



2023  
ANNUAL REPORT  
TO THE GOVERNOR

# OKLAHOMA

*Banking Department*

MICK THOMPSON  
BANK COMMISSIONER



J. KEVIN STITT  
GOVERNOR

STATE OF OKLAHOMA  
STATE BANKING DEPARTMENT

October 20, 2023

The Honorable Kevin Stitt  
Governor, State of Oklahoma  
2300 N Lincoln Blvd.  
Oklahoma City, Oklahoma 73105

Dear Governor Stitt:

Pursuant to Title 6 O.S., Section 212 of the Oklahoma Banking Code, I am pleased to submit the State Banking Department's 2023 Annual Report. This report contains information on the financial institutions the Department regulates as well as an update on the agency's budget and regulatory activities during the past year.

The State Banking Department is charged with regulating all state-chartered banks, credit unions, savings and loan associations, trust companies, money order companies, and money transmission licensees in the State of Oklahoma. The total banking assets supervised by the State Banking Department are over \$93 billion.








I hope you find this report informative and should you have any questions regarding the contents of this publication, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mick Thompson", with a long, sweeping underline.

Mick Thompson  
Commissioner

# CONTENTS

	Mission Organizational Chart
	Comparative Statement of Expenditures and Receipts Institutions Supervised
	Banks Consolidated Report of Condition – June 30, 2023 Consolidated Report of Condition – Selected Performance and Condition Ratios Summary of Changes – Oklahoma State Chartered Banks
	Credit Union Consolidated Report of Condition – June 30, 2023 Summary of Changes – Oklahoma State Chartered Credit Unions
	Trust Company Consolidated Report of Condition – June 30, 2023 Summary of Changes - Trust Companies
	Summary of Changes - Savings and Loan Associations Savings and Loan Consolidated Report of Condition – June 30, 2023
	Money Service Businesses

**Additional information may be found on the Department's website at [banking.ok.gov](http://banking.ok.gov).**

## MISSION

The mission of the State Banking Department is to allocate human and other resources to implement an effective regulatory program for financial institutions. The Department has been, and will continue to be, an advocate for financial institutions in the implementation of this program. However, our primary focus is to ensure the continuance of safe and sound financial practices in the State's financial institutions. It would follow that the financial services offered by these sound institutions would foster economic growth and meet the public demand for these services in their communities.

### HOW MISSION IS ACCOMPLISHED

The Department is committed to the development of its staff through education, economic rewards, and the availability of a pleasant work environment. In that regard, the following objectives have been formulated by the Department:

- To strengthen the examination program by improving examination methods and procedures and by improving research and development to stay abreast of changes within the financial industry;
- To improve training programs for Department personnel by more efficient utilization of funds and resources, enhancement of internal training programs, and early detection and identification of external schools and seminars to be attended;
- To improve communication among bank management, regulatory agencies, public entities, and the general public;
- To acquire and maintain the required physical and human resources to allow more efficient and consistent operation; and
- To improve the work environment, benefits, and morale of Department personnel in order to enhance staff motivation and satisfaction, improve productivity, and reduce turnover.

