits	<u>55,431,528</u>	<u>56.50%</u>	<u>53,017,451</u>	<u>60.27%</u>	<u>2,414,077</u>	4.55%
Total Deposits	\$ 82,767,251	84.36%	\$ 73,215,163	81.85%	\$ 9,552,088	13.05%
Federal Funds Purchased	1,614,858	1.65%	1,409,553	1.58%	205,305	14.57%
Mortgages Payable & Other Borrowings	2,266,759	2.31%	3,936,357	4.40%	(1,669,598)	-42.41%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0	0.00%
All Other Liabilities	<u>820,870</u>	<u>0.84%</u>	<u>998,645</u>	<u>1.12%</u>	<u>(177,775)</u>	<u>-17.80%</u>
Total Liabilities	\$ 87,469,738	89.16%	\$ 79,559,718	88.94%	7,910,020	9.94%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0	0.00%
Total Equity Capital	<u>10,638,278</u>	<u>10.84%</u>	<u>9,891,898</u>	<u>11.06%</u>	<u>746,380</u>	7.55%
Total Liabilities & Equity Capital	<u>\$ 98,108,016</u>	<u>100.00%</u>	<u>\$ 89,451,616</u>	<u>100.00%</u>	<u>\$ 8,656,400</u>	9.68%
Tier 1 Leverage Ratio		10.05%		10.08%		

ABSTRACT #270

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 249 Iowa Chartered Banks as of
 June 30, 2021, as Compared with 250 Iowa Chartered Banks as of December 31, 2020
 (000s)

	June 30, 2021		December 31, 2020		June 30, 2021, compared with Dec. 31, 2020		Percent of Change
		Percent		Percent			
ASSETS							
Cash & Due from Banks	\$ 9,463,069	9.65%	\$ 9,368,635	9.91%	\$ 94,434		10.01%
Federal Funds Sold	1,354,893	1.38%	1,462,484	1.55%	(107,591)		-7.36%
Held-to-Maturity Securities	994,840	1.01%	864,258	0.91%	130,582		15.11%
Available-for-Sale Securities	20,301,294	20.69%	16,511,255	17.47%	3,790,039		22.95%
Loans & Direct Lease Financing	62,699,645	63.91%	62,999,800	66.66%	(300,155)		-0.48%
Less: Loan Loss Valuation	(885,614)	-0.90%	(842,010)	-0.94%	396		-0.04%
Fixed Assets	1,193,054	1.22%	1,167,114	1.23%	25,940		2.22%
Other Real Estate	36,306	0.04%	44,446	0.05%	(8,140)		-18.31%
Intangible Assets	646,302	0.66%	618,134	0.65%	28,168		4.56%
Other Assets	2,304,227	2.35%	2,356,444	2.49%	(52,217)		-2.22%
Total Assets	<u>\$ 98,108,016</u>	<u>100.00%</u>	<u>\$ 94,506,560</u>	<u>100.00%</u>	<u>\$ 3,601,456</u>		3.81%
LIABILITIES							
Transaction Deposits	\$ 27,335,723	27.86%	\$ 24,898,287	26.35%	\$ 2,437,436		9.79%
Non-transaction Deposits	<u>55,431,528</u>	<u>56.50%</u>	<u>53,674,050</u>	<u>56.79%</u>	<u>1,757,478</u>		3.27%
Total Deposits	\$ 82,767,251	84.36%	\$ 78,572,337	83.14%	\$ 4,194,914		5.34%
Federal Funds Purchased	1,614,858	1.65%	1,605,345	1.70%	9,513		0.59%
Mortgages Payable & Other Borrowings	2,266,759	2.31%	3,137,145	3.32%	(870,386)		-27.74%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0		0.00%
All Other Liabilities	<u>820,870</u>	<u>0.84%</u>	<u>897,304</u>	<u>0.95%</u>	<u>(76,434)</u>		-8.52%
Total Liabilities	\$ 87,469,738	89.16%	\$ 84,212,131	89.11%	3,257,607		3.87%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0		0.00%
Total Equity Capital	<u>10,638,278</u>	<u>10.84%</u>	<u>10,294,429</u>	<u>10.89%</u>	<u>343,849</u>		3.34%
Total Liabilities & Equity Capital	<u>\$ 98,108,016</u>	<u>100.00%</u>	<u>\$ 94,506,560</u>	<u>100.00%</u>	<u>\$ 3,601,456</u>		3.81%
Tier 1 Leverage Ratio		10.05%		9.94%			

