State of Georgia

Department of Banking & Finance

Annual Report

For Year Ending December 31, 2025

Brian P. Kemp

Governor

Oscar B. Fears III

Commissioner

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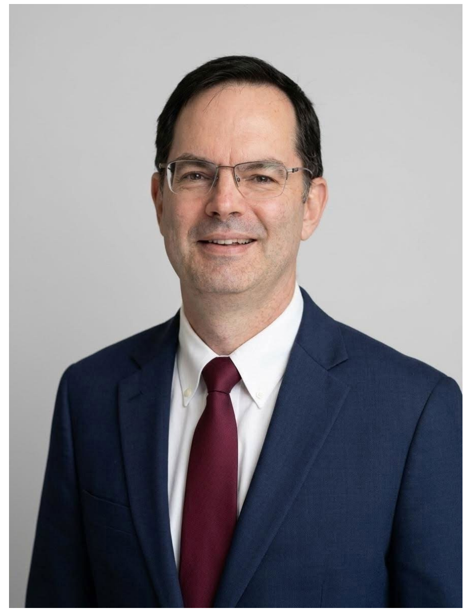
Message from the

Commissioner



Over the course of the year there was a realignment of federal regulatory expectations for the financial services industry. Although a number of these efforts seem prudent, only time will tell if these changes survive a new administration or an economic downturn. Extreme swings in federal regulatory expectations creates uncertainty for regulated entities and impairs their ability to provide financial services to consumers and businesses. In carrying out its supervisory mandate, the Department is guided by the principles of safety and soundness, consumer protection, and economic development. The Department takes a consistent approach to supervisory expectations with measured calibrations to address emerging risks, so that the financial service industry can focus their efforts on providing needed services and being the economic engine of this state.

Due in part to the change in federal regulatory expectations, banker sentiment surveys throughout the year showed an increase in optimism reflecting preferred monetary and regulatory policy at the federal level, and improved business conditions and profitability. The Department's regulatory findings were consistent with a strong, safe and sound financial industry meeting the needs of Georgians.

The number of state-chartered banks headquartered in Georgia declined to 109 due to merger and acquisition activity, though total assets under supervision rose to $141 billion. The number of state-chartered credit unions also declined slightly to 34 after two mergers but total assets increased to $32 billion. These numbers are indicative of a continuing trend of fewer but more complex chartered financial institutions.

This year saw a momentous occasion for the Department and the payments industry in Georgia as Fiserv MALPB began operations. This is the first Merchant Acquirer Limited Purpose Bank (MALPB) approved by the Department to process card transactions. The Department approved the MALPB applications of Stripe MALPB and Checkout.com MALPB during the year and we eagerly anticipate the successful operation of these charters in the future. The MALPB charter is a prime example of the State's commitment to innovation in financial services in a safe and sound manner.

On the non-depository front, the Department is adopting a risk-focused examination approach to truly address the risk that is present in the operations of non-depository licensees. The Department will place more resources into large, nationally operated institutions that pose the greatest potential exposure to Georgia consumers and spend less time on small, local businesses.

The number of mortgage loan originators licensed in the state increased from last year while the number of mortgage lenders and brokers slightly decreased. Combined these mortgage licensees represent 29,941 companies or individuals licensed by the Department. The number of money transmitters, check cashers, and installment lenders licensed in Georgia remained largely consistent. The Department licensed 977 money service businesses while it licensed 171 installment lenders at year's end.

The Department's collaborative efforts with representatives of the banking, credit union, and non-depository industry resulted in the enactment of the Department's housekeeping bill (HB 15, Bruce Williamson of the 115th) for the 2025 legislative session. The bill revised statutory provisions related to the majority of entities regulated by the Department – banks, bank holding companies, credit unions, merchant acquirer limited purpose banks, foreign bank organizations, mortgage lenders and brokers, installment lenders, and money service businesses. Of particular interest, the bill established expectations that mortgage lenders and brokers meet certain financial capacity and governance requirements, based on the size and complexity of the institution, in order to ensure a healthy mortgage market in Georgia. These revisions are critical to the successful implementation of the risk-based examination framework.

Finally, as part of Governor Kemp's tort reform initiative, legislation (SB 69 – John Kennedy of the 18th) was enacted that seeks to establish guardrails related to litigation financing activities in Georgia. Among other protections, litigation financiers were required to register with the Department prior to engaging in litigation financing. As of the end of the year, there were 18 registered litigation finance companies. The Department is grateful for the confidence placed in it by Governor Kemp and the General Assembly and looks forward to engaging with this new industry.

