

STATE OF IOWA
2023

ANNUAL REPORT

of the

SUPERINTENDENT
OF BANKING

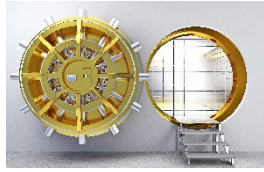
of the

STATE OF IOWA

for the year ending

JUNE 30, 2023

To the Honorable
Kim Reynolds
Governor



IDOBanking
Iowa Division of

KIM REYNOLDS
GOVERNOR
ADAM GREGG
LT. GOVERNOR

JEFF PLAGGE
SUPERINTENDENT

December 19, 2023

TO THE HONORABLE
KIM REYNOLDS
GOVERNOR OF IOWA

Dear Governor Reynolds:

It is my pleasure to submit to you the 2023 State of Iowa Annual Report of the Superintendent of Banking for the fiscal year ending June 30, 2023.

Respectfully submitted,

Jeff Plagge
Superintendent of Banking

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Private Banks	0

*Includes main offices

STATE BANKING COUNCIL

Jeff Plagge, Chairman

Name	Location	Term
Melissa Ballard	Albia	December 9, 2021, to April 30, 2025
Tammy Durnan	West Des Moines	February 7, 2022, to April 30, 2025
Gregory Gannon	De Witt	July 31, 2020, to April 30, 2024
Mark Hanawalt	Waverly	October 27, 2022, to April 30, 2026
Deborah Quandt	Westside	September 24, 2020, to April 30, 2024

STATE BANKING OFFICIALS, EXAMINERS, AND EMPLOYEES

Jeff Plagge, Superintendent
Shauna Russell Shields, Bank Bureau Chief
Craig D. Christensen, Finance 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
Jill R. Pasbrig, Bank Analyst
Scott R. Saunders, Bank Analyst
Johnny L. N. Dao, Information Technology Specialist 3
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.
Garman, Kara L.

Olson, Brian L.
Sexton, Jamie L.

SENIOR EXAMINER

Angus, Melodee A.
Chamberlain, Gretchen L.
Crail, Tracy M.
Digmann, Adam M.
Honsbruch, Harlan H.
Lamb, Martin C.
Lauver, Nicole E.

Lehmann, Jerrod A.
Peters, Paula A.
Renze, Halie C.
Roland, Roger K.
Smith, Chad M.
Smith, Zachary M.
Wiederin, Julie A.

BANK EXAMINER

Baltimore, Danielle L.
Brady, Mark C.
Brauns, Hayley L.
Brown, Erin E.
Brungard, Grady J.
Buehler, Traci A.
Coronado, Kayla J.
Ewoldt, Emily M.
Fay, Grant O.
German, Alexander J.
Ghent, Sage K.
Gross, Marci L.
Halls, Austin J.
Hartwig, Carter A.
Huisman, Crystal J.
Irlbeck, Zachery T.

Jensen, Jennifer H.
Lechtenberg, Madison L.
Martin, Jacob G.
Mootz, Jonathon P.
Morrison, Amy M.
O'Brien, Nathan A.
Pogemiller, Deborah K.
Schreck, Megan A.
Schult, Cameron D.
Stork, Cassidy J.
Strother, Rebecca J.
Thompson, Courtney R.
Uetz, Kelsey A.
Vittetoe, Amelia M.
Vogel, Susan M.
Walter, Daniel G.

FINANCE BUREAU

Evans, Jeffrey M.
 Gleason, Kimberly S.
 Gordon, Joseph T.
 Hubbell, Ty J.

Johnson, Randy L.
 Lander, Angelyn J.
 Madsen, Kathleen G.
 Siems, Daniel R.

PROFESSIONAL LICENSING BUREAU

Bartkiw, Danielle M.
 Bucher, Christopher
 Conway, Kristen
 Goddard, Colleen A.
 Lampe, Robert E.

