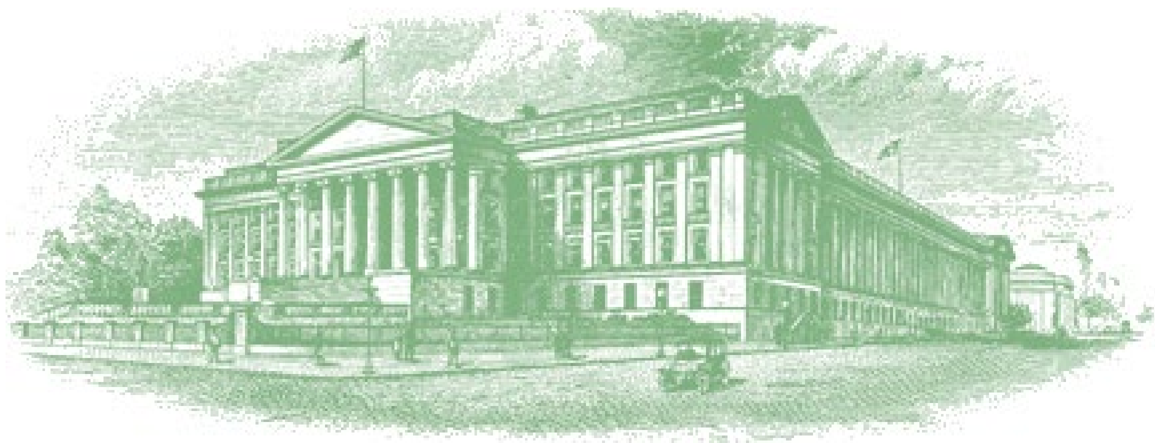
Audit Report



OIG-26-010

FINANCIAL MANAGEMENT

Audit of the Office of the Comptroller of the Currency's Financial Statements for Fiscal Year 2025

January 15, 2026

Office of Inspector General

Department of the Treasury

January 15, 2026

MEMORANDUM FOR JONATHAN V. GOULD
COMPTROLLER OF THE CURRENCY

FROM: Shiela Michel /s/
Acting Director, Financial Statement Audits

SUBJECT: Audit of the Office of the Comptroller of the Currency's Financial Statements for Fiscal Year 2025

We hereby transmit the attached subject report. Under a contract monitored by our office, GKA, P.C. (GKA), a certified independent public accounting firm, audited the financial statements of the Office of the Comptroller of the Currency (OCC) as of September 30, 2025, and for the year then ended. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements,* and the Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency, *Financial Audit Manual.*

In its audit of OCC, GKA found

- the financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no deficiencies in internal control over financial reporting that are considered material weaknesses; and
- no instances of reportable noncompliance with laws, regulations, and contracts tested.

In connection with the contract, we reviewed GKA's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on OCC's financial statements or conclusions about the effectiveness of internal control or compliance with laws and regulations. GKA is responsible for the attached auditors' reports dated January 5, 2026, and the conclusions expressed in the report. However, our review disclosed no instances where GKA did not comply, in all material respects, with U.S. generally accepted government auditing standards.

If you wish to discuss this report, please contact me at (202) 486-1415, or a member of your staff may contact Catherine Yi, Manager, Financial Statement Audits, at (202) 553-7412.

Attachment

Office of the Comptroller of the Currency

2025

ANNUAL REPORT

Promoting a Safe, Sound, and Fair Federal Banking System

ABOUT THIS REPORT

The fiscal year (FY) 2025 Annual Report gives Congress an overview of the Office of the Comptroller of the Currency's (OCC) strategic priorities, initiatives, financial management, performance, and condition in accordance with the National Bank Act (12 USC 14) and other applicable laws and guidance.[1]

[1] Unless otherwise noted, all references to 2025 in this report refer to the FY ending September 30, 2025.

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ABOUT THE OCC

The OCC charters, regulates, and supervises national banks and federal savings associations (FSA) and licenses, regulates, and supervises federal branches and agencies of foreign banking organizations.[2]

The agency also examines banking-related services provided by certain third parties.[3] It administers the organization and structure of the federal banking system by implementing and enforcing federal banking laws.

The OCC maintains a supervisory and regulatory framework for banks that contributes to the safety, soundness, and fairness of the federal banking system and supports banks' efforts to innovate responsibly and adapt to meet the evolving financial needs of consumers, businesses, and communities nationwide.
The agency uses a risk-based supervision process focused on evaluating banks' risk management, identifying material and emerging concerns, and requiring banks to take corrective action when warranted. Headquartered in Washington, D.C., the OCC has offices in 50 cities nationwide.

President Abraham Lincoln signed the National Currency Act on February 25, 1863, creating the OCC and the federal banking system.

The law was revised in June 1864 and renamed the National Bank Act in 1874; it remains the authority under which the OCC and national banks operate. The Home Owners' Loan Act of 1933 provides the basis for the operation and regulation of FSAs. The International Banking Act of 1978 allows foreign banking organizations to conduct banking operations in the United States through a federal branch or agency.

The President, with the advice and consent of the U.S. Senate, appoints the Comptroller of the Currency to head the agency for a five-year term. The Comptroller serves as a director of the Federal Deposit Insurance Corporation (FDIC) and member of the Financial Stability Oversight Council (FSOC), the Federal Financial Institutions Examination Council (FFIEC), and the Financial Literacy and Education Commission (FLEC).

MISSION

To ensure that national banks and FSAs operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