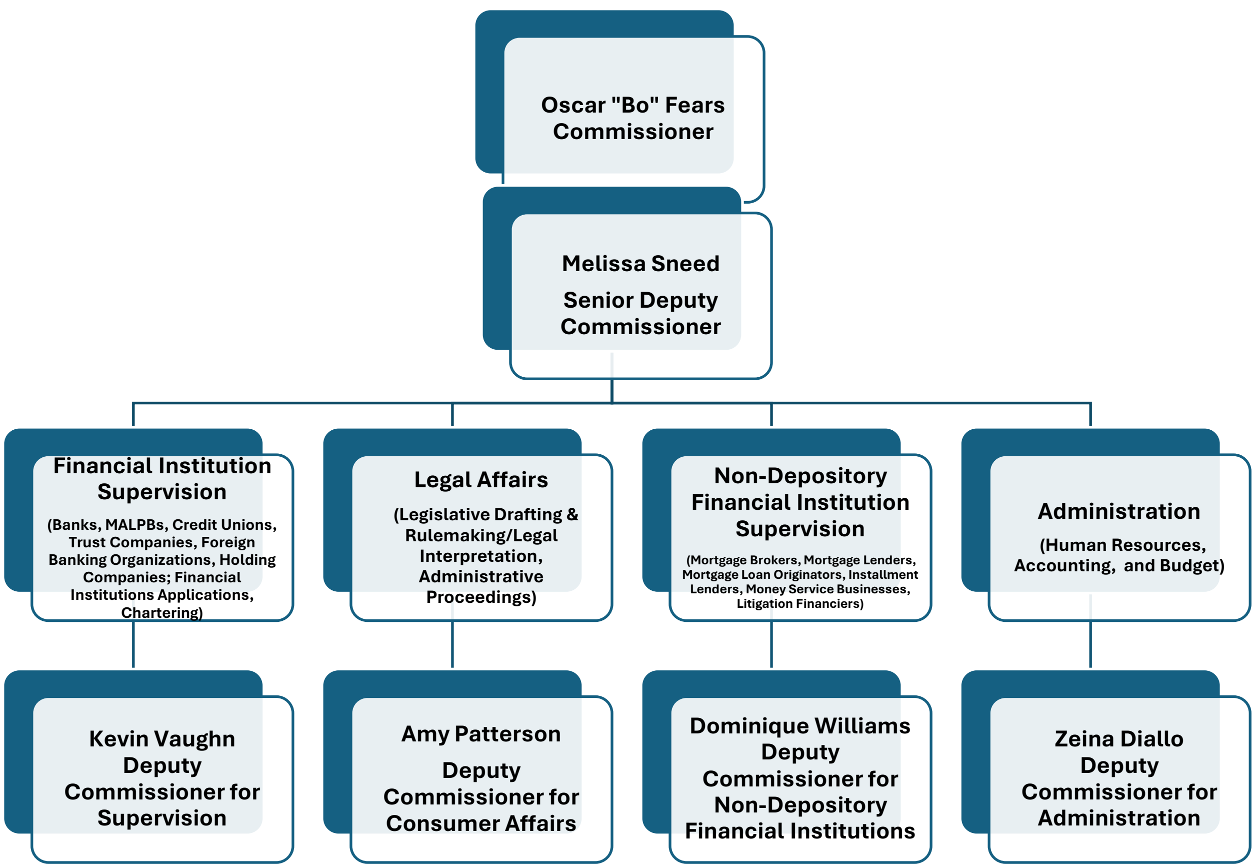
Oscar B. Fears III
Commissioner

Organizational Structure

The Department of Banking and Finance (Department) is the state agency that supervises Georgia state-chartered banks, holding companies, credit unions and trust companies as well as foreign banking organizations conducting business in Georgia. The Department also has responsibility for the supervision of merchant acquirer limited purpose banks (MALPBs) chartered in Georgia.

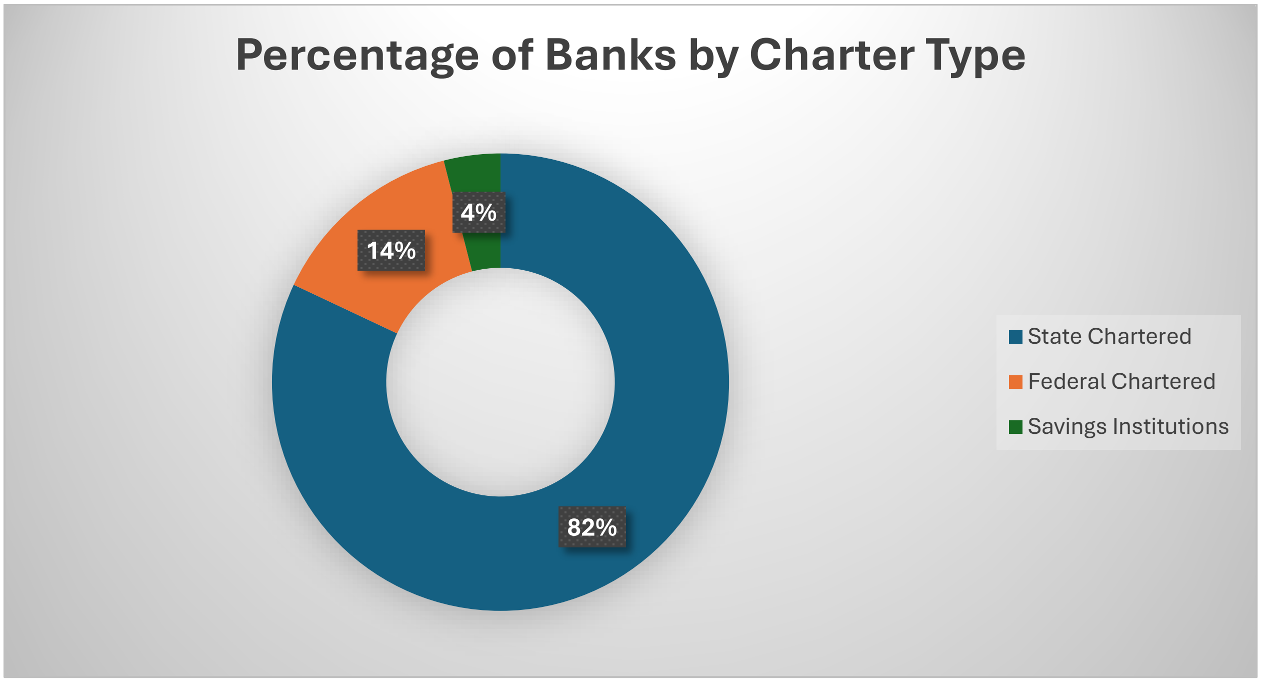
In addition, the Department has supervisory authority over mortgage lenders, mortgage brokers, and mortgage loan originators, as well as installment lenders, check cashers, and money transmitters. The Department is also responsible for registering litigation finance companies.