Paulsen, Renee L.
 SchraderBachar, Lori M.
 Stull, Teresa L.
 Thompson, Ashley N.
 Witt, Demetria

INSTITUTIONS UNDER THE SUPERVISION OF THIS DIVISION

Iowa Chartered Banks	232
One-Bank Holding Companies	183
Multi-Bank Holding Companies	16
Industrial Loan Licensees	33
Regulated Loan Licensees	364
Money Services Licensees	217
Debt Management Licensees	66
Delayed Deposit Service Licensees	66
Mortgage Banker Licenses	546
Mortgage Broker Licenses	128
Mortgage Banker Company Registrants	31
Mortgage Loan Originators	8,011
Closing Agents	96
Real Estate Appraisers	1,196
Appraisal Management Companies	82
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
Crawfordsville (1)	Peoples Savings Bank	05-10-22	Approved 06-22-22	09-09-22
Walker (2)	Walker State Bank	05-25-22	Approved 07-15-22	12-09-22
Keosauqua (3)	First Iowa State Bank	07-11-22	Approved 07-18-22	12-31-22
Altoona (4)	Legacy Bank	08-23-22	Approved 09-09-22	11-01-22
Wapello (5)	State Bank of Wapello	09-15-22	Approved 09-30-22	12-30-22
West Des Moines (6)	Fidelity Bank	11-16-22	NA	04-01-23
Springville (7)	Security State Bank	03-01-23	Approved 03-27-23	06-02-23

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

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
West Bank West Des Moines (8)	West Des Moines	11-30-21	Approved 12-22-21	Pending
Federation Bank Washington (9)	Washington	10-18-22	Approved 10-25-22	12-16-22
Audubon State Bank Audubon (10)	Audubon	12-20-22	Approved 01-30-23	04-01-23
Dubuque Bank and Trust Company Dubuque (11)	Dubuque	02-07-23	Approved 03-16-23	06-30-23

BANK OFFICES

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
West Bank West Des Moines	Mankato, MN	06-01-21	Approved 06-10-21	Pending
TS Bank Treynor	Ames	10-28-21	Approved 11-03-21	10-28-22
American State Bank Sioux Center	Sioux Center	11-24-21	Approved 11-29-21	03-27-23
State Central Bank Bonaparte	Keokuk	12-27-21	Approved 01-14-22	11-01-22
BANK Wapello	Mediapolis	03-16-22	Approved 03-24-22	07-18-22
Peoples Bank Rock Valley	North Sioux City, SD	04-08-22	Approved 04-27-22	11-07-22
Green Belt Bank & Trust Iowa Falls	Parkersburg	04-27-22	Approved 05-19-22	11-17-22
Iowa State Bank and Trust Company Fairfield	Ottumwa	06-01-22	Approved 06-08-22	11-01-22
Availa Bank Carroll	Omaha, NE	06-21-22	Approved 08-02-22	01-13-23
Farmers Savings Bank Wever	Iowa City	08-19-22	Approved 08-25-22	11-15-22
Danville State Savings Bank New London	West Burlington	08-23-22	Approved 09-06-22	12-01-22
First State Bank Webster City	Lake View	10-25-22	Approved 11-21-22	12-27-22
Peoples Savings Bank Indianola	Chariton	11-17-22	Approved 12-13-22	Pending
MidWestOne Bank Iowa City	Cedar Rapids	12-07-22	Approved 12-19-22	06-01-23
Peoples Bank Clive	Boone	12-19-22	Approved 01-23-23	Pending
Washington State Bank Washington	Pella	01-24-23	Approved 01-26-23	05-01-23

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
Iowa State Bank Hull	Galva	02-02-23	Approved 03-02-23	04-03-23
Capra Bank Montezuma	Dubuque	02-23-23	Approved 03-02-23	04-03-23
Leighton State Bank Pella	Knoxville	05-01-23	Approved 05-08-23	Pending
Hills Bank and Trust Company Hills	Williamsburg	05-11-23	Approved 06-02-23	Pending
Pilot Grove Savings Bank Pilot Grove	Bonaparte	06-13-23	Approved 06-22-23	Pending

COURIER SERVICE OR MOBILE OR CONVENIENCE OFFICES

Bank and Location	Proposed Location	Application Received	Decision and Date	Effective Date
Malvern Bank Malvern	Omaha Metro area	03-23-23	Approved 04-11-23	Pending