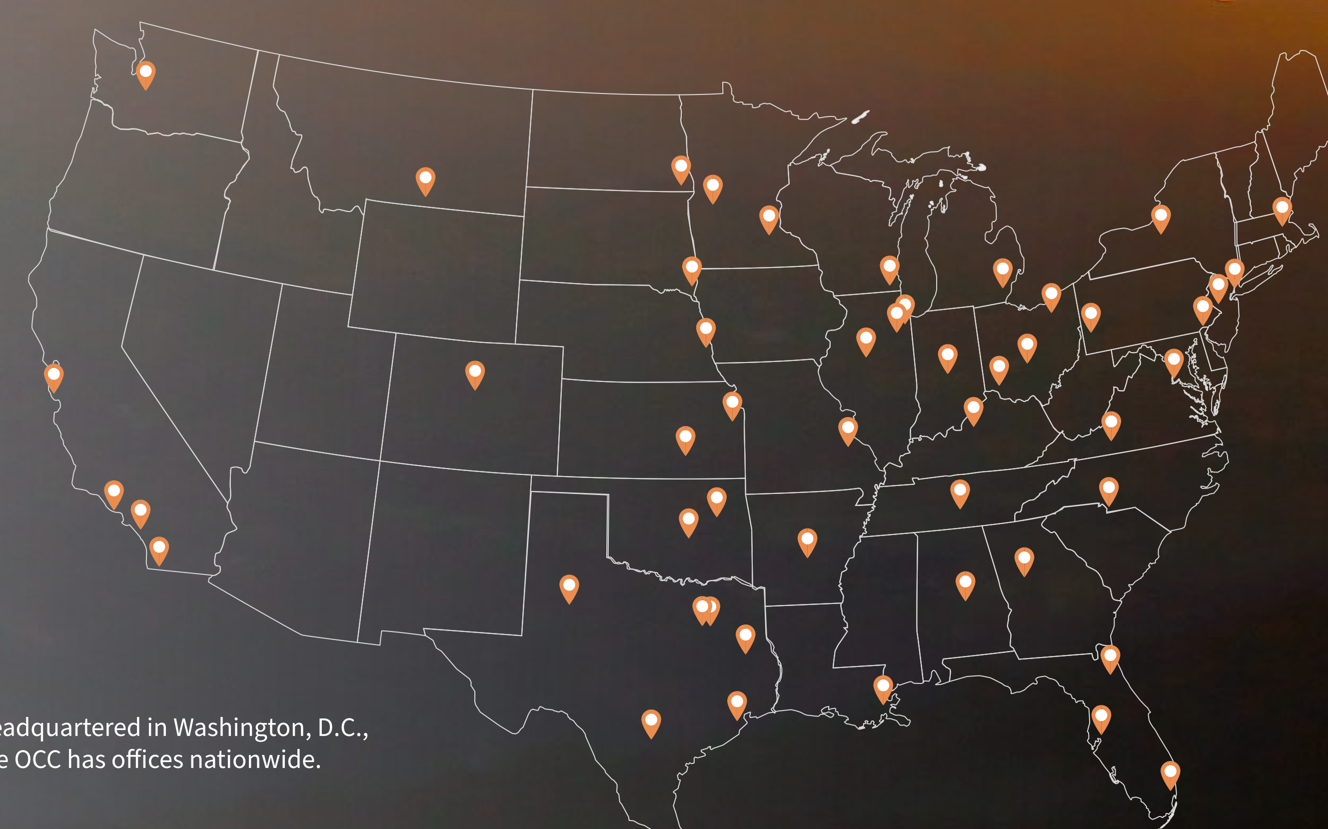
OCC AT A GLANCE

3,138
OCC employees

66%
of employees are bank examiners

$1.387 BILLION
Budget authority

50
Cities with offices

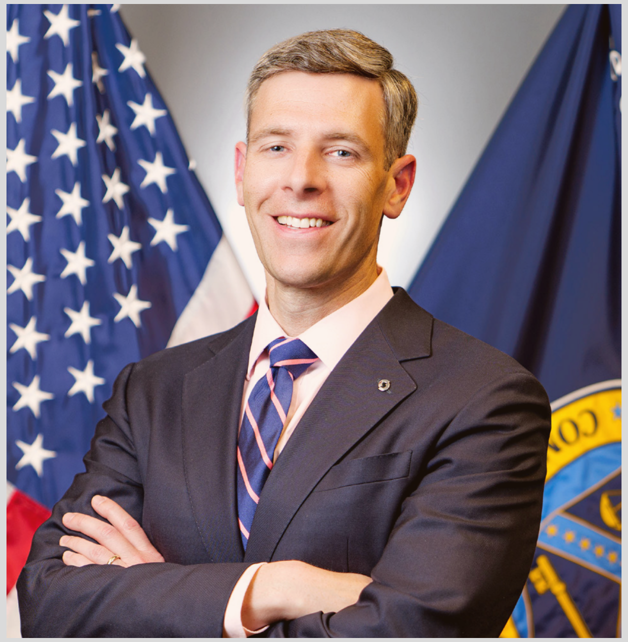


Headquartered in Washington, D.C., the OCC has offices nationwide.

2 This report refers to all entities under OCC supervision collectively as "banks" unless it is necessary to distinguish among them.

3 The OCC examines certain third-party services provided to banks based on authorities provided by the Bank Service Company Act, 12 USC 1867(c), and the Home Owners' Loan Act, 12 USC 1464(d)(7)(D). The examinations are often coordinated with other federal banking agencies.

LETTER FROM THE COMPTROLLER OF THE CURRENCY



Jonathan V. Gould was sworn in as the 32nd Comptroller of the Currency on July 15, 2025. The Comptroller of the Currency is the administrator of the federal banking system and chief officer of the OCC. The Comptroller also serves as a director of the FDIC and member of the FSOC, FFIEC, and FLEC.

Before becoming Comptroller of the Currency, Mr. Gould was a partner at the law firm Jones Day. He previously served as the Senior Deputy Comptroller and Chief Counsel at the OCC and twice served on the staff of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, including as its Chief Counsel.

Mr. Gould has a bachelor's degree from Princeton University and a law degree from Washington and Lee University.

I am honored to serve as the 32nd Comptroller of the Currency. The federal banking system is one of the crown jewels of American finance, and I take my responsibility as its steward seriously.

FY 2025 was a time of transition after a series of acting agency heads. Under President Trump's leadership and a Senate-confirmed Comptroller for the first time in five years, the agency embarked upon an overdue reassessment of its organizational structure and functional performance to ensure it is still serving its statutory mission amidst considerable changes in the banking industry. To that end, the OCC realigned its supervisory structure into three distinct lines of business:[4]

- Large and Global Financial Institutions
- Regional and Midsize Financial Institutions
- Community Banks

It also reinstated the Office of the Chief National Bank Examiner and elevated the agency's chartering and licensing activities by establishing the Office for Chartering, Organization, and Structure.[5]

These efforts are grounded in the principle that a strong, effectively managed federal banking system, comprising nearly two-thirds of U.S. commercial banking assets, is essential to supporting the nation's economic growth.[6]

We also advanced several actions to fulfill our statutory mission and reinforce the safety, soundness, and relevance of the federal banking system.

[4] See OCC News Release 2025-89, "OCC Announces Updates to Organizational Structure."

[5] See OCC News Release 2025-85, "OCC Elevates Chartering Function; Names Stephen Lybarger as Senior Deputy Comptroller for Chartering, Organization and Structure."

[6] See OCC News Release 2025-88, "Comptroller Issues Statement at Financial Stability Oversight Council Meeting."