The Department is headed by a Commissioner who is appointed by the Governor to serve a four-year term. Functionally, the Commissioner reports directly to the state's Chief Financial Officer, who reports to the Governor. Commissioner Oscar "Bo" Fears is assisted by Senior Deputy Commissioner Melissa Sneed. The Department's operations are divided along functional lines: Financial Institution Supervision, Non-Depository Financial Institution Supervision, Legal Affairs, and Administration. Eash of these divisions is headed by a Deputy Commissioner.



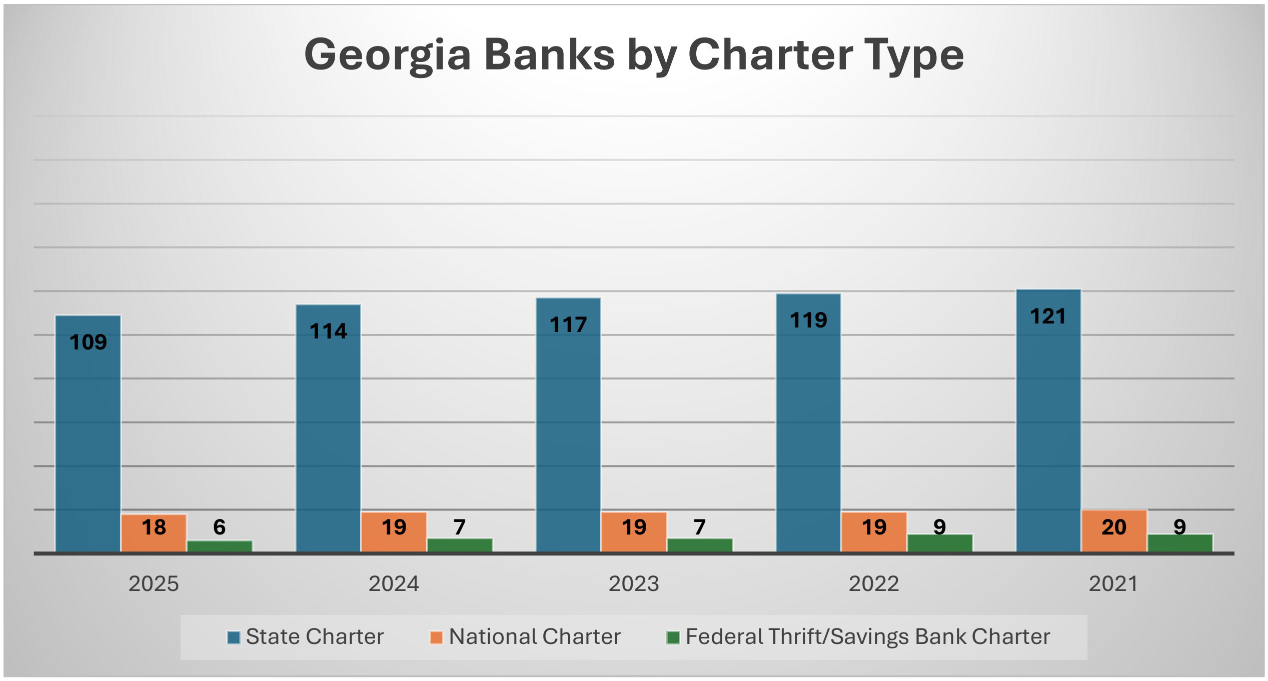
Financial Institution Supervision

State-Chartered Banking Statistics



82 percent of all Georgia based banks are chartered and supervised by the Department, representing 109 banks with aggregate assets of approximately $141 billion. When looking at the Georgia banking system, state-chartered banks represent approximately **87 percent** of industry assets.

At the end of 2025, the number of Georgia state-chartered banks totaled 109, representing a net decrease of five banks from the previous year. The net decrease resulted from the merger or acquisition of five state-chartered banks.



Bank Holding Companies

A total of 98 bank holding companies were supervised by, or registered with, the Department at the end of 2025, representing a net change of one from 99 in the previous year.

Merchant Acquirer Limited Purpose Banks (MALPB)

The Department approved the Merchant Acquirer Limited Purpose Bank (MALPB) applications in 2025 for Stripe MALPB and Checkout.com MALPB. Fiserv MALPB, a subsidiary of Fiserv, Inc., began operations in April 2025.

Trust Companies

Trust activities continue to be conducted principally by bank trust departments. There is one state-chartered non-depository trust company in Georgia that is an independent trust company (Reliance Trust Company, Atlanta).

