



2024
ANNUAL REPORT
TO THE GOVERNOR

OKLAHOMA
Banking Department

MICK THOMPSON
BANK COMMISSIONER



J. KEVIN STITT
GOVERNOR

STATE OF OKLAHOMA
STATE BANKING DEPARTMENT

October 21, 2024

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 2024 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 \$99.9 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

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Additional information may be found on the Department's website at 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.

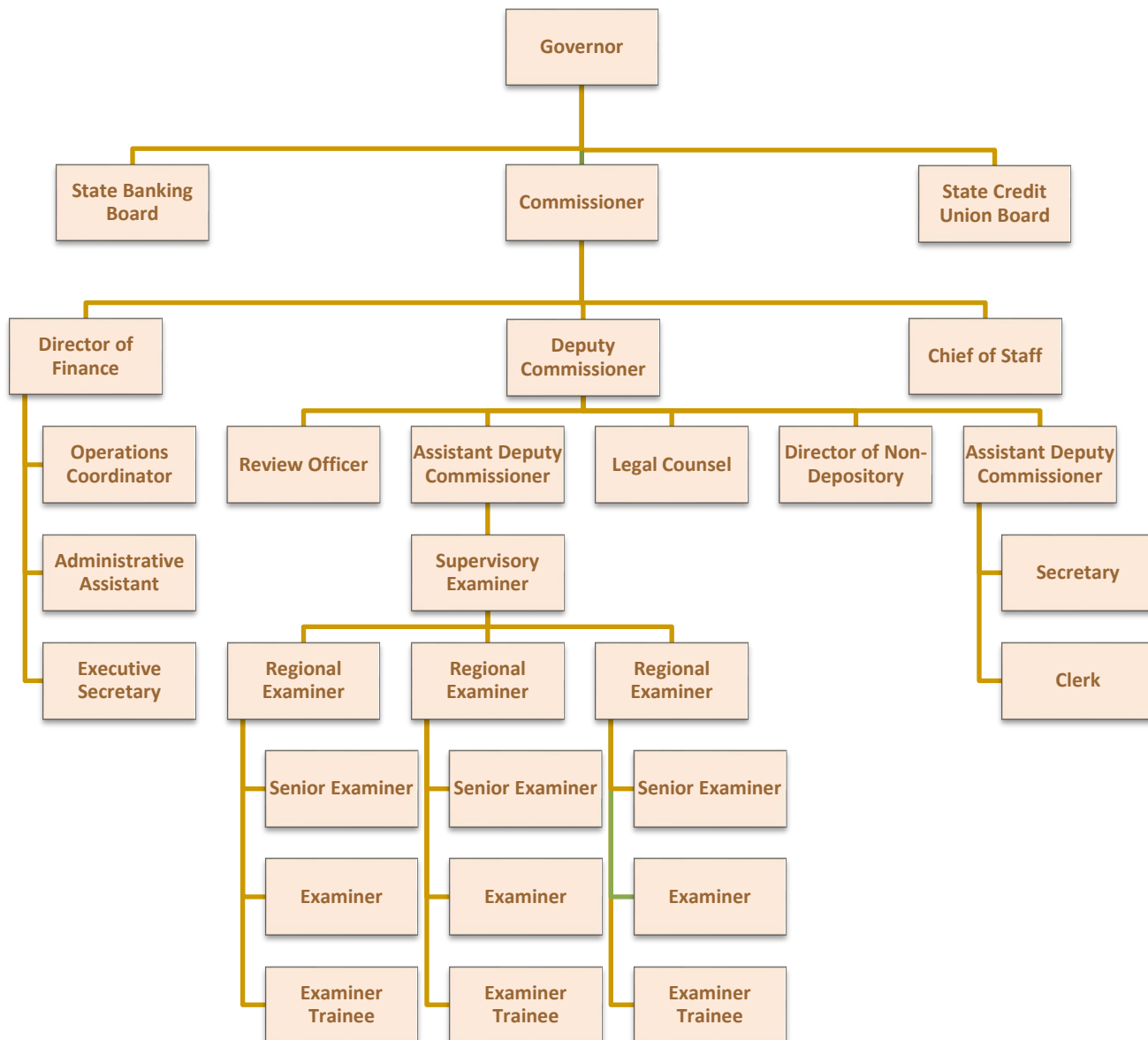
HOW MISSION IS MEASURED

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-24	FY-23
Salary and Benefits	\$ 6,371,120	\$ 6,387,876
Professional Services	54,336	109,366
Travel	201,873	182,436
Equipment	8,695	122,990
Other Operating Expenses	315,319	370,220
Capital Expense	0	0
TOTAL	\$ 6,951,343	\$ 7,172,888

RECEIPTS	FY-24	FY-23
Assessments Deposited into GRF	\$ 785,562	\$ 750,856
Assessments and Fees Deposited into the Banking Department's Revolving Funds		
- Banks	\$ 7,319,420	\$ 6,940,730
- Trust Companies	139,720	139,327
- Credit Unions	119,879	186,166
- Savings and Loan Associations	1,609	1,686
- Money Order Companies	17,020	24,190
- Money Transmitter Companies	517,800	485,650
- Misc. Fees	285,841	9,600
ALL ASSESSMENTS & FEES	\$ 9,186,851	\$ 8,538,205