Strengthening Supervision

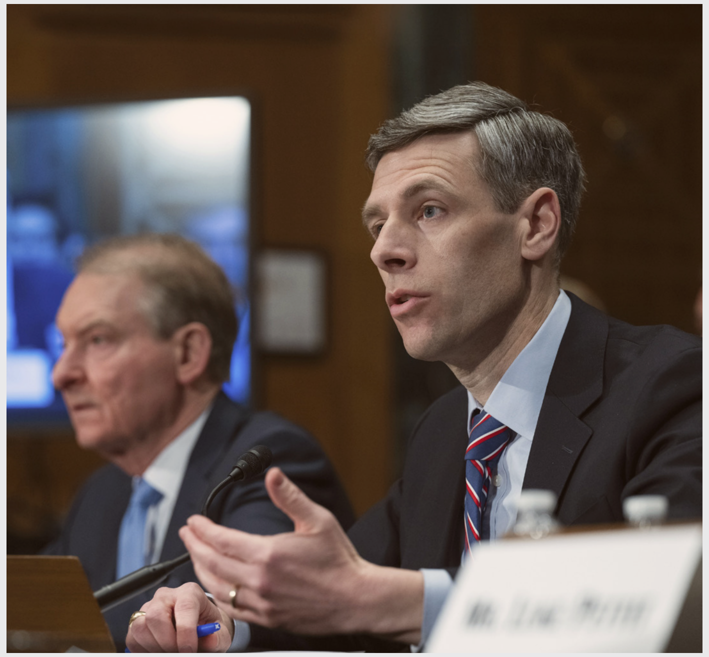
- Refocused oversight on material financial risks.
- Removed references to reputational risk from OCC guidance and interagency handbooks.[7]
- Tailored examination strategies based on bank size, complexity, and risk profile.[8]

Providing Legal Clarity

- Initiated efforts to define "unsafe and unsound practices" in regulation.
- Grounded supervisory policy more firmly in statutory authority.
- Promoted transparency and consistency in examiner expectations.[9]

Supporting Responsible Innovation

- Began work to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) to oversee payment stablecoin issuers.[10]
- Clarified permissible digital asset activities for national banks.[11]
- Solicited comments from community banks to support future action addressing the challenges and barriers they face in the adoption and implementation of digital banking solutions, informing efforts to reduce supervisory burden on community banks and expand access to expedited licensing pathways.[12]



Jonathan V. Gould testifies at a Senate Committee on Banking, Housing, and Urban Affairs hearing for his nomination to be Comptroller of the Currency in the Dirksen Senate office building in Washington, D.C., on March 27, 2025.

Depoliticizing Banking

- Advanced fair access principles consistent with Executive Order 14331, "Guaranteeing Fair Banking for All Americans."[13]
- Addressed unlawful debanking and misuse of customer financial records.[14]
- Reinforced risk-based supervision grounded in statutory fair lending standards.[15]

[7] See OCC News Release 2025-21, "OCC Ceases Examinations for Reputation Risk," and OCC Bulletin 2025-4, "Bank Supervision: Removing References to Reputation Risk."

[8] See OCC News Release 2025-88, "Comptroller Issues Statement at Financial Stability Oversight Council Meeting."

[9] ibid.

[10] See OCC News Release 2025-73, "Comptroller Issues Statement on Enactment of GENIUS Act."

[11] See OCC News Release 2025-16, "OCC Clarifies Bank Authority to Engage in Certain Cryptocurrency Activities."

[12] See OCC Bulletin 2025-8, "Bank Activities: Request for Information on Community Bank Digitalization."

[13] See OCC News Release 2025-78, "Comptroller Gould Issues Statement on Executive Order 'Guaranteeing Fair Banking for All Americans.'"

[14] See OCC bulletins 2025-22, "Licensing and Community Reinvestment Act: Consideration of Politicized or Unlawful Debanking," and 2025-23, "Protecting Customer Financial Records."

[15] See OCC Bulletin 2025-16, "Fair Lending: Removing References to Disparate Impact."

These accomplishments underscore that regulation must be grounded in fidelity to law, consistency of oversight, and adaptability to change.

Effective supervision must be focused on material financial risks, tailored to a bank's size and risk profile, and grounded in the OCC's statutory obligations. It must also evolve alongside the financial system, including through ongoing modernization of our own agency.

The OCC is poised to support the dynamic banking industry as it continues to evolve and to lead U.S. banking policy into the future to support a thriving national economy. As Comptroller, I will do everything in my power to ensure the continued relevance of our federal banking system and its ability to support the financial aspirations of all Americans.

—Jonathan V. Gould
Comptroller of the Currency

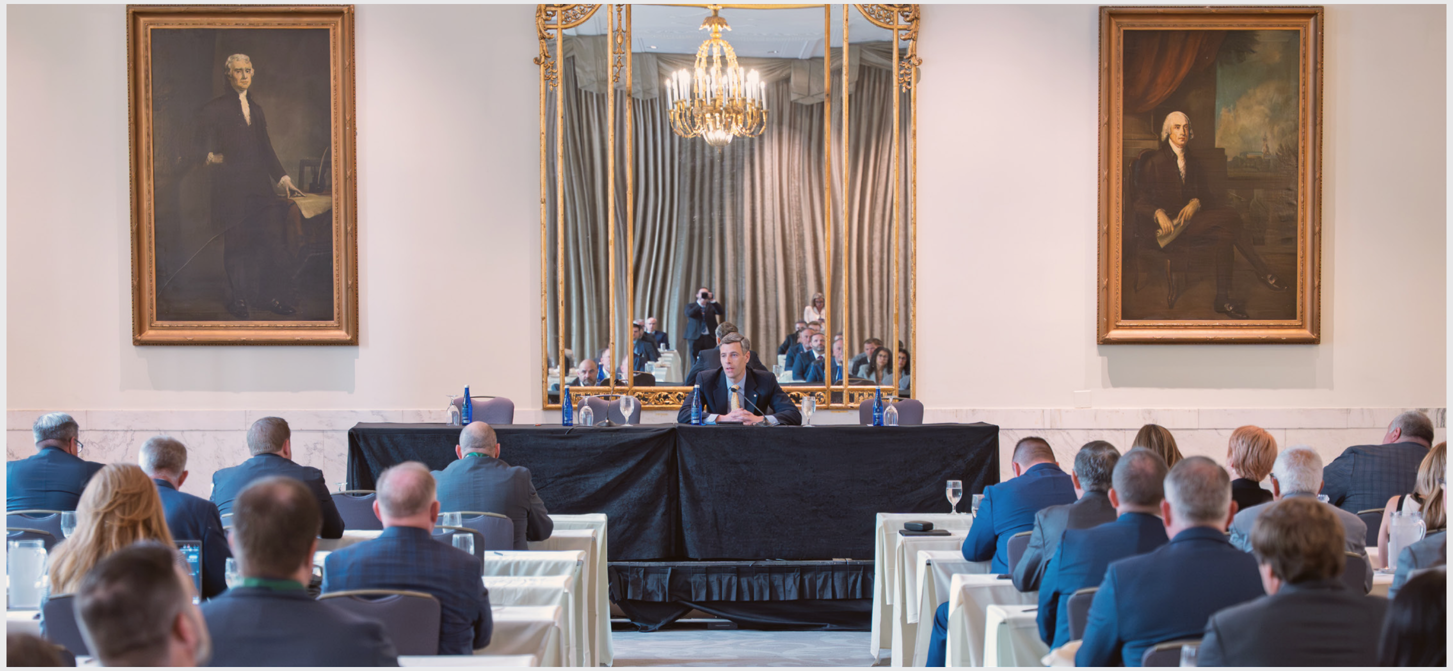
OCC YEAR IN REVIEW: FY 2025

Over the past year, the OCC advanced a series of actions designed to reinforce the role of banks in supporting the U.S. economy, strengthen supervisory practices and reduce regulatory burden, embrace innovation responsibly, and depoliticize the banking system.