Financial Institution Supervision

State-Chartered Bank Financial Summary

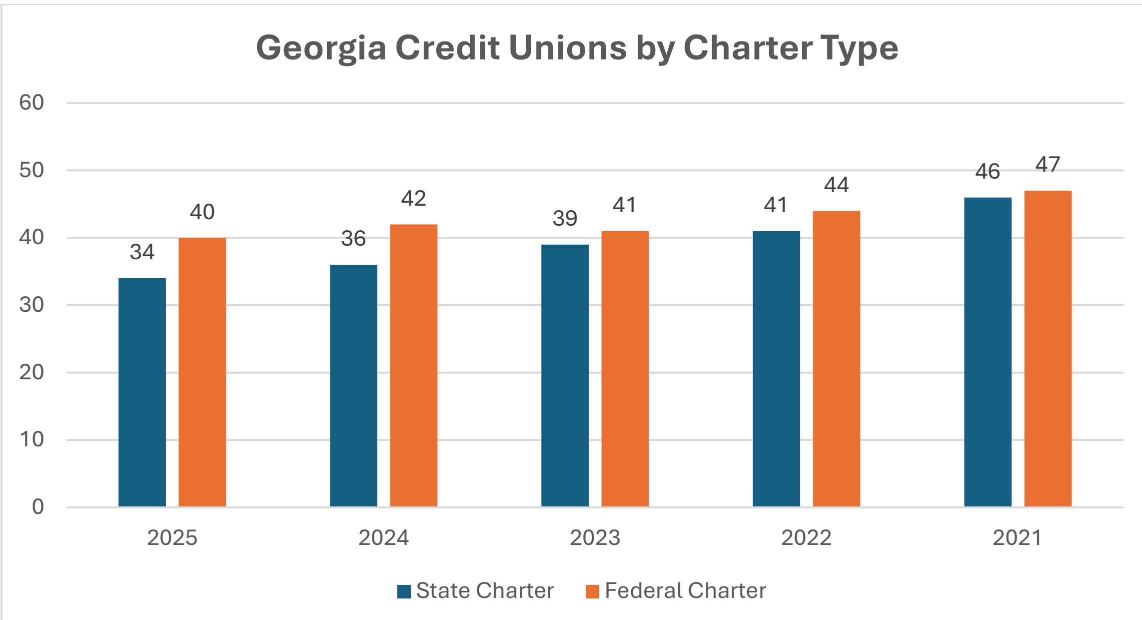
(dollar figures in millions)	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Number of banks reporting	109	114	117	119	121
Aggregate Condition and Income Data					
Net Income	2,054	1,632	1,559	1,776	1,708
Total Assets	141,615	138,991	134,457	134,244	129,505
Earning Assets	131,020	128,160	123,885	123,762	120,185
Total Loans & leases	102,944	99,477	96,869	95,745	84,733
Other real estate owned	45	22	27	29	64
Total deposits	120,103	119,784	115,553	113,154	112,517
Equity capital	15,538	14,237	13,321	12,263	13,256
Performance Ratios (YTD%)					
Yield on earning assets	5.82	5.96	5.53	4.02	3.48
Cost of funding earning assets	1.94	2.27	1.83	0.40	0.21
Net interest margin	3.88	3.69	3.7	3.62	3.27
Noninterest income to average assets	0.75	0.74	0.66	0.73	0.91
Noninterest expense to average assets	2.27	2.26	2.25	2.20	2.23
Net charge-offs to loans & leases	0.16	0.2	0.22	0.09	0.11
Credit-loss provision to net charge-offs	121.47	137.89	178.77	216.01	(89.91)
Net operating income to average assets	1.50	1.34	1.22	1.37	1.40
Retained earnings to average equity	5.70	5.38	5.71	9.34	7.40
Return on assets	1.50	1.2	1.16	1.37	1.41
Return on equity	13.98	11.87	12.39	14.38	13.31
Percent of unprofitable institutions	2.75	5.26	5.13	3.36	5.79
Condition Ratios (%)					
Net loans and leases to assets	71.77	70.64	71.53	70.53	64.67
Loss allowance to:					
Loans and leases	1.27	1.31	1.26	1.11	1.16
Noncurrent loans and leases	209.34	188.01	204.13	271.37	263.67
Noncurrent loans & leases to:					
Total loans and leases	0.60	0.69	0.62	0.41	0.44
Nonperforming assets to total assets	0.47	0.51	0.47	0.31	0.34
Core deposits to total liabilities	81.65	83.02	81.71	84.21	90.46
Equity capital to total assets	10.96	10.23	9.89	9.13	10.24
Core capital (leverage) ratio	10.74	10.39	10.11	9.75	9.29