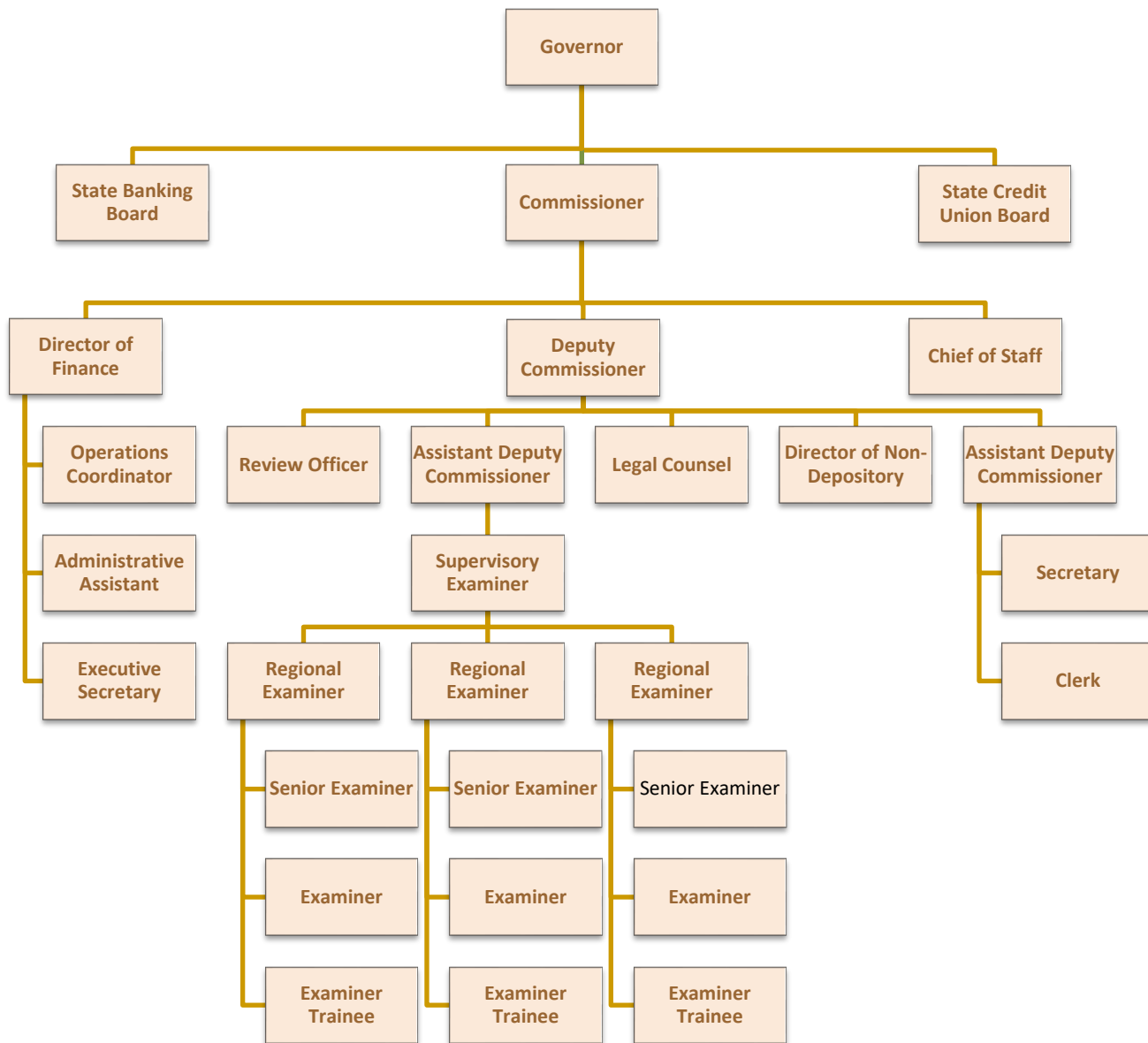
### HOW MISSION IS MEASURED

To accomplish its mission, the Banking Department examines banks, credit unions, trust companies, and savings associations, and rates them based on safety and soundness. The Department also compares trends of capital requirements and assets of prior years. The Department can then recognize weaknesses and implement formal and informal supervisory action to ensure compliance with applicable laws and prevent the failure of a financial institution. The Department can also compare the results of each examination to evaluate the progress of each financial institution.

With respect to its supervision of money order companies and money transmitters, the Department supervises such institutions to assure they maintain adequate security (such as a surety bond) and net worth. The Department's supervision is directed at consumer protection and making sure that only those companies with sound business operations may conduct business in Oklahoma.



# ORGANIZATIONAL CHART



## COMPARATIVE STATEMENT OF EXPENDITURES AND RECEIPTS

EXPENDITURES	FY-23	FY-22
Salary and Benefits	\$ 6,387,876	\$ 5,985,175
Professional Services	109,366	101,137
Travel	182,436	95,383
Equipment	122,990	60,023
Other Operating Expenses	370,220	357,782
Capital Expense	0	312,993
<b>TOTAL</b>	<b>\$ 7,172,888</b>	<b>\$ 6,912,493</b>

RECEIPTS	FY-23	FY-22
Assessments Deposited into GRF	\$ 750,856	\$ 786,884
Assessments and Fees Deposited into the Banking Department's Revolving Funds		
- Banks	\$ 6,940,730	\$ 7,158,899
- Trust Companies	139,327	162,166
- Credit Unions	186,166	271,112
- Savings and Loan Associations	1,686	1,803
- Money Order Companies	24,190	16,140
- Money Transmitter Companies	485,650	509,750
- Misc. Fees	9,600	18,873
<b>ALL ASSESSMENTS &amp; FEES</b>	<b>\$ 8,538,205</b>	<b>\$ 8,925,627</b>