EARNINGS, EXPENSES AND DIVIDENDS OF IOWA CHARTERED BANKS
FOR CALENDAR YEARS 2018 – 2020
(Amounts Expressed in Thousands of Dollars)

Item Description	2020	2019	2018
INTEREST INCOME			
Interest on Loans and Leases	\$ 2,909,428	\$ 2,921,337	\$ 2,700,211
Interest on Securities	340,322	349,061	350,625
Other Interest Income	54,167	103,032	70,938
Total Interest Income	\$ 3,303,917	\$ 3,373,430	\$ 3,121,774
INTEREST EXPENSE			
Interest on Deposits	500,101	708,713	506,673
Expense of Fed Funds	6,973	20,475	19,388
Interest on Borrowed Money	78,419	86,140	82,359
Interest on Notes & Debentures	0	0	0
Total Interest Expense	\$ 585,493	\$ 815,328	\$ 608,420
Net Interest Income	2,718,424	2,558,102	2,513,354
Provision for Loan Losses	250,348	92,082	110,768
Non-interest Income	710,580	603,093	528,674
Securities Gains or (Losses)	26,973	22,407	(1,151)
NON-INTEREST EXPENSE			
Salaries & Related	1,199,983	1,116,754	1,091,036
Net Occupancy Expense	222,401	214,585	209,239
Other Non-interest Expense	607,181	539,408	517,138
Total Non-interest Expense	\$ 2,029,565	\$ 1,870,747	\$ 1,817,413
Income Before Taxes and Extra Items	1,176,064	1,220,773	1,112,696
Income Taxes	153,138	151,701	137,369
Income Before Extraordinary Items	1,022,926	1,069,072	975,327
Extraordinary Items	0	0	(34)
Net Inc Attrib to Noncontrolling Int	0	0	0
Net Income (Loss)	\$ 1,022,926	\$ 1,069,072	\$ 975,361
Dividends	\$ 483,812	\$ 542,818	\$ 518,612
Year-end Equity Capital Funds	\$ 10,294,429	\$ 9,512,651	\$ 8,667,101

**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, 2020, by entities authorized to make consumer loans at interest rates exceeding that permitted to be charged by depository institutions. Those entities include 299 licensees engaged in the business of making consumer loans pursuant to Iowa Code Chapter 536; 37 licensees engaged in the business of making consumer loans pursuant to Iowa Code Chapter 536A; and 123 delayed deposit services businesses licensed pursuant to Iowa Code Chapter 533D.

During calendar year 2020, the Superintendent of Banking issued 40 regulated loan licenses, no new industrial loan licenses, and no new delayed deposit services licenses. Compared to calendar year-end 2019, the number of regulated loan licenses increased 15, industrial loan licenses remained the same, and delayed deposit services licenses decreased 10.

BALANCE SHEET

ASSETS		LIABILITIES	
Cash:		Borrowings:	
a) In banks	\$ 20,962,282	a) Short term	\$ 28,992,595
b) Compensating balance	4,650,684	b) Long term	342,095,752
Short term investments	502,522	Reserves:	
Loans receivable:		a) Dealer reserve	465,377
a) Gross receivable	626,269,775	b) License & taxes	260,204
b) Less unearned	<u>(3,890,084)</u>	c) Other reserves	<u>1,318,797</u>
c) Net receivable	622,379,692	Dividends payable	306,808
d) Less reserve for bad debt	<u>(66,903,589)</u>	Other liabilities	63,672,649
e) Adjusted net receivable	555,476,102	Total liabilities	<u>\$ 437,112,182</u>
Total liquid and earning assets	<u>\$ 581,591,590</u>	Net worth	4,208,261
Inter-company loans	9,473,967	Capital stock:	
Investments in affiliates	1,414,013	a) Preferred	18,860,642
Other investments	116,107,033	b) Common	2,179,142
Furniture, fixtures, equipment and vehicles (less depreciation)	7,038,531	c) Less treasury stock	<u>3,224,548</u>
Building and land (less depreciation)	2,676,752	Paid-in surplus	78,270,195
Repossessed property	147,087	Retained earnings	201,122,543
Prepaid expenses & deferred charges	1,968,149	Stockholders' equity	<u>\$ 301,156,830</u>
Other assets	<u>18,111,295</u>	Total liabilities, net worth, and Stockholders' equity	<u>\$ 738,528,417</u>
Total assets	<u>\$ 738,528,417</u>		