**RELOCATION OF BANK OFFICE
IN SAME CITY OR MUNICIPAL CORPORATION**

Bank and Location	Current Location	Proposed Location	Application Received	Decision And Date	Effective Date
United Bank of Iowa Ida Grove	100 West Pine Street Marcus	109 East Pine Street Marcus	03-02-22	Approved 03-08-22	01-06-23
Farmers State Bank Waterloo	9250 Univ Ave, Sts 117- 119 West Des Moines	University Ave and 98 th Str West Des Moines	03-29-22	Approved 04-18-22	Pending
Iowa Trust & Savings Bank Emmetsburg	12035 University Avenue Clive	15591 Hickman Road Clive	06-16-22	Approved 06-29-22	Pending
Iowa Falls State Bank Iowa Falls	113 Main Street Williams	116 Main Street Williams	06-27-22	Approved 07-08-22	07-08-22
Community Savings Bank Edgewood	101 South Main Street Garnavillo	103 West Clayton Street Garnavillo	07-14-22	Approved 08-01-22	Pending
First Security Bank and Trust Company Charles City	201 West Main Street Ionia	404 West Main Street Ionia	03-07-23	Approved 03-22-23	04-17-23
City State Bank Norwalk	901 First Avenue Perry	422 First Avenue Perry	04-07-23	Approved 04-26-23	Pending
Home State Bank Jefferson	1370 NW 18 th Street Ankeny	101 East Bridge Road Polk City	04-24-23	Approved 05-12-23	Pending
Premier Bank Rock Valley	500 Fourth Street Hudson, SD	407 Wheelock Street Hudson, SD	05-12-23	Approved 06-02-23	Pending
Two Rivers Bank & Trust Burlington	4320 Westown Parkway West Des Moines	11881 Hickman Road Urbandale	06-09-23	Approved 06-28-23	Pending
West Bank West Des Moines	345 Florence Avenue Owatonna, MN	328 Hoffman Drive Owatonna, MN	06-13-23	Approved 06-23-23	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
Bussey	State Bank of Bussey	Twin Cedars Bank
Montezuma	Peoples Savings Bank	Capra Bank

BANK CHARTERS TERMINATED

Location	Bank	Type of Action	Date Terminated
Crawfordsville (1)	Peoples Savings Bank	Merger	09-09-22
Altoona (4)	Legacy Bank	Merger	10-31-22
Walker (2)	Walker State Bank	Merger	12-09-22
Wapello (5)	State Bank of Wapello	Merger	12-30-22
Keosauqua (3)	First Iowa State Bank	Merger	12-31-22
West Des Moines (6)	Fidelity Bank	Merger	04-01-23
Springville (7)	Security State Bank	Merger	06-02-23

FOOTNOTES

- (1) Application to merge Peoples Savings Bank, Crawfordsville, with and into White State Bank, South English, as the resulting state-chartered bank.
- (2) Application to merge Walker State Bank, Walker, with and into Hiawatha Bank and Trust Company, Hiawatha, as the resulting state-chartered bank.
- (3) Application to merge First Iowa State Bank, Keosauqua, with and into First Iowa State Bank, Albia, as the resulting state-chartered bank.
- (4) Application to merge Legacy Bank, Altoona, with and into VisionBank of Iowa, Ames, as the resulting state-chartered bank.
- (5) Application to merge State Bank of Wapello, Wapello, with and into Mediapolis Savings Bank, Mediapolis, as the resulting state-chartered bank.
- (6) Notice of intent to merge Fidelity Bank, West Des Moines, with and into Savanna-Thomson State Bank, Savanna, Illinois.
- (7) Application to merge Security State Bank, Springville, with and into Citizens State Bank, Monticello, as the resulting state-chartered bank.
- (8) Application by West Bank, West Des Moines, to relocate principal place of business in West Des Moines from 1602 22nd Street to 3330 Westown Parkway.
- (9) Application by Federation Bank, Washington, to relocate principal place of business in Washington from 102 East Main Street to 300 South Iowa Avenue.
- (10) Application by Audubon State Bank, Audubon, to relocate principal place of business in Audubon from 315 Broadway Street to 307 Broadway Street.
- (11) Application by Dubuque Bank and Trust Company, Dubuque, to relocate principal place of business in Dubuque from 1398 Central Avenue to 700 Locust Street.