# INSTITUTIONS SUPERVISED

as of June 30, 2023

Type of Institutions	Number of Institutions	Examinations Performed 7/1/2022 to 6/30/2023
<b>Commercial Banks (1)</b>	139	50
<b>Bank Trust Departments</b>		
- Active	16	7
- Inactive (2)	8	N/A
<b>Savings and Loans</b>	1	0
<b>Trust Companies</b>	6	2
<b>Credit Unions</b>	11	5
<b>Money Order Companies (3)</b>	5	0
<b>Money Transmitter Companies (4)</b>	177	0
<b>TOTAL</b>	<b>363</b>	<b>64</b>

(1) Commercial banks: 39 were independent exams and 11 were joint with FDIC or Federal Reserve. 131 of the 139 banks (94%) are rated 1 or 2.

(2) Trust Departments endowed with trust powers which do not currently provide fiduciary supervision for any trust accounts.

(3) Money Order licensees submit audited financial statements at the time their license is renewed. The statements are reviewed internally along with other documentation required at the time.

(4) Money Transmitter licensees are examined annually upon renewal of their license. The Banking Department reviews each licensee for purposes of financial safety and soundness. The Banking Department has entered into agreements with the Oklahoma Bureau of Narcotics and Dangerous Drugs Control and the Federal Department of Homeland Security to conduct investigations of agent locations for purposes of criminal conduct.



# CONSOLIDATED REPORT OF CONDITION

## OKLAHOMA STATE CHARTERED BANKS

as of June 30, 2023

Number of Banks – 139

ASSETS	Thousands of Dollars
Cash and Due from Banks	1,268,865
Interest Bearing Balances	5,269,296
Securities	14,224,199
Federal Funds Sold	829,782
Total Loans	58,208,644
Allowance for Loan and Lease Losses	(725,727)
Bank Premises – F&F	1,758,001
Other Real Estate Owned	66,317
Intangible Assets	892,473
Investment in Unconsolidated Subsidiaries	16,983
Other Assets	2,308,071
<b>TOTAL ASSETS</b>	<b>84,116,904</b>

LIABILITIES	Thousands of Dollars
<b>DEPOSITS</b>	
Noninterest-bearing Deposits	20,192,264
Interest-bearing Accounts	50,998,447
<b>TOTAL DEPOSITS</b>	<b>71,190,711</b>
Federal Funds Purchased	80,193
Other Borrowed Money	3,615,224
Subordinated Notes and Debentures	3,093
Other Liabilities	1,263,127
<b>TOTAL LIABILITIES</b>	<b>76,152,348</b>

EQUITY CAPITAL	Thousands of Dollars
Preferred Stock	45,032
Common Stock	164,059
Surplus	2,937,345
Undivided Profits and Capital Adjustments	4,818,120
<b>TOTAL EQUITY CAPITAL</b>	<b>7,964,556</b>
<b>TOTAL LIABILITIES, PREFERRED STOCK AND EQUITY CAPITAL</b>	<b>84,116,904</b>

	6-30-2023	6-30-2022	6-30-2021
Percentage of Total Capital to Total Assets	9.47%	9.92%	10.32%
Percentage of Total Capital to Total Deposits	11.19%	11.51%	12.16%
Percentage of Total Loans to Total Deposits	81.76%	74.87%	77.19%
Percentage of Cash and Depository Balances to Total Deposits	9.18%	13.65%	15.59%