Ensuring That National Banks and Federal Savings Associations Support Our Economy

In May 2025, the OCC issued an interim final rule to restore the streamlined application and expedited review process for applications under the Bank Merger Act. This streamlined application and expedited review process makes it easier for healthy, well-capitalized banks to merge, thereby promoting competition and facilitating economic growth and innovation.[16]

In June, the OCC, the FDIC, and the Board of Governors of the Federal Reserve System issued a proposal to modify the enhanced supplementary leverage ratio (eSLR) standards applicable to U.S. bank holding companies identified as global systemically important bank holding companies (GSIB) and their depository institution subsidiaries. The proposed modifications will help ensure that the eSLR serves as a backdrop to risk-based capital requirements and reduce potential disincentives for GSIBs to participate in low-risk, low-return businesses.[17]



Comptroller of the Currency Jonathan V. Gould spoke with members of the Oklahoma Bankers Association at the Mayflower Hotel in Washington, D.C., September 15, 2025. He outlined his priorities for the OCC and underscored the agency's mission of ensuring a safe and sound federal banking system.

[16] See OCC Bulletin 2025-9, "Business Combinations Under the Bank Merger Act: Rescission: Interim Final Rule."

[17] See OCC Bulletin 2025-14, "Notice of Proposed Rulemaking: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions."

To further ensure that banks are supporting the national economy, the OCC, along with the other federal banking agencies, issued a request for information on potential actions to address payments fraud. The request sought public comment on discrete actions, collectively or independently, to mitigate payments fraud, including check fraud, within bank regulation and payment authorities.[18]

The agency also recognizes that elder financial exploitation continues to occur across the nation. In December 2024, the OCC, along with other agencies, issued a statement providing institutions examples of risk management and other practices that can be effective in identifying, preventing, and responding to elder financial exploitation.[19]

Improving Bank Supervision

By tailoring oversight to each bank's size, complexity, business model, and risk profile, the OCC is working to improve bank supervision and reduce regulatory burden in the federal banking system. As part of this focus on material financial risk, the OCC withdrew its participation in the interagency climate-related financial risk management principles for large banks and its membership in the Network of Central Banks and Supervisors for Greening the Financial System. Existing OCC guidance continues to require banks to manage all material risks with a sound risk management framework scaled to their individual operations.[20]

The OCC and other federal banking agencies together issued a Community Reinvestment Act (CRA) proposal to reinstate the CRA framework used before the 2023 final rule. The proposed rule is intended to restore certainty in the CRA regulatory framework and limit regulatory burden on banks. The OCC continues to assess bank CRA performance under the 1995/2021 regulatory framework.[21]

During the year, the OCC also advanced efforts to reduce the regulatory burden on community banks. The OCC reduced supervisory burden through removing fixed, policy-based examination requirements for community banks and applying only core assessment standards to examine retail nondeposit investment products. These adjustments reflect the OCC's commitment to relieve community banks of unproductive supervisory requirements and better position community banks for economic growth. Additionally, the OCC clarified its model risk management practices, highlighting that these guidelines do not impose prescriptive requirements. The OCC requested comments on two proposals: rescinding the Fair Housing Loan Data system regulation and broadening eligibility for expedited or reduced licensing procedures to community banks.[22] These proposed changes support future corporate activities and transactions by community banks depending on their business model and align with the OCC's priority of better tailoring community bank supervision.

Comptroller of the Currency Jonathan V. Gould meets with bank examiners during a community bank examination in Tennessee.

[18] See OCC Bulletin 2025-12, "Payments Fraud: Request for Information on Potential Actions to Address Payments Fraud."

[19] See OCC Bulletin 2024-34, "Consumer Protection: Interagency Statement on Elder Financial Exploitation."

[20] See OCC news releases 2025-27, "OCC Withdraws Principles for Climate-Related Financial Risk Management for Large Financial Institutions," and 2025-10, "Acting Comptroller Issues Statement on OCC's Withdrawal from International Climate Organization."

[21] See OCC Bulletin 2025-18, "Community Reinvestment Act: Interagency Notice of Proposed Rulemaking to Rescind and Replace the 2023 CRA Final Rule."

[22] See OCC News Release 2025-95, "OCC Announces Actions to Reduce Regulatory Burden for Community Banks."

OCC YEAR IN REVIEW: FY 2025

In July, the federal banking agencies announced their fourth notice under the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) requesting public comment on their regulations. This notice focused on regulations related to Banking Operations, Capital, and the CRA. Under EGRPRA, agencies must review their regulations at least once every 10 years to identify outdated, unnecessary, or unduly burdensome regulatory requirements for their supervised institutions. Federal banking agencies are holding public outreach meetings and soliciting comments on these and other regulations through the EGRPRA review cycle.[23]

Embracing Innovation Within the Banking System

The OCC continued its work to provide a framework for responsible innovation in banking.

The GENIUS Act gives the OCC authorities related to licensing, supervising, and regulating federal qualified payment stablecoin issuers, which include certain nonbanks, uninsured national banks, and federal branches approved by the OCC. In addition, the act gives the OCC certain regulatory or enforcement authority over certain state-licensed payment stablecoin issuers and foreign payment stablecoin issuers registered with the OCC.

In March and May, the OCC issued interpretive letters that clarify banks' authority to engage in certain crypto-asset-related activities.[24] Interpretive Letter 1183 eliminated the supervisory non-objection process that previously applied to certain crypto-asset-related activities and Interpretive Letter 1184 clarified permissible bank activities related to crypto-asset custody and execution services.[25] These letters provided clarity to banks and reaffirmed the OCC's technology-neutral approach with respect to permissible banking activities. In July, the OCC and other federal banking agencies released a statement that highlighted potential risk-management considerations related to holding crypto-assets on bank customers' behalf, or crypto-asset safekeeping.[26] The statement recognized the evolving nature of the crypto-asset market, including the technology underlying crypto-assets, its benefits, and the importance of a risk management framework to manage the associated risks.