DETAIL OF LICENSABLE LOANS RECEIVABLE

	INDUSTRIAL	REGULATED	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Gross receivable	\$ 96,151,014	\$ 523,735,505	\$ 0	\$ 6,423,577	\$ 626,310,096
Less unearned	<u>(867,566)</u>	<u>(3,062,838)</u>	0	N/A	<u>(3,930,404)</u>
Net receivable	\$ 95,283,447	\$ 520,672,667	\$ 0	\$ 6,423,577	\$ 622,379,691
Less reserve for bad debt	<u>(1,432,625)</u>	<u>(64,929,607)</u>	0	<u>(229,606)</u>	<u>(66,591,838)</u>
Adjusted Net receivable	<u>\$ 93,850,823</u>	<u>\$ 455,743,060</u>	<u>\$ 0</u>	<u>\$ 6,193,971</u>	<u>\$ 555,787,853</u>

	INCOME					
	INDUSTRIAL LOAN	REGULATED LOAN	CREDIT SALE	DELAYED DEPOSIT	TOTAL	
Charges collected and/or earned	\$ 12,623,865	\$ 28,268,847	\$ 0	\$ 16,000,466	\$ 56,893,178	
Late & deferment charges	311,572	329,256	0	1,326,135	1,966,963	
Other loan fees	635,835	107,591	0	N/A	743,426	
Credit insurance income	35,638	360,428	0	N/A	396,066	
Other income	43,874,238	5,577,012	0	0	49,451,250	
Total operating income	<u>\$ 57,481,148</u>	<u>\$ 34,643,133</u>	<u>\$ 0</u>	<u>\$ 17,326,601</u>	<u>\$ 109,450,883</u>	
		EXPENSES				
Advertising	\$ 272,308	\$ 500,873	\$ 0	\$ 355,745	\$ 1,128,926	
Auditing	168,440	285,622	0	24,281	478,344	
Bad debt:						
a) Charge off	133,035	901,705	0	2,645,142	3,679,882	
b) Deduct collections on charge off	13,682	9,431	0	(1,827,571)	(1,804,458)	
c) Additions to reserve for bad debt	48,627	2,927,544	0	723,109	3,699,280	
Depreciation and amortization	325,332	1,305,020	0	946,855	2,577,207	
Insurance and fidelity bonds	81,055	354,514	0	182,336	617,905	
Legal fees and disbursements	167,028	469,457	0	298,908	935,393	
Postage, printing, stationery & supplies	198,833	545,796	0	231,735	976,364	
Rent, janitorial services & utilities	507,904	656,702	0	2,405,715	3,570,322	
Salaries of officers, owners & partners	256,390	119,436	0	379,766	755,592	
Salaries of all other employees	4,462,751	9,701,641	0	6,857,051	21,021,443	
Taxes (other than income)	332,821	156,768	0	167,875	657,463	
License fees	65,431	60,928	0	57,113	183,472	
Telephone & telegraph	19,262	219,629	0	210,543	449,434	
Travel, auto expense & allowance	171,954	49,474	0	207,644	429,072	
Supervision & administration	25,000	231,919	0	1,282,783	1,539,702	
Other expenses	27,386,987	7,106,935	0	1,923,989	36,417,911	
Interest paid on borrowed funds	1,226,144	12,677,522	0	981,531	14,885,197	
Total expenses before income taxes	<u>35,835,620</u>	<u>38,262,054</u>	<u>0</u>	<u>18,054,550</u>	<u>92,152,223</u>	
Income before income taxes	\$ 21,645,529	\$ (3,618,920)	\$ 0	\$ (727,949)	\$ 17,298,659	
State income taxes	637,812	64,927	0	127,517	830,256	
Federal income taxes	4,193,809	211,689	0	117,375	4,522,873	
Total expenses	<u>\$ 40,667,241</u>	<u>\$ 38,538,670</u>	<u>\$ 0</u>	<u>\$ 18,299,442</u>	<u>\$ 97,505,353</u>	
NET EARNINGS	<u>\$ 16,813,907</u>	<u>\$ (3,895,536)</u>	<u>\$ 0</u>	<u>\$ (972,841)</u>	<u>\$ 11,945,530</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	\$ 96,295,620	\$ 535,198,757	\$ 0	\$ 7,114,283
Net income	\$ 16,813,907	\$ (3,895,536)	\$ 0	\$ (972,841)
Rate of return	17.46%	(0.73%)	0.00%	(13.67%)
Analysis of charges on loans:				
Charges collected and/or earned	\$ 12,623,865	\$ 28,268,847	\$ 0	\$ 16,000,466
Average monthly rate collected	1.09%	0.44%	0.00%	18.74%
Analysis of expense per account:				
Average number of accounts outstanding	15,037	95,975	0	17,752
Total expenses	\$ 35,835,620	\$ 38,262,054	\$ 0	\$ 18,054,550
Average monthly expense per account	\$198.60	\$33.22	\$0.00	\$84.75
Delinquency Summary:				
60 – 90 days past due	\$ 107,575	\$ 2,066,374	\$ 0	\$ 100,187
90 – 119 days past due	\$ 120,557	\$ 1,782,346	\$ 0	\$ 321,973
120 days or more past due	\$ 143,922	\$ 71,432,510	\$ 0	\$ N/A
Total contractual past due accounts	\$ 372,054	\$ 75,281,230	\$ 0	\$ 655,856
Delinquency as a percent of gross outstanding	0.39%	14.37%	0.00%	10.21%