# CONSOLIDATED REPORT OF CONDITION

## OKLAHOMA STATE CHARTERED BANKS

### *Selected Performance and Condition Ratios*

	6-30-2023	12-31-2022	6-30-2022	12-31-21	6-30-2021	12-31-2020
Number of Banks Reporting	139	138	137	137	144	144
Unprofitable Banks	4.32%	2.17%	2.19%	2.92%	4.17%	4.86%
Banks with Earnings Gains	68.35%	61.59%	34.31%	70.80%	72.22%	54.17%
Yield on Earning Assets	5.41%	4.22%	3.74%	3.90%	3.99%	4.36%
Net Interest Margin	3.84%	3.74%	3.48%	3.60%	3.65%	3.76%
Noninterest Inc./Average Assets	0.88%	1.05%	1.17%	1.42%	1.48%	1.58%
Noninterest Exp./Average Assets	2.79%	2.84%	2.80%	2.90%	2.91%	3.17%
Net Operating Income to Assets	1.37%	1.36%	1.31%	1.52%	1.57%	1.31%
Return on Assets (ROA)	1.35%	1.35%	1.30%	1.53%	1.58%	1.36%
Return on Equity (ROE)	14.44%	14.34%	13.48%	14.79%	15.17%	12.49%
Loan Loss Reserve to Loans	1.25%	1.23%	1.25%	1.27%	1.29%	1.28%
Noncurrent Loans to Loans	0.85%	0.96%	1.11%	1.40%	1.56%	1.91%
Core Capital (Leverage) Ratio	10.17%	9.98%	9.63%	9.59%	9.71%	9.99%
Core Deposits to Total Liabilities	83.13%	85.99%	88.22%	88.87%	87.26%	85.74%



## SUMMARY OF CHANGES

### OKLAHOMA STATE CHARTERED BANKS

July 1, 2022, through June 30, 2023

TOTAL STATE CHARTERED BANKS AS OF JUNE 30, 2022	137
NEW BANK CHARTERS	0
CONVERSIONS TO STATE BANKS (1)	2
CONVERSIONS TO NATIONAL BANKS	0
ACQUISITIONS	
- State Banks acquired by National Banks	0
MERGERS	
- State Banks merged into Other State Banks	0
- State Banks merged into National Banks	0
- State Banks merged into Out-of-State Banks	0
TOTAL STATE CHARTERED BANKS AS OF JUNE 30, 2023	139

(1) Vision Bank, National Association, Ada, Oklahoma, became a state-chartered institution and changed its corporate name to Vision Bank. Effective date was July 27, 2022.

(2) First National Bank and Trust Company, Shawnee, Oklahoma, became a state-chartered institution and changed its corporate name to Sovereign Bank. Effective date was May 23, 2023.

#### Summary of Changes – Other

The Bank of Cherokee County, Hulbert, Oklahoma, changed its corporate name to Local Bank. Effective date was July 21, 2022.

First State Bank, Elmore City, Oklahoma changed its corporate name to Old Glory Bank. Effective date was November 30, 2022.



Summary of Changes – Other (Continued)

Oklahoma State Bank, Guthrie, Oklahoma, changed its corporate name to Prism Bank. Effective date was June 26, 2023.



## SUMMARY OF CHANGES

### OKLAHOMA STATE CHARTERED CREDIT UNIONS

as of June 30, 2023

Number of Credit Unions – 11

Corporate Credit Unions – None

<b>ASSETS</b>	Thousands of Dollars
Cash, Cash Equivalents and Cash on Deposit	182,379
Total Loans	1,405,782
Loans Held for Sale	927
<i>Less: Allowance for Loan Losses</i>	(21,019)
Total Investments (Market Value, AFS only)	496,395
Land & Building (Net of Depreciation)	49,288
Other Fixed Assets	3,194
Other Real Estate Owned	1,689
Share Insurance Capitalization Deposit	16,383
Other Assets (including Share Insurance Fund)	29,774
<b>TOTAL ASSETS</b>	<b>2,164,792</b>

<b>LIABILITIES</b>	Thousands of Dollars
Total Borrowings	108,556
Dividend/Interest Payable	27
Accounts Payable and Other Liabilities	18,396
Total Shares and Deposits	1,821,043
<b>TOTAL LIABILITIES</b>	<b>1,948,022</b>

<b>EQUITY</b>	Thousands of Dollars
Regular Reserves	7,016
<i>Plus: Unrealized G/L on AFS Securities</i>	(51,127)
Other Reserves and Miscellaneous Equity	2,389
Reserve for Nonconforming Investments	0
Undivided Earnings (including YTD Net Income)	258,492
<b>TOTAL EQUITY</b>	<b>216,770</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,164,792</b>



# SUMMARY OF CHANGES

## OKLAHOMA STATE CHARTERED CREDIT UNIONS July 1, 2022, through June 30, 2023

### CONVERSIONS

- None.

### MERGERS

- None.

### NAME CHANGE

- None.