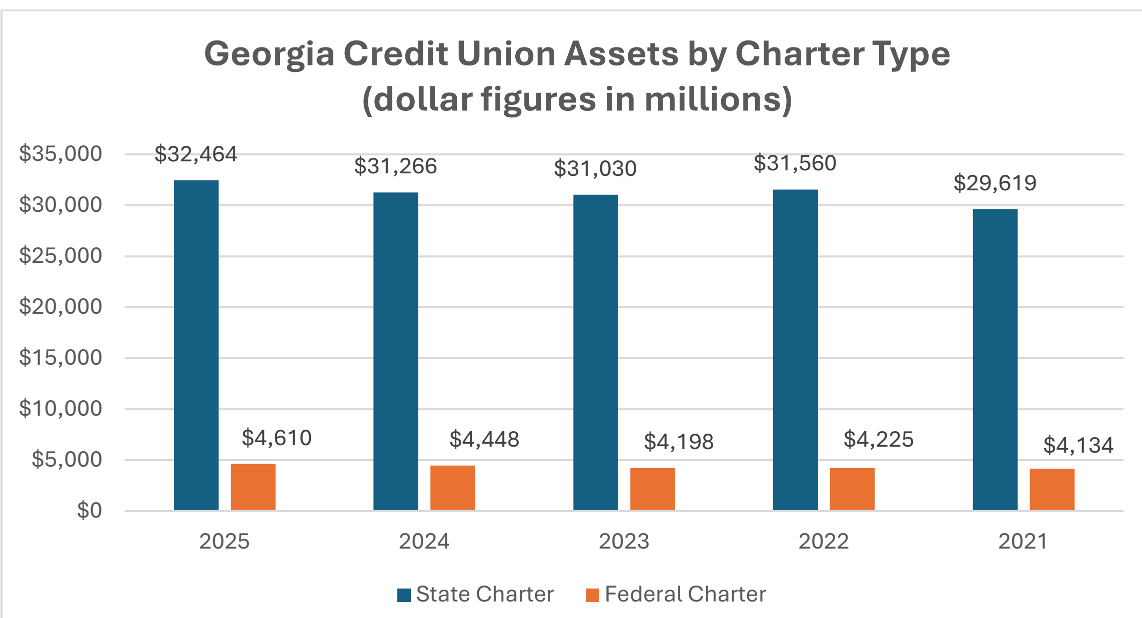
Source: FDIC Quarterly Banking Profile

Financial Institution Supervision

State-Chartered Credit Union Statistics

The number of Georgia state-chartered credit unions decreased by two to a total of 34. Through year-end 2025, state-chartered credit union assets increased by more than a billion to roughly $32 billion, as compared to more than $4 billion in total assets for federally-chartered credit unions in Georgia.





Financial Institution Supervision

State-Chartered Credit Union Financial Summary

(dollar figures in millions)	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Number of credit unions reporting	34	36	39	41	45*
Assets					
Cash & Equivalents	2,707	2,188	2,090	1,999	4,033
Total Investments	5,569	6,058	6,610	7,384	7,265
Total Loans	22,455	21,336	20,737	20,618	17,124
(Allowance for Loan & Lease Losses)	(228)	(202)	(197)	(136)	(154)
Land and Building	420	414	364	324	281
Other Fixed Assets	178	172	187	138	107
NCUSIF Deposit	252	249	249	254	233
All other Assets	1,111	1,050	990	979	728
Total Assets	32,464	31,265	31,030	31,560	29,619
Liabilities & Capital					
Total Liabilities	984	838	1,646	1,976	433
Total Shares & Deposits	27,776	27,181	26,386	26,905	26,106
Other Reserves	(200)	(409)	(504)	(630)	(38)
Undivided Earnings	3,904	3,655	3,502	3,309	3,118
Total Equity	3,704	3,246	2,998	2,679	3,080
Total Liabilities, Shares, & Equity	32,464	31,265	31,030	31,560	29,619
Income & Expense					
Loan Income	1,287	1,162	1,025	769	677
Investment Income	245	238	202	135	61
Non-interest Income	409	396	408	402	380
Total Employee Compensation & Benefits	(562)	(530)	(500)	(460)	(411)
Other Non-interest Expenses	(513)	(482)	(453)	(414)	(379)
Provision for Loan/Lease Losses	(158)	(147)	(132)	(39)	(24)
Cost of Funds	(452)	(483)	(340)	(113)	(89)
Net Income (Loss)	256	154	210	280	213

Source: NCUA Financial Performance Reports

*One state charter converted in 2022 but filed the 2021 year-end Call Report as a federal charter.

Financial Institution Supervision

Examination Districts and Work Area

The above map is primarily for the purpose of exhibiting geographical district boundaries based on current institution assignments. However, some districts may have institutions assigned in other areas of the state due to multibank holding companies and/or district workload and scheduling issues. Note: District 3 was merged into Districts 1 and 2 on December 31, 2010.

Benefits of the State Charter

Local, Responsive, and Timely Decision Making

State-chartered financial institutions have access to local decision makers in Georgia who are familiar with their unique marketplace and competitive environment. Decision makers in our Atlanta office and in field offices located around the state are easily reached for timely responses to questions and concerns from state-chartered institutions.

Local Community and Market Knowledge

Examination staff live in the districts where they work and are familiar with the local markets and communities. The Department's culture promotes decision-making by staff that have first-hand knowledge of your financial institution but with quick access for escalation to the Commissioner, when necessary, to ensure responsive and timely action on issues of concern to you.

Effective Regulation and Supervision

The Commissioner believes that all financial institutions deserve right-sized regulation and supervision scaled to their size, complexity, and risk profile. The Department is nationally accredited through the Conference of State Bank Supervisors (CSBS) and the National Association of State Chartered Credit Union Supervisors (NASCUS) to ensure that "best practice" regulation and supervision principles are implemented. Supervisory activities of the Department are conducted in coordination with federal and other state regulators, as applicable, through joint examinations and interstate cooperative agreements to deliver a seamless supervisory experience that minimizes duplication and regulatory burden.

Efficient Regulation and Supervision

Annual regulatory fees and assessments to cover costs of the Department's regulation and supervision activities are competitive with those charged to comparable federally-chartered financial institutions.