INSTITUTIONS SUPERVISED

as of June 30, 2024

Type of Institutions	Number of Institutions	Examinations Performed 7/1/2023 to 6/30/2024
Commercial Banks (1)	139	43
Bank Trust Departments		
- Active	15	5
- Inactive (2)	9	N/A
Savings and Loans	1	1
Trust Companies	6	5
Credit Unions	10	7
Money Order Companies (3)	5	0
Money Transmitter Companies (4)	175	0
TOTAL	360	61

(1) Commercial banks: 39 were independent exams and 4 were joint with FDIC or Federal Reserve. 128 of the 139 banks (92%) 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, 2024

Number of Banks – 139

ASSETS	Thousands of Dollars
Cash and Due from Banks	1,177,477
Interest Bearing Balances	5,839,398
Securities	13,915,974
Federal Funds Sold	880,102
Total Loans	62,198,793
Allowance for Credit Losses	(777,835)
Bank Premises – F&F	1,817,036
Other Real Estate Owned	70,378
Intangible Assets	841,734
Investment in Unconsolidated Subsidiaries	18,629
Other Assets	2,478,735
TOTAL ASSETS	88,460,421

LIABILITIES	Thousands of Dollars
DEPOSITS	
Noninterest-bearing Deposits	18,595,278
Interest-bearing Accounts	55,286,503
TOTAL DEPOSITS	73,881,781
Federal Funds Purchased	41,084
Other Borrowed Money	4,525,099
Subordinated Notes and Debentures	3,093
Other Liabilities	1,346,379
TOTAL LIABILITIES	79,797,436

EQUITY CAPITAL	Thousands of Dollars
Preferred Stock	45,032
Common Stock	163,583
Surplus	3,250,099
Undivided Profits and Capital Adjustments	5,204,271
TOTAL EQUITY CAPITAL	8,662,985
TOTAL LIABILITIES, PREFERRED STOCK AND EQUITY CAPITAL	88,460,421

	6-30-2024	6-30-2023	6-30-2022
Percentage of Total Capital to Total Assets	9.79%	9.47%	9.92%
Percentage of Total Capital to Total Deposits	11.73%	11.19%	11.51%
Percentage of Total Loans to Total Deposits	84.19%	81.76%	74.87%
Percentage of Cash and Depository Balances to Total Deposits	9.50%	9.18%	13.65%



CONSOLIDATED REPORT OF CONDITION

OKLAHOMA STATE CHARTERED BANKS

Selected Performance and Condition Ratios

	6-30-2024	12-31-2023	6-30-2023	12-31-2022	6-30-2022	12-31-2021
Number of Banks Reporting	139	139	139	138	137	137
Unprofitable Banks	5.76%	4.32%	5.04%	2.17%	2.19%	2.92%
Banks with Earnings Gains	46.04%	58.27%	68.35%	61.59%	34.31%	70.80%
Yield on Earning Assets	6.20%	5.70%	5.41%	4.22%	3.74%	3.90%
Net Interest Margin	3.77%	3.83%	3.84%	3.74%	3.48%	3.60%
Noninterest Inc./Average Assets	0.84%	0.83%	0.89%	1.03%	1.17%	1.42%
Noninterest Exp./Average Assets	2.77%	2.85%	2.81%	2.84%	2.80%	2.90%
Net Operating Income to Assets	1.27%	1.25%	1.35%	1.35%	1.31%	1.52%
Return on Assets (ROA)	1.27%	1.22%	1.34%	1.35%	1.30%	1.53%
Return on Equity (ROE)	13.24%	13.04%	14.30%	14.23%	13.48%	14.79%
Loan Loss Reserve to Loans	1.25%	1.26%	1.25%	1.23%	1.25%	1.27%
Noncurrent Loans to Loans	1.03%	1.10%	0.85%	0.96%	1.11%	1.40%
Core Capital (Leverage) Ratio	10.21%	10.06%	10.15%	9.96%	9.62%	9.59%
Core Deposits to Total Liabilities	80.38%	81.25%	83.08%	85.98%	88.22%	88.87%



SUMMARY OF CHANGES

OKLAHOMA STATE CHARTERED BANKS

July 1, 2023, through June 30, 2024

TOTAL STATE CHARTERED BANKS AS OF JUNE 30, 2023	139
NEW BANK CHARTERS	0
CONVERSIONS TO STATE BANKS	0
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, 2024	139

Summary of Changes – Other

Bank of Locust Grove, Locust Grove, Oklahoma, changed its corporate name to All Capital Bank. Effective date was July 31, 2023.

The Bank of Kremlin, Kremlin, Oklahoma, changed its corporate name to Cowboy Bank. Effective date was December 5, 2023.