# CONSOLIDATED REPORT OF CONDITION

## OKLAHOMA STATE CHARTERED TRUST COMPANIES

as of June 30, 2023

Number of Trust Companies – 6

ASSETS	Thousands of Dollars
Cash & Due From Banks	4,964
Notes, Loans & Other Receivables	4,399
Stocks, Bonds, Securities & Investments	12,351
Trust Company Premises, Furniture, Fixtures, and Other Assets Representing Trust Company Premises	1,323
Other Real Estate	537
Investments in Subsidiaries	
Title Records	
Other Assets	17,698
<b>TOTAL ASSETS</b>	<b>41,272</b>

LIABILITIES	Thousands of Dollars
Certificates & Other Forms Representing Deposits of Individuals, Partnerships and Corporations	
Certificates & Other Forms Representing Deposits of Government and Political Subdivisions	0
Accounts Payable	395
Notes Payable	
Custodial and Escrow Accounts Payable	
Reserve Provision for Taxes, Interest, etc.	26
Other Liabilities	9,743
<b>TOTAL LIABILITIES</b>	<b>10,164</b>

RESERVES ON LOANS & SECURITIES	Thousands of Dollars
Reserves for Bad Debt Losses on Loans	-123
Reserves for Losses on Securities	
<b>TOTAL RESERVES ON LOANS &amp; SECURITIES</b>	<b>-123</b>

CAPITAL ACCOUNTS	Thousands of Dollars
Capital Notes and Debentures (Specify interest & maturity each issue outstanding)	0
Preferred Stock-Total Par Value	0
Common Stock-Total Par Value	2,332
Surplus	20,773
Paid in Excess	
Undivided Profits	8,126
Reserves for Contingency & Other Capital Reserves including Provisions for Abstract & Title Guarantees	
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>31,231</b>
<b>TOTAL LIABILITIES, RESERVES &amp; CAPITAL ACCOUNTS</b>	<b>41,272</b>



# SUMMARY OF CHANGES

TRUST  
COMPANIES  
as of June 30, 2023

## NAME CHANGE

- None.

## CONVERSIONS

- None.

## MERGERS

- None.



# CONSOLIDATED REPORT OF CONDITION

## OKLAHOMA STATE CHARTERED SAVINGS AND LOAN ASSOCIATIONS

as of June 30, 2023

Number of Savings & Loans – 1

<b>ASSETS</b>	Thousands of Dollars
Cash and Noninterest-Bearing Deposits	756
U.S. Government Securities	3,854
Other Investment Securities	1,497
Mortgage Loans	1,451
Non-Mortgage Loans	8
Repossessed Real Estate and Other Assets	0
Real Estate Held for Investment	0
Investment in Subsidiaries	0
Premises and Equipment	9
Other Assets	3
<b>TOTAL ASSETS</b>	<b>7,578</b>

<b>LIABILITIES</b>	Thousands of Dollars
Deposits	4,652
Advances from Federal Home Loan Bank	0
Other Borrowings	0
Other Liabilities	21
<b>TOTAL LIABILITIES</b>	<b>4,673</b>

<b>EQUITY CAPITAL</b>	Thousands of Dollars
Common Stock	100
Paid in Excess of Par	784
Unrealized Gains (Losses) on Available-for-Sale Securities	0
Retained Earnings	2,021
<b>TOTAL EQUITY CAPITAL</b>	<b>2,905</b>
<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>7,578</b>





# SUMMARY OF CHANGES

## OKLAHOMA STATE CHARTERED SAVINGS AND LOAN ASSOCIATIONS

July 1, 2022, through June 30, 2023

### MERGERS

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- None



## MONEY SERVICE BUSINESSES

The Oklahoma State Banking Department supervises and regulates the following non-depository money service business activities:

- Sale of Checks
- Money Transmitters

**Sale of Checks.** The Oklahoma Sale of Checks Act (Title 6 O.S. § 2101 *et seq.*) requires any person selling or issuing checks (*e.g.*, money orders) to first obtain a license from the State Banking Commissioner. Each license must be renewed annually on or before June 1.

As of June 30, 2023, there were 5 companies licensed under the Oklahoma Sale of Checks Act. These 5 licensees were doing business at 1,532 agent locations in Oklahoma.

**Money Transmission.** The Oklahoma Financial Transaction Reporting Act (Title 6 O.S. § 1511 *et seq.*) and the regulations promulgated by the Oklahoma State Banking Board (Title 85:15-1-1 *et seq.*), require any person engaged in the business of money transmission to first obtain a license from the State Banking Commissioner. Each license must be renewed annually on or before January 1.

As of June 30, 2023, there were 171 companies licensed to conduct a money transmission business in Oklahoma. These 171 licensees were doing business at 6,094 agent locations in Oklahoma.