Applying the same rigorous review and standards to all new entrants to the federal banking system, the OCC in March conditionally approved an application for a fintech company to change the business model of a bank upon its acquisition of the bank. This conditional approval demonstrates the OCC's commitment to a regulatory framework that supports innovations in banking.[27]

For community banks, the OCC requested public comment on community banks' engagement with digitalization, including information on the key challenges and barriers that smaller institutions face in adopting and implementing digitalization strategies and initiatives. This effort supports the strengthening and modernization of community banks and aims to facilitate community banks' safe, sound, and fair transition to digital banking.[28]

To ease customer onboarding processes while preserving anti-money laundering safeguards, the OCC, along with other agencies, issued an order that permits an alternative method for collecting taxpayer identification numbers under Customer Identification Program (CIP) requirements.[29] The order promotes an innovative approach to CIP compliance by supporting greater use and acceptance of online or mobile banking activities and allowing banks to use online identity verification services that were neither available nor contemplated by regulators when the CIP rule was adopted in 2003.

[23] See OCC Bulletin 2025-19, "Economic Growth and Regulatory Paperwork Reduction Act of 1996: Regulatory Review to Identify Outdated, Unnecessary, or Unduly Burdensome Regulations," and OCC News Release 2025-87, "Agencies Announce Third Public Outreach Meeting As Part of Their Review of Regulations."

[24] See OCC Bulletin 2025-2, "Bank Activities: OCC Issuances Addressing Certain Crypto-Asset Activities," and OCC News Release 2025-42, "OCC Clarifies Bank Authority to Engage in Crypto-Asset Custody and Execution Services."

[25] See OCC Interpretive Letter 1183, "OCC Letter Addressing Certain Crypto-Asset Activities."

[26] See OCC Bulletin 2025-17, "Bank Activities: Crypto-Asset Safekeeping Services."

[27] See OCC News Release 2025-19, "OCC Conditionally Approves Fintech Business Model for a National Bank."

[28] See OCC Bulletin 2025-8, "Bank Activities: Request for Information on Community Bank Digitalization."

[29] See OCC Bulletin 2025-15, "Bank Secrecy Act/Anti-Money Laundering: Customer Identification Program Tax Identification Number Alternative Collection Method."

Depoliticizing the Banking System

Fair access to financial services is a fundamental principle of the federal banking system. The OCC has taken initial steps to depoliticize the federal banking system consistent with Executive Order 14331, "Guaranteeing Fair Banking for All Americans," which affirms that banks should provide access to financial services based on individualized, objective, and risk-based analyses.[30]

In September, the OCC issued a comprehensive regulatory response to concerns about politically motivated financial exclusion and surveillance. The OCC clarified that, consistent with its existing practice of tailoring requirements and supervisory expectations, it plans to consider politicized or unlawful debanking in licensing applications filed by a bank and in a bank's record of performance under the CRA. In a separate issuance the agency reminded banks of their legal obligations under the Right to Financial Privacy Act and the proper usage of Suspicious Activity Reports (SAR). The issuance highlighted banks' legal obligations to protect customers' financial records, ensure compliance with legal requirements, and ensure proper use of voluntary SAR filings.[31]

Additionally, in early 2025, the OCC removed references to reputation risk from its handbooks and guidance documents to improve transparency and confidence in the supervisory process. Removing these references does not alter the OCC's expectation that banks remain diligent and adhere to prudent risk management practices across risk areas. For handbooks and guidance issued jointly with other regulators, the OCC is working with those regulators to expeditiously remove references to reputation risk.[32]

Consistent with Executive Order 14281, "Restoring Equality of Opportunity and Meritocracy," the OCC supervisory process for fair lending compliance no longer includes examining for disparate impact liability. The OCC's supervisory process continues to include fair lending risk assessments, risk-based fair lending examinations, and appropriate action if evidence of disparate treatment is found. Accordingly, the OCC continues to supervise banks for compliance with applicable fair lending laws and regulations.[33]

Taken together, these actions demonstrate that the OCC is intent on enabling banks to engage in prudent risk-taking in support of the U.S. economy, clarifying supervisory expectations and reducing regulatory burden, enabling and adapting to innovation, and ensuring fair access by depoliticizing the federal banking system.

[30] See OCC News Release 2025-78, "Comptroller Gould Issues Statement on Executive Order 'Guaranteeing Fair Banking for All Americans.'"

[31] See OCC bulletins 2025-22, "Licensing and Community Reinvestment Act: Consideration of Politicized or Unlawful Debanking," and 2025-23, "Protecting Customer Financial Records."

[32] See OCC Bulletin 2025-4, "Bank Supervision: Removing References to Reputation Risk."

[33] See OCC Bulletin 2025-16, "Fair Lending: Removing References to Disparate Impact."

SUPERVISION

The OCC governs its bank supervision program through two committees: the Committee on Bank Supervision (CBS) and the National Risk Committee (NRC). The CBS makes sure supervisory activities, policies, and programs are coordinated and consistent with the OCC's objectives. The NRC identifies and assesses existing and emerging risks to the industry and coordinates the agency's supervision and policy issues in addressing those risks.