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>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Loans outstanding at beginning of year	15,215	\$ 96,444,742	101,273	\$ 547,246,472	0	\$ 0	28,679	\$ 11,549,621
Loans made during year	13,236	88,599,966	10,155	70,048,229	N/A	N/A	374,279	143,290,835
Loan balances purchased during year	<u>292</u>	<u>281,512</u>	<u>157</u>	<u>322,069</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	28,743	\$ 185,326,220	111,585	\$ 617,616,770	0	\$ 0	402,958	\$ 154,840,456
Loan balances charged off during year	197	\$ 336,162	620	\$ 2,202,823	0	\$ 0	6,867	\$ 2,602,319
Loan balances sold during year	0	0	0	0	0	0	6,728	2,641,473
Loans outstanding at year end	<u>14,832</u>	<u>95,283,447</u>	<u>93,115</u>	<u>520,672,666</u>	<u>0</u>	<u>0</u>	<u>15,750</u>	<u>6,423,577</u>
Total	15,029	\$ 95,619,609	93,735	\$ 522,875,489	0	\$ 0	29,345	\$ 11,667,369
Collection of principal during the year	<u><u>13,714</u></u>	<u><u>\$ 89,706,611</u></u>	<u><u>17,850</u></u>	<u><u>\$ 94,741,280</u></u>	<u><u>0</u></u>	<u><u>\$ 0</u></u>	<u><u>373,613</u></u>	<u><u>\$ 143,173,087</u></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	53	\$ 204,014	1,019	\$ 10,412,075	0	\$ 0	859	\$ 309,650
b) Suits settled before jdgmnt during	0	\$ 0	92	\$ 2,704,914	0	\$ 0	14	\$ 6,686
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	9	\$ 32,802	38	\$ 215,376	0	\$ 0	N/A	N/A
c) Other chattels and property	0	\$ 0	2	\$ 59,087	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		7		37		0		N/A
b) Amount due	\$	51,392	\$	299,113	\$	0		N/A
c) Amount collected	\$	6,847	\$	191,134	\$	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	13,236
b) Amount (Gross loan amount)	\$ 88,704,063

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number	10	9	9
b) Amount (Gross loan amount)	\$ 0	\$ 0	\$ 0
3. Premiums	\$ 2,076	\$ 5,258	\$ 3,150
4. Claims paid	\$ 0	\$ 0	\$ 0
5. Net income from all credit insurance	\$ 35,638		

REGULATED LOAN

1. Loans made during the year:	
a) Number	10,155
b) Amount (Gross loan amount)	\$ 45,402,946

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number	3,139	2,865	3,910
b) Amount (Gross loan amount)	\$ 3,242,512	\$ 3,114,132	\$ 3,950,436
3. Premiums	\$ 61,161	\$ 146,284	\$ 516,858
4. Claims paid	\$ 10,530	\$ 12,174	\$ 10,185
5. Net income from all credit insurance	\$ 360,428		