FINANCIAL DATA

**IOWA DIVISION OF BANKING
FINANCIAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2023**

	BANK AND FINANCE BUREAUS DEPT 213	PROFESSIONAL LICENSING BUREAU DEPT 217	IDOB GRAND TOTAL
Total Budgeted Resources	\$ 14,538,193.11	\$ 5,076,743.19	\$ 19,614,936.30
Total Budgeted Expenditures	14,538,193.11	5,076,743.19	19,614,936.30
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Actual Resources	\$ 13,780,648.66	\$ 4,885,313.97	\$ 18,665,962.63
Total Actual Expenditures	12,693,779.85	1,751,751.25	14,445,531.10
	<u>\$ 1,086,868.81</u> ¹⁾	<u>\$ 3,133,562.72</u> ²⁾	<u>\$ 4,220,431.53</u>

1) \$1,086,868.81
-26,506.14 Carry forward balances of special funds
\$1,060,362.67 Reverted for SFY 2023

2) \$3,133,562.72
-384,315.00 Carry forward balances of special funds
\$2,749,247.72 Reverted for SFY 2023

ABSTRACT #272

STATE OF IOWA – DIVISION OF BANKING

Abstracts of Reports of Condition of 232 Iowa Chartered Banks as of
June 30, 2023, as Compared with 239 Iowa Chartered Banks as of June 30, 2022
(000s)

	June 30, 2023		June 30, 2022		June 30, 2023, compared with June 30, 2022	Percent of Change
		Percent		Percent		
ASSETS						
Cash & Due from Banks	\$ 3,973,189	3.69%	\$ 5,254,986	5.13%	\$ (1,281,797)	-32.26%
Federal Funds Sold	729,069	0.68%	831,291	0.81%	(102,222)	-14.02%
Held-to-Maturity Securities	2,923,302	2.72%	2,506,866	2.45%	416,436	14.25%
Available-for-Sale Securities	20,604,666	19.14%	22,632,407	22.08%	(2,027,741)	-9.84%
Loans & Direct Lease Financing	74,833,376	69.52%	67,297,812	65.67%	7,535,564	10.07%
Less: Loan Loss Valuation	(958,007)	-0.89%	(908,785)	-0.89%	(49,222)	5.14%
Fixed Assets	1,334,106	1.24%	1,269,826	1.24%	64,280	4.82%
Other Real Estate	24,135	0.02%	34,037	0.03%	(9,902)	-41.03%
Good will and Intangible Assets	757,095	0.70%	712,294	0.70%	44,801	5.92%
Other Assets	3,425,860	3.18%	2,852,888	2.78%	572,972	16.72%
Total Assets	<u>\$ 107,646,791</u>	<u>100.00%</u>	<u>\$ 102,483,622</u>	<u>100.00%</u>	<u>\$ 5,163,169</u>	4.80%
LIABILITIES						
Transaction Deposits	\$ 30,909,798	28.71%	\$ 31,850,467	31.08%	\$ (940,669)	-3.04%
Non-transaction Deposits	<u>58,125,984</u>	<u>54.00%</u>	<u>56,533,524</u>	<u>55.16%</u>	<u>1,592,460</u>	2.74%
Total Deposits	\$ 89,035,782	82.71%	\$ 88,383,991	86.24%	\$ 651,791	0.73%
Federal Funds Purchased	2,029,148	1.89%	1,621,642	1.58%	407,506	20.08%
Mortgages Payable & Other Borrowings	5,521,167	5.13%	2,242,912	2.19%	3,278,255	59.38%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0	0.00%
All Other Liabilities	<u>1,109,342</u>	<u>1.03%</u>	<u>800,051</u>	<u>0.78%</u>	<u>309,291</u>	27.88%
Total Liabilities	\$ 97,695,439	90.76%	\$ 93,048,596	90.79%	4,646,843	4.76%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0	0.00%
Total Equity Capital	<u>9,951,352</u>	<u>9.24%</u>	<u>9,435,026</u>	<u>9.21%</u>	<u>516,326</u>	5.19%
Total Liabilities & Equity Capital	<u>\$ 107,646,791</u>	<u>100.00%</u>	<u>\$ 102,483,622</u>	<u>100.00%</u>	<u>\$ 5,163,169</u>	4.80%
Tier 1 Leverage Ratio		10.57%		10.31%		