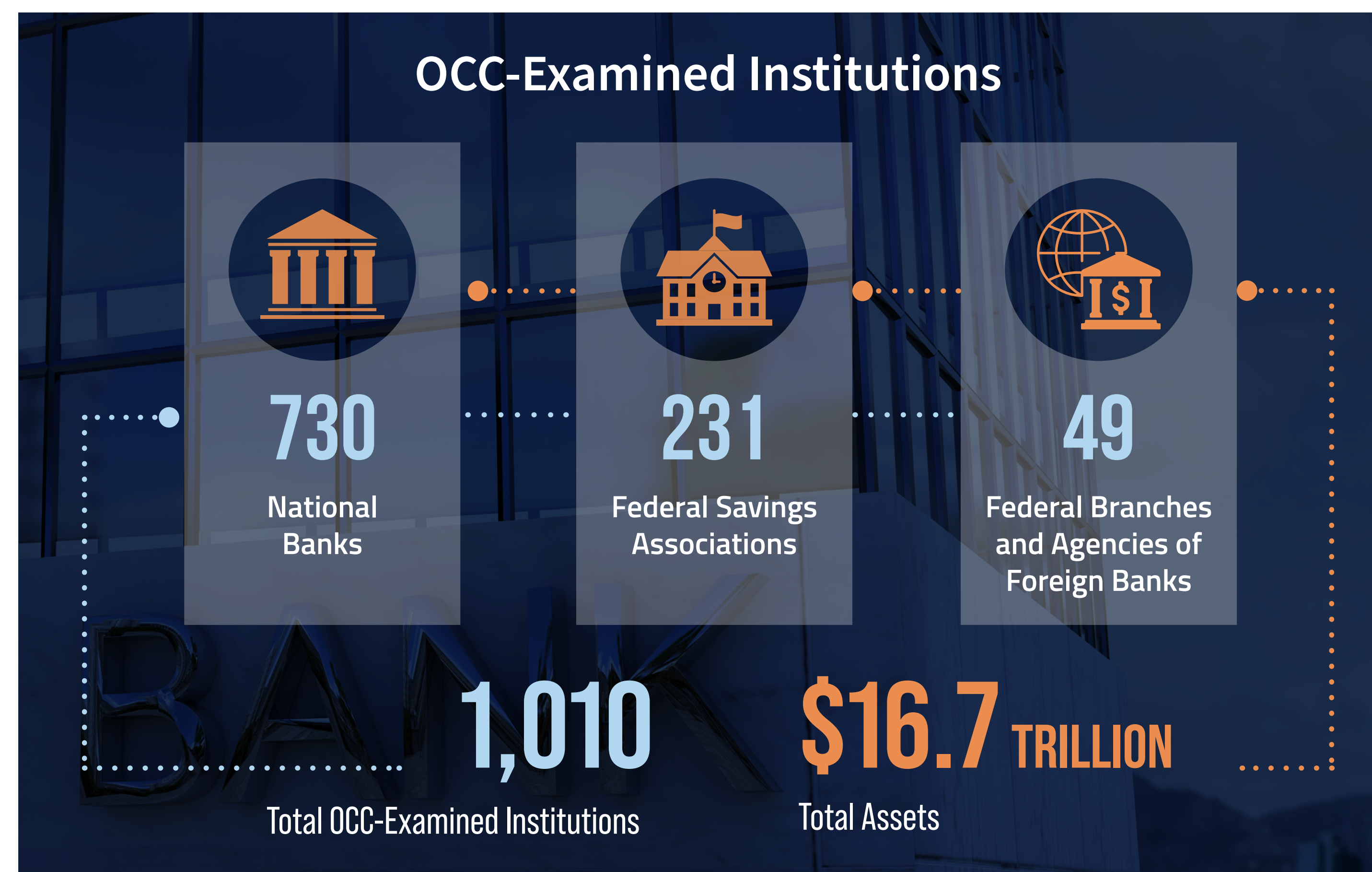
This section covers

- the composition of the federal banking system;
- the OCC's supervision priorities for FY 2025;
- published rules, guidance, and other materials;
- licensing activities; and
- enforcement actions.

Federal Banking System at a Glance

As of September 30, 2025, the federal banking system comprises 1,010 financial institutions, or 961 banks and 49 federal branches and agencies of foreign banks, operating in the United States. These banks range from small community banks to the largest, most globally active U.S. banks. Of the 961 banks, 695 have less than $1 billion in assets, while 54 have more than $10 billion. In total, the banks within the federal banking system hold $16.7 trillion (67 percent of the total assets held by all U.S. banks).

The federal banking system holds more than 81.2 percent of credit card balances in the country. Through these products and services, most American families have one or more relationships with an OCC-supervised bank.



Note: Data as of September 30, 2025.

Supervision Priorities

The OCC's *Fiscal Year 2025 Bank Supervision Operating Plan* outlined the policy initiatives and supervisory strategies for the prior year, as applied to individual banks and third-party servicers subject to OCC examination.[34] The agency also published updates about risks to the federal banking system and supervisory priorities through its *Semiannual Risk Perspective* (SARP) reports, bulletins, news releases, *Comptroller's Handbook* booklets, speeches, outreach events, and discussions with bank management and boards of directors.

Rulemaking Actions and Guidance

The OCC issued the following rulemaking actions in FY 2025, listed in table 1.

TABLE 1: Rulemaking Actions During FY 2025

Topic	Action	Reference
Business combinations	Interim final rule to restore the streamlined application and expedited review to its procedures for reviewing applications under the Bank Merger Act	OCC Bulletin 2025-9
Capital	Notice of proposed rulemaking to modify the enhanced supplementary leverage ratio standards for U.S. global systemically important bank holding companies and their subsidiary depository institutions	OCC Bulletin 2025-14
Corporate and risk governance	Revised guidelines establishing standards for recovery planning by certain large insured national banks, federal savings associations, and federal branches at 12 CFR 30, appendix E	OCC Bulletin 2024-31
CRA	Joint notice of proposed rulemaking to rescind the CRA final rule issued on October 24, 2023, and replace with regulations substantively identical to those in effect on March 28, 2024 (first adopted by the agencies in 1995 and reinstated by the OCC in 2021)	OCC Bulletin 2025-18

[34] See OCC News Release 2024-111, "OCC Releases Bank Supervision Operating Plan for Fiscal Year 2025."

In addition to rulemaking actions, the OCC published several issuances that communicated a range of supervisory and regulatory matters. See table 2.

TABLE 2: Guidance and Publications Issued During FY 2025

Topic	Publication	Reference
Accounting	Update to the *Bank Accounting Advisory Series* contains staff responses to frequently asked questions from the banking industry and bank examiners on a variety of accounting topics and promotes consistent application of accounting standards and regulatory reporting among banks	OCC Bulletin 2025-20
Assessments and fees	Calendar year 2025 fees and assessments structure	OCC Bulletin 2024-32
Assessments and fees	Interim calendar year 2025 fees and assessments structure	OCC Bulletin 2025-21
BSA/AML	The OCC, FDIC, and National Credit Union Administration, with the concurrence of the Financial Crimes Enforcement Network, issue exemption order to customer identification program requirements	OCC Bulletin 2025-15
Bank information technology	Information about new digitalization page to help community banks meet their digitalization objectives	OCC Bulletin 2025-3
Bank management and operations	Release of the *Semiannual Risk Perspective* outlining the key issues facing the federal banking system	OCC news releases 2024-135 and 2025-63
Bank management and operations	Request for information on potential actions to address payments fraud	OCC Bulletin 2025-12
Bank management and operations	Clarification on how the OCC considers politicized or unlawful debanking in licensing and CRA evaluations consistent with Executive Order 14331	OCC Bulletin 2025-22
Bank management and operations	Reminder of banks' legal obligations under the Right to Financial Privacy Act	OCC Bulletin 2025-23
Bank operations	Interagency statement on supervisory practices regarding financial institutions affected by Hurricane Milton	OCC News Release 2024-117
Bank operations	Interagency statement on supervisory practices regarding financial institutions affected by California wildfires and straight-line winds	OCC News Release 2025-4
CRA	Revision of small and intermediate small bank and savings association asset thresholds	OCC Bulletin 2024-36
CRA	Lists appropriate names and addresses for notices required by the CRA and Equal Credit Opportunity Act, and for posters required by the Fair Housing Act	OCC Bulletin 2025-6
CRA	Issued the annual host state loan-to-deposit ratios to inform banks about how these ratios are used to determine compliance with section 109 of the Riegle–Neal Interstate Banking and Branching Efficiency Act of 1994	OCC Bulletin 2025-10
Capital markets	Quarterly reports on bank trading and derivative activities to increase awareness of size and character of trading and derivative exposures within the federal banking system	OCC news releases 2024-133, 2025-22, 2025-56, and 2025-92
Capital markets	Semiannual *Interest Rate Risk Statistics Report* of data gathered during examinations of OCC-supervised midsize and community banks and federal savings associations	See www.occ.gov "Publications" page
Commercial credit	Guidance for managing credit risk associated with refinance risk	OCC Bulletin 2024-29
Compliance	Updated *Comptroller's Handbook* booklets and recissions regarding unfair or deceptive acts or practices and unfair, deceptive, or abusive acts or practices	OCC Bulletin 2024-33
Compliance	Removing references to reputation risk from *Comptroller's Handbook* booklets and guidance issuances	OCC Bulletin 2025-4
Compliance	Removing references to supervising banks for disparate impact liability from the "Fair Lending" booklet of the *Comptroller's Handbook* and references in other issuances	OCC Bulletin 2025-16