Powers Comparable or Superior to Federal Charters

State-chartered financial institutions frequently enjoy powers that equal or exceed those available to federally-chartered financial institutions. To maintain competitiveness of the state charter, the Department routinely assesses laws and regulations, in coordination with the industry and our federal regulatory peers, to identify opportunities to expand powers or reduce unnecessary regulatory burden.

O.C.G.A. §§ 7-1-296 and 7-1-671 provide that a state-chartered bank or credit union may exercise any power available to a similar federally-chartered financial institution so long as the bank or credit union provides advance notice and the Department offers no objection to the exercise of such power.

Firm, but fair, right-sized regulation and supervision are guiding principles for promoting safe, sound, competitive financial services in Georgia.

CSBS

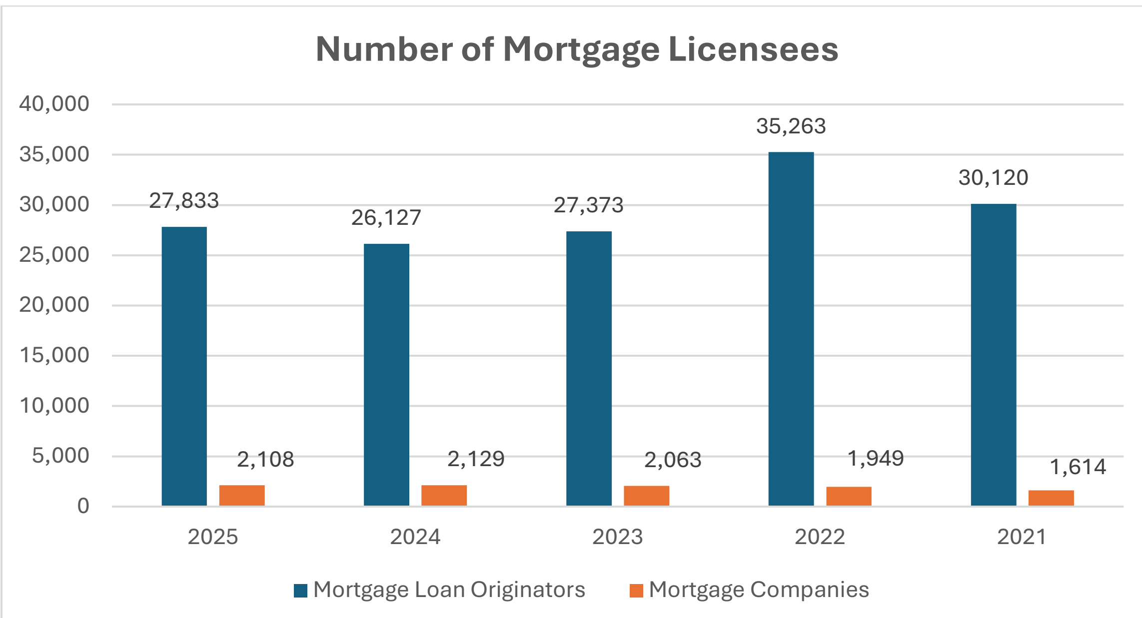
NASCUS
The State Credit Union System

Non-Depository Financial Institution Supervision

Mortgage Licensee Statistics

All persons who transact business as a residential mortgage lender, broker, or loan originator must be licensed with the Department, unless they satisfy an exemption.

At the end of 2025, active mortgage licensees totaled 29,941, representing a net increase of 1,706 or roughly 6.5 percent from the previous year.

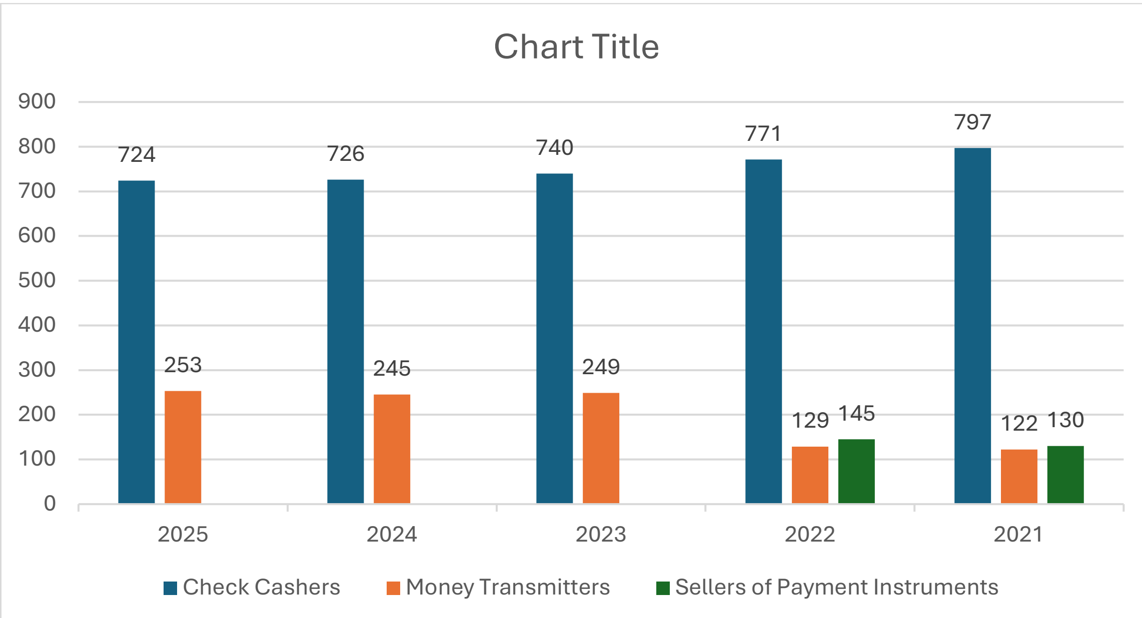


Non-Depository Financial Institution Supervision

Money Service Businesses Statistics

Unless otherwise exempt, anyone that engages in the cashing of payment instruments for a fee and anyone that engages in money transmission must be licensed by the Department.