ABSTRACT #272

STATE OF IOWA – DIVISION OF BANKING
 Abstracts of Reports of Condition of 232 Iowa Chartered Banks as of
 June 30, 2023, as Compared with 234 Iowa Chartered Banks as of December 31, 2022
 (000s)

	June 30, 2023		December 31, 2022		June 30, 2023, compared with Dec. 31, 2022	Percent of Change
		Percent		Percent		
ASSETS						
Cash & Due from Banks	\$ 3,973,189	3.69%	\$ 3,602,108	3.39%	\$ 371,081	9.34%
Federal Funds Sold	729,069	0.68%	496,071	0.47%	232,998	31.96%
Held-to-Maturity Securities	2,923,302	2.72%	2,967,262	2.79%	(43,960)	-1.50%
Available-for-Sale Securities	20,604,666	19.14%	21,736,268	20.47%	(1,131,602)	-5.49%
Loans & Direct Lease Financing	74,833,376	69.52%	72,861,639	68.62%	1,971,737	2.63%
Less: Loan Loss Valuation	(958,007)	-0.89%	(918,588)	-0.87%	(39,419)	4.11%
Fixed Assets	1,334,106	1.24%	1,300,195	1.22%	33,911	2.54%
Other Real Estate	24,135	0.02%	35,366	0.03%	(11,231)	-46.53%
Goodwill and Intangible Assets	757,095	0.70%	746,877	0.70%	10,218	1.35%
Other Assets	3,425,860	3.18%	3,350,353	3.16%	75,507	2.20%
Total Assets	<u>\$ 107,646,791</u>	<u>100.00%</u>	<u>\$ 106,177,551</u>	<u>100.00%</u>	<u>\$ 1,469,240</u>	1.36%
LIABILITIES						
Transaction Deposits	\$ 30,909,798	28.71%	\$ 32,078,007	30.21%	\$ (1,168,209)	-3.78%
Non-transaction Deposits	<u>58,125,984</u>	<u>54.00%</u>	<u>57,024,794</u>	<u>53.71%</u>	<u>1,101,190</u>	1.89%
Total Deposits	\$ 89,035,782	82.71%	\$ 89,102,801	83.92%	(67,019)	-0.08%
Federal Funds Purchased	2,029,148	1.89%	2,253,046	2.12%	(223,898)	-11.03%
Mortgages Payable & Other Borrowings	5,521,167	5.13%	4,328,790	4.08%	1,192,377	21.60%
Subordinated Notes & Debentures	0	0.00%	0	0.00%	0	0.00%
All Other Liabilities	<u>1,109,342</u>	<u>1.03%</u>	<u>971,336</u>	<u>0.91%</u>	<u>138,006</u>	12.44%
Total Liabilities	\$ 97,695,439	90.76%	\$ 96,655,973	91.03%	1,039,466	1.06%
Minority Int. in Consolidated Subs	0	0.00%	0	0.00%	0	0.00%
Total Equity Capital	<u>9,951,352</u>	<u>9.24%</u>	<u>9,521,578</u>	<u>8.97%</u>	<u>429,774</u>	4.32%
Total Liabilities & Equity Capital	<u>\$ 107,646,791</u>	<u>100.00%</u>	<u>\$ 106,177,551</u>	<u>100.00%</u>	<u>\$ 1,469,240</u>	1.36%
Tier 1 Leverage Ratio		10.57%		10.46%		

EARNINGS, EXPENSES AND DIVIDENDS OF IOWA CHARTERED BANKS
FOR CALENDAR YEARS 2020 – 2022
(Amounts Expressed in Thousands of Dollars)