Topic	Publication	Reference
Consumer protection	Interagency statement to provide institutions supervised by multiple agencies examples of risk management and other practices that can be effective in identifying, preventing, and responding to elder financial exploitation	OCC Bulletin 2024-34
Corporate and risk governance	Interpretive Letter 1183 regarding certain crypto-asset activities	OCC Bulletin 2025-2
Corporate and risk governance	Joint statement regarding the provision of crypto-asset safekeeping services	OCC Bulletin 2025-17
Credit	Joint annual report on the Shared National Credit Program to review the performance of large loan commitments shared between regulated institutions	OCC News Release 2025-17
Credit	Quarterly OCC *Mortgage Metrics Report* to promote broader understanding of mortgage portfolio performance and modification activity in the federal banking system and support supervision of regulated institutions	OCC news releases 2024-136, 2025-23, 2025-55, and 2025-91
Digital assets and tokenization	Interpretive letters clarifying bank authority to engage in crypto-asset custody and execution services	OCC News Release 2025-42 and interpretive letters 1183 and 1184
Digitalization	Request for information on challenges and barriers community banks face in adopting and implementing digital banking solutions	OCC Bulletin 2025-8
Enforcement	Notice adjusting maximum civil money penalties (CMP) for 2025	OCC Bulletin 2025-1
Laws and regulations	Guidance describing the OCC's plan to address criminally liable regulatory offenses in accordance with Executive Order 14294, "Fighting Overcriminalization in Federal Regulations"	OCC Bulletin 2025-13
Laws and regulations	Regulatory review of the EGRPRA of 1996 to identify outdated, unnecessary, or unduly burdensome regulations	OCC bulletins 2024-35 and 2025-19
Loans and mortgages	Temporary exceptions to real estate appraisal requirements for real estate-related financial transactions in areas affected by Los Angeles County, California, wildfires and straight-line winds	OCC Bulletin 2025-7
Regulation O	Revised interagency statement to supersede the "Extension of the Revised Statement Regarding Status of Certain Investment Funds and Their Portfolio Investments for Purposes of Regulation O and Reporting Requirements Under Part 363 of FDIC Regulations"	OCC Bulletin 2024-37

SUPERVISION

Chartering, Organization and Structure Activities

The OCC's Chartering, Organization and Structure (CO&S) department is responsible for ensuring that banks establish and maintain corporate structures in accordance with the principles of safe and sound banking as predicated by law and regulation.

CO&S works with the agency's legal and supervisory departments to render independent decisions supported by a record of facts and financial, supervisory, and legal analyses. Table 3 summarizes corporate application activities for FY 2025.

TABLE 3: Corporate Application Activity in FY 2025

Application type	Applications received	Approved	Conditionally approved	Denied	Total
Branches	563	542	0	0	542
Capital/sub-debt	46	36	4	0	40
Change in bank control	8	6	0	0	6
Charters	9	0	1	0	1
Charter conversions*	11	5	4	0	9
Federal branches	3	1	0	0	1
Fiduciary powers	5	3	0	0	3
Mergers	32	29	3	0	32
Relocations	127	120	0	0	120
Reorganizations	12	13	0	0	13
Subsidiaries	9	5	0	0	5
Substantial change in assets	9	1	6	0	7
Mutual to stock conversions	0	0	1	0	1
Total	**834**	**761**	**19**	**0**	**780**

*Conversions to an OCC-regulated bank.

Enforcement Actions

The OCC investigates, litigates, and takes enforcement actions against institutions and institution-affiliated parties to address unsafe or unsound banking practices and failures in compliance, including compliance with certain consumer protection laws. When warranted, the OCC refers potential criminal acts involving bank-affiliated parties to the U.S. Department of Justice and coordinates with other federal agencies on enforcement efforts involving banks.

The OCC took 25 formal enforcement actions against banks this year. More than half of the actions addressed oversight, strategic or capital planning, or liquidity risk management. Table 4 summarizes the OCC's formal enforcement actions issued in 2025.

TABLE 4: OCC Enforcement Actions in FY 2025

Type of enforcement action	Number[a]	Amount[b]
12 USC 1829 notifications	16	
Bank CMP	2	$450,000,000
Cease-and-desist order (bank)	11	
Formal agreement (bank)	12	
Notices of charges filed	2	
Personal cease-and-desist order	5	
Personal CMP	2	$150,000
Prompt corrective action directive	0	
Removal/prohibition	40	
Total	**90**	**$450,150,000**

[a] May include instances when multiple charters in a company are subject to the same enforcement action.

[b] Includes only assessed penalties through September 30, 2025, and does not include remediation to customers that the OCC may have required of the bank. Penalties are sent to the Treasury Department.

FINANCIAL MANAGEMENT DISCUSSION AND ANALYSIS

Letter From the Office of Financial Management

I am pleased to present the OCC's financial statements as an integral part of the Fiscal Year 2025 Annual Report. For FY 2025, our independent auditors have again rendered an unmodified opinion. The OCC strives to provide timely, reliable, and relevant financial data to our many stakeholders. We remain dedicated to the execution of sound financial management.

In FY 2025, we implemented changes to improve the efficiency of the OCC's financial management processes and streamline the agency's financial reporting. We continue to cross-train staff to address retirements and succession planning for critical roles, and we modified our reporting to reflect single-year financial statements, notes, and other information. Throughout the fiscal year, we remained focused on funds control and cash management as we navigated these challenges and opportunities. As a non-appropriated federal agency, the OCC's primary sources of revenue are bank assessments and interest earned on investments in Treasury securities, which we use to cover the operating costs of the OCC in fulfilling its important mission of safeguarding the federal banking system.

In support of cost efficiency initiatives and guidance from the Department of the Treasury, we prioritized the review of funds used for major expense categories and contracts. The OCC limited nonessential travel, closely monitored employee travel card credit limits, canceled discretionary contracts, and reallocated resources to maintain essential services and programs.