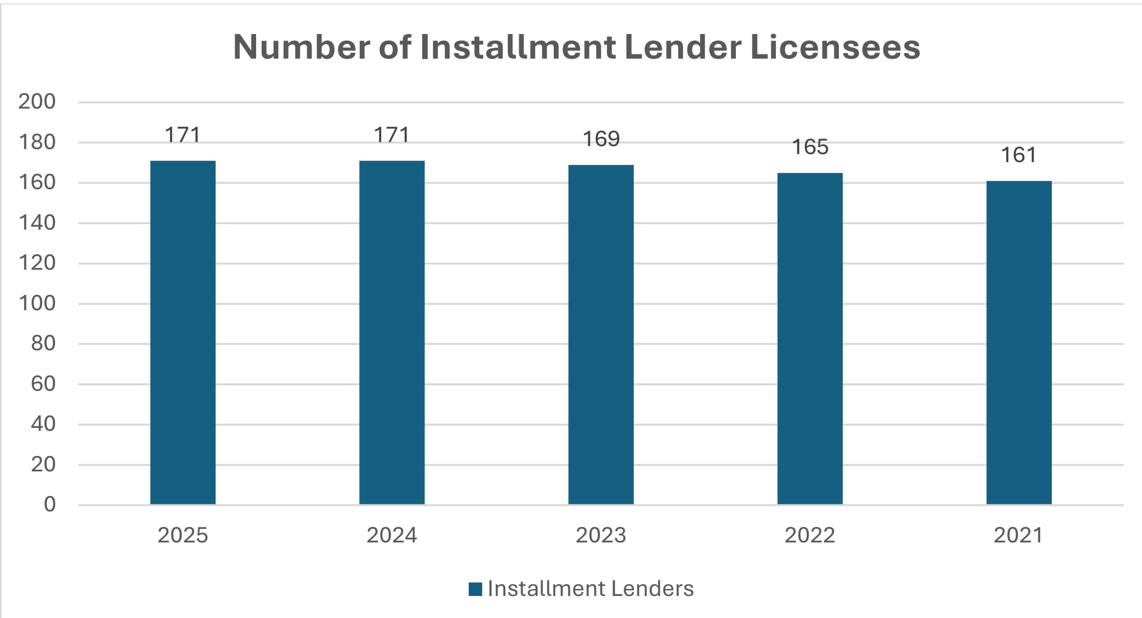
At the end of 2025, the number of money service businesses (MSB) licensed by the Department totaled 977. The number of licensees remained relatively consistent from the prior year with 724 check casher licensees and 253 money transmitter licensees. The Sellers of Payment Instruments license type was consolidated into Money Transmitters in 2023.



Non-Depository Financial Institution Supervision

Installment Lender Statistics

A person that makes consumer installment loans of $3,000 or less must be licensed with the Department unless such person is expressly exempt from licensure. At the end of 2025 the number of installment lenders licensed by the Department remained at 171.



Litigation Financier Statistics

The Department registered 18 litigation finance companies in 2025.

Modernizing Nonbank Supervision

In 2025, prudential standards were enacted for Georgia residential mortgage brokers and lenders in order to have minimum standards in the areas of financial capacity and governance requirements. These standards will establish a baseline foundation to strengthen licensees ability to address the ever-evolving challenges in the mortgage industry.

With these statutory changes, the Department has updated the examination program to reflect a risk-based approach, enhanced information requests, updated the Report of Examination format, and provided significant training to examiners. This new program allowed examiners to complete 544 mortgage examinations in 2025, utilizing a risk-based approach.

Adopting these standards allows examiners to be more consistent in the exam approach with other states, which results in the sharing of examination work with other states and, ultimately, fewer full scope examinations for well-run companies.