Item Description	2022	2021	2020
INTEREST INCOME			
Interest on Loans and Leases	\$ 2,955,528	\$ 2,853,906	\$ 2,903,940
Interest on Securities	518,046	372,184	340,322
Other Interest Income	89,664	47,721	61,190
Total Interest Income	\$ 3,563,238	\$ 3,273,811	\$ 3,305,452
INTEREST EXPENSE			
Interest on Deposits	447,566	293,472	500,101
Expense of Fed Funds	15,371	3,173	6,973
Interest on Borrowed Money	56,329	57,070	78,419
Interest on Notes & Debentures	0	0	0
Total Interest Expense	\$ 519,266	\$ 353,715	\$ 585,493
Net Interest Income	3,043,972	2,920,096	2,719,959
Provision for Loan Losses	55,549	43,410	250,188
Non-interest Income	654,270	733,456	709,487
Securities Gains or (Losses)	(19,299)	17,953	26,973
NON-INTEREST EXPENSE			
Salaries & Related	1,303,767	1,252,693	1,200,166
Net Occupancy Expense	235,827	228,776	222,401
Other Non-interest Expense	634,248	616,690	606,342
Total Non-interest Expense	\$ 2,173,842	\$ 2,098,159	\$ 2,028,909
Income Before Taxes and Extra Items	1,449,552	1,529,936	1,177,322
Income Taxes	197,475	210,526	153,454
Income Before Extraordinary Items	1,252,077	1,319,410	1,023,868
Extraordinary Items	0	0	0
Net Inc Attrib to Noncontrolling Int	0	0	0
Net Income (Loss)	\$ 1,252,077	\$ 1,319,410	\$ 1,023,868
Dividends	\$ 630,697	\$ 615,771	\$ 484,812
Year-end Equity Capital Funds	\$ 9,521,578	\$ 10,847,137	\$ 10,294,429

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, 2022, by entities authorized to make consumer loans at interest rates exceeding that permitted to be charged by depository institutions. Those entities include 344 licensees engaged in the business of making consumer loans pursuant to Iowa Code Chapter 536; 33 licensees engaged in the business of making consumer loans pursuant to Iowa Code Chapter 536A; and 74 delayed deposit services businesses licensed pursuant to Iowa Code Chapter 533D.

During calendar year 2022, the Superintendent of Banking issued 45 regulated loan licenses, 1 industrial loan license, and 2 delayed deposit services licenses. Compared to calendar year-end 2021, the number of regulated loan licenses increased 11, industrial loan licenses remained the same, and delayed deposit services licenses decreased 33.

BALANCE SHEET

ASSETS		LIABILITIES	
Cash:		Borrowings:	
a) In banks	\$ 16,228,247	a) Short term	\$ 16,887,952
b) Compensating balance	4,251,135	b) Long term	342,050,808
Short term investments	341,564	Reserves:	
Loans receivable:		a) Dealer reserve	1,701,559
a) Gross receivable	586,251,903	b) License & taxes	803,491
b) Less unearned	<u>(4,126,528)</u>	c) Other reserves	<u>1,204,706</u>
c) Net receivable	582,125,375	Dividends payable	54,621
d) Less reserve for bad debt	<u>(38,483,858)</u>	Other liabilities	53,163,539
e) Adjusted net receivable	543,641,517	Total liabilities	<u>\$ 415,866,675</u>
Total liquid and earning assets	<u>\$ 564,462,462</u>	Net worth	2,502,607
Inter-company loans	9,489,041	Capital stock:	
Investments in affiliates	2,478,418	a) Preferred	19,740,787
Other investments	44,943,263	b) Common	1,729,289
Furniture, fixtures, equipment and vehicles (less depreciation)	4,123,080	c) Less treasury stock	<u>(2,349,527)</u>
Building and land (less depreciation)	2,474,515	Paid-in surplus	84,178,079
Repossessed property	216,653	Retained earnings	131,832,257
Prepaid expenses & deferred charges	6,439,110	Stockholders' equity	<u>\$ 237,413,085</u>
Other assets	<u>18,873,625</u>	Total liabilities, net worth, and Stockholders' equity	<u>\$ 653,500,167</u>
Total assets	<u>\$ 653,500,167</u>		