SUMMARY OF CHANGES

OKLAHOMA STATE CHARTERED CREDIT UNIONS

as of June 30, 2024

Number of Credit Unions – 10

Corporate Credit Unions – None

ASSETS	Thousands of Dollars
Cash, Cash Equivalents and Cash on Deposit	143,255
Total Loans	791,605
Loans Held for Sale	0
<i>Less: Allowance for Loan Losses</i>	(12,722)
Total Investments (Market Value, AFS only)	340,640
Land & Building (Net of Depreciation)	35,854
Other Fixed Assets	3,286
Other Real Estate Owned	1,506
Share Insurance Capitalization Deposit	10,763
Other Assets (including Share Insurance Fund)	29,420
TOTAL ASSETS	1,343,607

LIABILITIES	Thousands of Dollars
Total Borrowings	40,306
Dividend/Interest Payable	44
Accounts Payable and Other Liabilities	8,425
Total Shares and Deposits	1,142,320
TOTAL LIABILITIES	1,191,095

EQUITY	Thousands of Dollars
Regular Reserves	6,405
<i>Plus: Unrealized G/L on AFS Securities</i>	(26,168)
Other Reserves and Miscellaneous Equity	1,804
Reserve for Nonconforming Investments	0
Undivided Earnings (including YTD Net Income)	171,191
TOTAL EQUITY	152,512
TOTAL LIABILITIES AND EQUITY	1,343,607



SUMMARY OF CHANGES

OKLAHOMA STATE CHARTERED

CREDIT UNIONS

July 1, 2023, through June 30, 2024

CONVERSIONS

- Oklahoma's Credit Union, Oklahoma City, Oklahoma, converted to a federal credit union effective November 30, 2023, and changed its name to Oklahoma's Federal Credit Union.

MERGERS

- None.

NAME CHANGE

- None.



CONSOLIDATED REPORT OF CONDITION

OKLAHOMA STATE CHARTERED TRUST COMPANIES

as of June 30, 2024

Number of Trust Companies – 6

ASSETS	Thousands of Dollars
Cash & Due From Banks	6,987
Notes, Loans & Other Receivables	8,568
Stocks, Bonds, Securities & Investments	11,243
Trust Company Premises, Furniture, Fixtures, and Other Assets Representing Trust Company Premises	1,853
Other Real Estate	606
Investments in Subsidiaries	
Title Records	
Other Assets	16,510
TOTAL ASSETS	45,767

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	400
Notes Payable	
Custodial and Escrow Accounts Payable	
Reserve Provision for Taxes, Interest, etc.	88
Other Liabilities	10,807
TOTAL LIABILITIES	11,295

RESERVES ON LOANS & SECURITIES	Thousands of Dollars
Reserves for Bad Debt Losses on Loans	-17
Reserves for Losses on Securities	
TOTAL RESERVES ON LOANS & SECURITIES	-17

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	23,133
Paid in Excess	
Undivided Profits	9,024
Reserves for Contingency & Other Capital Reserves including Provisions for Abstract & Title Guarantees	
TOTAL CAPITAL ACCOUNTS	34,489
TOTAL LIABILITIES, RESERVES & CAPITAL ACCOUNTS	45,767



SUMMARY OF CHANGES

TRUST
COMPANIES
as of June 30, 2024

NAME CHANGE

- None.

CONVERSIONS

- None.

MERGERS

- None.



CONSOLIDATED REPORT OF CONDITION

OKLAHOMA STATE CHARTERED SAVINGS AND LOAN ASSOCIATIONS

as of June 30, 2024

Number of Savings & Loans – 1

ASSETS	Thousands of Dollars
Cash and Noninterest-Bearing Deposits	778
U.S. Government Securities	3,221
Other Investment Securities	1,575
Mortgage Loans	1,320
Non-Mortgage Loans	8
Repossessed Real Estate and Other Assets	0
Real Estate Held for Investment	0
Investment in Subsidiaries	0
Premises and Equipment	10
Other Assets	12
TOTAL ASSETS	6,924

LIABILITIES	Thousands of Dollars
Deposits	3,971
Advances from Federal Home Loan Bank	0
Other Borrowings	0
Other Liabilities	-23
TOTAL LIABILITIES	3,948

EQUITY CAPITAL	Thousands of Dollars
Common Stock	100
Paid in Excess of Par	784
Unrealized Gains (Losses) on Available-for-Sale Securities	0
Retained Earnings	2,092
TOTAL EQUITY CAPITAL	2,976
TOTAL LIABILITIES AND EQUITY CAPITAL	6,924



SUMMARY OF CHANGES

OKLAHOMA STATE CHARTERED SAVINGS AND LOAN ASSOCIATIONS

July 1, 2023, through June 30, 2024

MERGERS

- 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, 2024, there were 5 companies licensed under the Oklahoma Sale of Checks Act. These 5 licensees were doing business at 1,801 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, 2024, there were 175 companies licensed to conduct a money transmission business in Oklahoma. These 175 licensees were doing business at 6,255 agent locations in Oklahoma.