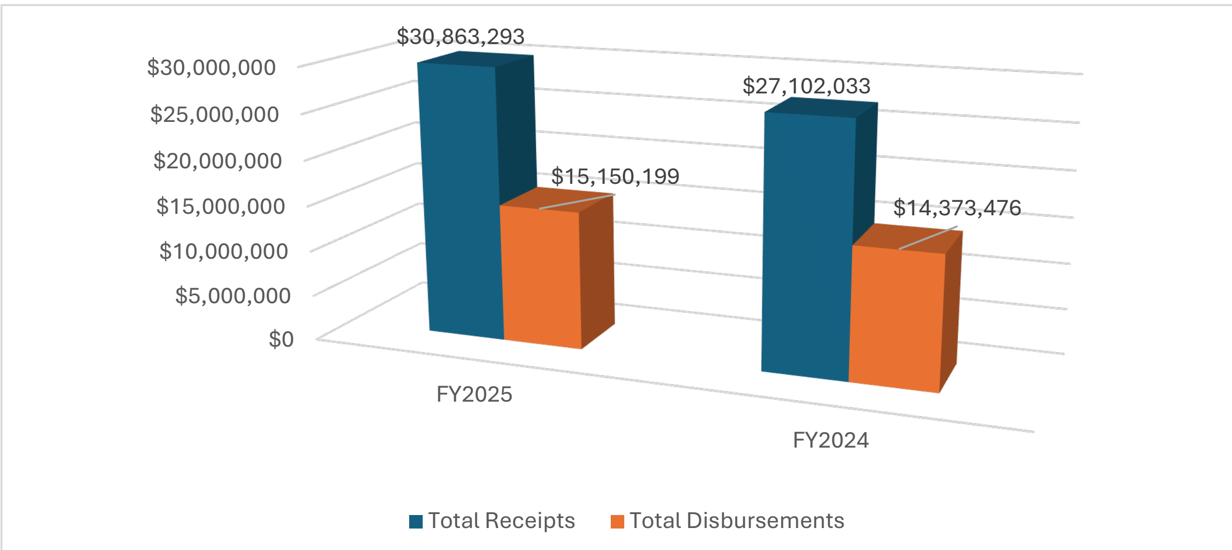
Model Law for Money Service Businesses

Significant provisions of the model law were adopted by Georgia in 2022 and 2023. The Department is currently updating the examination program to a more risk-based approach to better adapt to changes in the industry. A benefit of adopting model law provisions and changing the examination program to a more risk-based approach, is it allows the Department to focus resources on those licensees that pose a greater risk to Georgia consumers. Another benefit is it allows the Department's examiners to be more consistent in the examination approach with other states. This consistency permits the Department to more meaningfully participate in multistate examinations as well as leverage or accept examinations conducted by other states. In 2025, the Department participated in 8 multistate money transmitter examinations.

Administration

Fiscal Year 2025 Receipts and Disbursements

Note: Revenues of the Department are collected and remitted to the Office of the State Treasurer. The level of the Department's expenditure is subject to the state's budgetary process.



Summary of Activities

FOR STATE-CHARTERED FINANCIAL INSTITUTIONS AND OTHER ENTITIES REGULATED BY OR LICENSED BY THE DEPARTMENT OF BANKING AND FINANCE DURING 2025

Financial Institution or Licensee	Totals 12/31/2024	Opened Registered Licensed	Converted	Merged	Closed Liquidated Deregistered	Totals 12/31/2025
Banks	114	0	0	-5	0	109
Trust Companies	1	0	0	0	0	1
MALPBs	0	1	0	0	0	1
Credit Unions	36	0	0	-2	0	34
Bank Holding Companies (Supervised and/or Registered)	99	2	0	-3	0	98
Money Transmitters	245	28	0	0	-20	253
Check Cashers	726	64	0	0	-66	724
Foreign Bank Agencies and Branches	0	0	0	0	0	0
Domestic International Banking Facilities	0	0	0	0	0	0
Foreign Bank Representative Offices	6	0	0	0	0	6
Installment Lenders	171	19	0	0	19	171
Mortgage Brokers	1,198	179	0	0	-203	1,174
Mortgage Lenders	931	72	0	0	-69	934
Mortgage Loan Originators	26,127	6,504	0	0	-4,798	27,833
Litigation Financiers	0	18	0	0	0	18

Sample of State Interagency Engagement

(as of December 31, 2025)

Oscar "Bo" Fears, Commissioner, CSBS Board of Directors, NASCUS Board of Directors, CSBS Regulatory Committee (Chair), and SRR Lawyers Committee (Chair).

Melissa Sneed, Senior Deputy Commissioner, NASCUS - NCUA State Supervisory Working Group, CSBS State Supervisory Processes Committee, and CSBS State Processes Committee

Amy Patterson, Deputy Commissioner for Legal Affairs – CSBS Prudential Standards Implementation Working Group

Kevin Vaughn, Deputy Commissioner for Supervision, CSBS Data Analytics Working Group, CSBS IT Advisory Committee, and CSBS SERT Committee

Dominique Williams, Deputy Commissioner for Non-Depository, NMLS Policy Committee

Shay Adams, Director for Non-Depository, CSBS MMLA Working Group

Heather Ensminger, Business Analysis Director, CSBS Mortgage Call Report Subcommittee, MSB Call Report Committee, and CSBS Prudential Standards Implementation Working Group

Angela Hunter, Supervisory Examiner – CSBS Prudential Standards Implementation Working Group

Rich Parker, District Director, CSBS Large Bank Peer Group

Mathew Robinson, Director for Supervision, NASCUS Laws & Rules Committee, CSBS Large Bank Peer Group, and CSBS Risk ID Team

Laura Bridges, Supervisory Examiner, CSBS Large Bank Peer Group

Brad DeLettera, Supervisory Manager, CSBS Mortgage Examination Standards Working Group and SES Agency Advisory Working Group

Jack Jackson, Supervisory Examiner, CSBS Non-depository Trust Working Group

Fernando Ornelas, Supervisory Manager, CSBS Risk Profiling Group

Maggie Hsu, Senior Financial Examiner, CSBS BSA Advisory Committee

Jennifer Mendoza, Senior Financial Examiner, CSBS Large Bank Peer Group

CSBS Risk ID Team: All District Directors, the Director for Supervision, and all Supervision Supervisory Examiners participate.

Our **Mission** is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.

Our **Vision** is to support vibrant economic growth and prosperity in Georgia.

Georgia Department of Banking and Finance

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https://dbf.georgia.gov