DETAIL OF LICENSABLE LOANS RECEIVABLE

	INDUSTRIAL	REGULATED	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Gross receivable	\$ 125,297,668	\$ 453,408,928	\$ 0	\$ 7,580,187	\$ 586,286,783
Less unearned	<u>(982,509)</u>	<u>(3,180,489)</u>	0	N/A	<u>(4,162,998)</u>
Net receivable	\$ 124,315,159	\$ 450,228,439	\$ 0	\$ 7,580,187	\$ 582,123,785
Less reserve for bad debt	<u>(1,488,666)</u>	<u>(35,817,670)</u>	0	<u>(524,570)</u>	<u>(37,830,906)</u>
Adjusted Net receivable	<u>\$ 122,826,493</u>	<u>\$ 414,410,769</u>	<u>\$ 0</u>	<u>\$ 7,055,617</u>	<u>\$ 544,292,879</u>

	INCOME				
	INDUSTRIAL LOAN	REGULATED LOAN	CREDIT SALE	DELAYED DEPOSIT	TOTAL
Charges collected and/or earned	\$ 13,942,354	\$ 27,773,399	\$ 0	\$ 16,777,726	\$ 58,493,478
Late & deferment charges	371,022	238,595	0	2,731,980	3,342,597
Other loan fees	830,129	208,552	0	N/A	1,038,681
Credit insurance income	23,701	504,705	0	N/A	528,406
Other income	54,550,965	3,379,000	0	0	57,929,965
Total operating income	<u>\$ 69,718,170</u>	<u>\$ 32,105,251</u>	<u>\$ 0</u>	<u>\$ 19,509,706</u>	<u>\$ 121,333,127</u>
	EXPENSES				
Advertising	\$ 184,932	\$ 340,052	\$ 0	\$ 738,035	\$ 1,263,019
Auditing	195,020	274,025	0	11,274	480,319
Bad debt:					
a) Charge off	(258,665)	605,193	0	6,138,489	6,485,017
b) Deduct collections on charge off	10,599	223,844	0	(2,686,552)	(2,452,108)
c) Additions to reserve for bad debt	52,000	1,685,970	0	1,022,138	2,760,108
Depreciation and amortization	307,628	701,369	0	290,844	1,299,840
Insurance and fidelity bonds	117,540	408,585	0	184,631	710,756
Legal fees and disbursements	58,192	393,118	0	411,736	863,046
Postage, printing, stationery & supplies	181,725	497,999	0	166,373	846,097
Rent, janitorial services & utilities	487,552	499,836	0	2,720,478	3,707,866
Salaries of officers, owners & partners	250,800	142,400	0	348,701	741,901
Salaries of all other employees	4,488,273	6,699,033	0	7,219,242	18,406,548
Taxes (other than income)	383,154	242,069	0	153,700	778,923
License fees	82,511	64,700	0	77,359	224,570
Telephone & telegraph	15,574	158,971	0	295,388	469,934
Travel, auto expense & allowance	252,046	74,295	0	353,765	680,106
Supervision & administration	0	300,000	0	(275,402)	24,598
Other expenses	33,438,377	6,493,391	0	3,653,645	43,585,413
Interest paid on borrowed funds	1,154,558	12,430,291	0	483,645	14,068,494
Total expenses before income taxes	<u>41,380,618</u>	<u>31,787,453</u>	<u>0</u>	<u>21,307,489</u>	<u>94,475,559</u>
Income before income taxes	\$ 28,337,553	\$ 317,798	\$ 0	\$ (1,797,783)	\$ 26,857,568
State income taxes	707,176	24,666	0	26,493	758,335
Federal income taxes	5,773,999	106,781	0	75,037	5,955,817
Total expenses	<u>\$ 47,861,793</u>	<u>\$ 31,918,899</u>	<u>\$ 0</u>	<u>\$ 21,409,019</u>	<u>\$ 101,189,711</u>
NET EARNINGS	<u>\$ 21,856,378</u>	<u>\$ 186,352</u>	<u>\$ 0</u>	<u>\$ (1,899,313)</u>	<u>\$ 20,143,416</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	\$ 113,509,032	\$ 462,107,350	\$ 0	\$ 7,564,576
Net income	\$ 21,856,378	\$ 186,352	\$ 0	\$ (1,899,313)
Rate of return	19.26%	0.04%	0.00%	(25.11%)
Analysis of charges on loans:				
Charges collected and/or earned	\$ 13,942,354	\$ 27,773,399	\$ 0	\$ 16,777,726
Average monthly rate collected	1.02%	0.50%	0.00%	18.48%
Analysis of expense per account:				
Average number of accounts outstanding	15,443	83,014	0	18,581
Total expenses	\$ 41,380,618	\$ 31,787,453	\$ 0	\$ 21,307,489
Average monthly expense per account	\$223.30	\$31.91	\$0.00	\$95.56
Delinquency Summary:				
60 – 90 days past due	\$ 218,726	\$ 2,717,570	\$ 0	\$ 305,117
90 – 119 days past due	\$ 50,549	\$ 2,106,339	\$ 0	\$ 1,743,144
120 days or more past due	\$ 9,776	\$ 67,667,810	\$ 0	\$ N/A
Total contractual past due accounts	\$ 279,051	\$ 72,491,719	\$ 0	\$ 2,404,374
Delinquency as a percent of gross outstanding	0.22%	15.99%	0.00%	31.72%

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	15,687	\$ 105,545,256	85,757	\$ 477,277,487	0	\$ 0	79,551	\$ 7,122,237
Loans made during year	13,580	117,287,113	10,227	56,215,234	N/A	N/A	359,555	140,697,517
Loan balances purchased during year	<u>152</u>	<u>670,916</u>	<u>522</u>	<u>709,213</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	29,419	\$ 223,503,285	96,506	\$ 534,201,935	0	\$ 0	439,106	\$ 147,819,754
Loan balances charged off during year	65	\$ 48,862	463	\$ 1,421,072	0	\$ 0	6,043	\$ 2,203,369
Loan balances sold during year	186	299,797	0	0	0	0	6,325	2,298,980
Loans outstanding at year end	<u>15,473</u>	<u>124,315,159</u>	<u>82,053</u>	<u>450,228,439</u>	<u>0</u>	<u>0</u>	<u>18,710</u>	<u>7,580,187</u>
Total	15,724	\$ 124,663,818	82,516	\$ 451,649,512	0	\$ 0	31,078	\$ 12,082,536
Collection of principal during the year	<u><u>13,695</u></u>	<u><u>\$ 98,839,468</u></u>	<u><u>13,990</u></u>	<u><u>\$ 82,552,423</u></u>	<u><u>0</u></u>	<u><u>\$ 0</u></u>	<u><u>408,028</u></u>	<u><u>\$ 135,737,218</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	25	\$ 140,108	739	\$ 2,785,237	0	\$ 0	309	\$ 117,287
b) Suits settled before jdgmnt during	0	\$ 0	41	\$ 1,231,178	0	\$ 0	0	\$ 0
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	1	\$ 9,661	26	\$ 163,859	0	\$ 0	N/A	N/A
c) Other chattels and property	0	\$ 0	2	\$ 116,754	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		1		35		0		N/A
b) Amount due	\$	9,661	\$	329,881	\$	0		N/A
c) Amount collected	\$	1,272	\$	220,313	\$	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		13,580
b) Amount (Gross loan amount)	\$	117,378,306

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number		10	8
b) Amount (Gross loan amount)	\$	80,984	\$ 64,787
3. Premiums	\$	989	\$ 2,457
4. Claims paid	\$	0	\$ 0
5. Net income from all credit insurance	\$	23,701	\$ 0

REGULATED LOAN

1. Loans made during the year:		
a) Number		10,227
b) Amount (Gross loan amount)	\$	35,378,457

	CREDIT LIFE INSURANCE	CREDIT HEALTH & ACCIDENT	OTHER INSURANCE
2. Insured loans made during the year:			
a) Number		3,698	3,354
b) Amount (Gross loan amount)	\$	10,913,914	\$ 9,927,540
3. Premiums	\$	83,980	\$ 198,348
4. Claims paid	\$	9,244	\$ 4,769
5. Net income from all credit insurance	\$	504,705	\$ 12,735,945