By operating the agency more efficiently, the OCC was able to reduce bank assessment rates for the September 30, 2025, semiannual assessment. The OCC reduced the rates in the general assessment fee schedule by 30 percent for banks with assets up to $40 billion and 22 percent for banks with assets above $40 billion. The agency also reduced the rates in the independent trust and independent credit card assessment fee schedules by 22 percent. The reduced rates pass cost savings on to the OCC's regulated institutions, so they may better support a robust U.S. economy. The OCC remains committed to pursuing effectiveness and efficiency, while ensuring the federal banking system operates in a safe and sound manner.

I appreciate the OCC professionals who plan, execute, and account for the agency's resources. The OCC will continue to employ sound financial management and strong risk management and internal controls to meet its statutory, regulatory, and fiduciary responsibilities.

Kimberly K. Sweet
Associate Deputy Comptroller for Financial Management

Financial Summary

The OCC received an unmodified audit opinion on its FY 2025 financial statements. The OCC presents the principal financial statements to report the financial position and results of its operations, pursuant to the requirements of 31 USC 3515(b). The OCC has prepared these statements from its books and records in accordance with U.S. generally accepted accounting principles (GAAP) for federal entities and the formats prescribed by OMB. In addition, the agency prepares financial reports to monitor and control budgetary resources using the same books and records.

The OCC's financial statements consist of the Balance Sheet, the Statement of Net Cost, the Statement of Changes in Net Position, the Statement of Budgetary Resources, and the Statement of Custodial Activity. The OCC presents the financial statements and notes on a single-year basis as prescribed by OMB guidance, providing financial information for FY 2025 only.

The Statement of Budgetary Resources provides information about how budgetary resources were made available to the OCC for the year. This statement presents the status of these resources and the net outlays of budgetary resources at the end of the year.

Table 5 illustrates the OCC's key components of financial condition, and the subsequent narrative sections address the OCC's financial activities in FY 2025.

TABLE 5: Key Components of Financial Condition, as of September 30, 2025 (Dollars in Thousands)

Costs[a]	**FY 2025**
Total financing sources	$78,409
Less: net cost	$61,860
Net change of cumulative results of operations	$16,549
Net position[b]	
Assets	
Fund Balance with Treasury	$122,686
Investments	$2,127,839
General property, plant, and equipment, net	$480,274
Accounts receivable and other	$8,922
Total assets	$2,739,721
Liabilities	
Accounts payable and other accrued liabilities	$473,005
Accrued payroll and benefits	$145,070
Deferred revenue	$265,404
Other actuarial liabilities	$89,030
Total liabilities	$972,509
Net position	$1,767,212
Total liabilities and net position	$2,739,721

Source: OCC financial system data.

[a] Statement of Net Cost and Statement of Changes in Net Position.

[b] Balance Sheet.

Cost of Operations

The OCC's net cost of operations is reported in the Statement of Net Cost and the Statement of Changes in Net Position. The OCC uses an activity-based time reporting system to allocate costs among the agency's programs. Costs are further divided into those resulting from transactions between the OCC and other federal entities (intragovernmental) and those between the OCC and nonfederal entities (with the public). The Statement of Net Cost presents the full cost of operating the OCC's three major programs—supervise, regulate, and charter banks.

Total program costs for FY 2025 were $1,373.3 million.

Revenues

The OCC's operations are funded primarily by assessments and other fees paid by banks, interest received on investments in nonmarketable U.S. Treasury securities, and other income.

Total FY 2025 revenue was $1,306.7 million. Bank assets used in the September 30, 2025, semiannual assessment were $17.6 trillion. Interest revenue totaled $59.2 million in FY 2025. Table 6 shows the OCC's funding sources for FY 2025.

TABLE 6: Funding Sources (Dollars in Millions)

Source	FY 2025
Assessments	$1,229.2
Interest revenue	$59.2
Other income	$18.3
Total revenue	**$1,306.7**

Assets

The OCC has both "entity" and "non-entity" assets. The OCC uses entity assets, which belong to the agency, to fund operations. Non-entity assets are assets the OCC holds on behalf of another federal agency. The OCC's non-entity assets presented as accounts receivable are CMPs due to the federal government through court-enforced legal actions. As of September 30, 2025, total entity assets were $2,739.7 million.

Investments

The OCC primarily invests available funds in nonmarketable U.S. Treasury securities issued through the U.S. Department of the Treasury's Bureau of the Fiscal Service consistent with the provisions of 12 USC 481 and 12 USC 192. The agency also maintains a limited amount of funds invested with the public in support of contingency planning. The OCC manages risk by diversifying its portfolio holdings through laddering security maturities over a period not to exceed five years. Laddering in this manner facilitates the ability to reinvest in U.S. Treasury securities while maintaining sufficient cash for daily operating expenses. The OCC has the positive intent and ability to hold all U.S. Treasury securities to maturity and does not maintain any available-for-sale or trading securities.

On September 30, 2025, the amortized book value of intragovernmental investments and related accrued interest was $2,104.8 million. The market value of the OCC's intragovernmental investment portfolio in FY 2025 was $11.8 million lower than book value.

The OCC's intragovernmental investment portfolio is composed of overnight and longer-term securities. The portion of the portfolio comprising longer-term investments as of September 30, 2025, was $1,196.0 million (55.9 percent). The weighted average maturity of the portfolio, including overnights, was 1.1 years as of September 30, 2025.

The OCC's intragovernmental portfolio earned an annual yield of 3.1 percent in FY 2025. The OCC calculates annual portfolio yield by dividing the total interest earned during the year by the average ending monthly book value of investments.

The OCC's investments with the public consist of funds held in a money market mutual fund with a state-chartered Federal Reserve-supervised bank. The agency's investments with the public as of September 30, 2025, were $23.0 million.

Liabilities

The OCC's liabilities represent the resources due to others or held for future recognition and are composed largely of deferred revenue, accrued annual leave, accrued payroll and benefits, and other actuarial liabilities. Deferred revenue represents the unearned portion of semiannual assessments. As of September 30, 2025, total liabilities were $972.5 million.

Net Position

The OCC's net position of $1,767.2 million as of September 30, 2025, represents the cumulative net excess of the OCC's revenues over its cost of operations. The net position is presented on both the Balance Sheet and the Statement of Changes in Net Position.

The OCC allocates a significant portion of the net position to its financial reserves. Financial reserves are integral to the effective stewardship of the agency's resources, and it has a disciplined process for reviewing reserve balances and allocating funds appropriately to support its ability to accomplish the agency's mission. The OCC's financial reserves are available to reduce the impact a significant fluctuation in revenues or expenses could have on the agency's operations. The OCC also sets aside funds for ongoing operations.

As of September 30, 2025, the OCC's financial reserves were $1,598.2 million. These reserves are essential to a prudent, reasonable financial management strategy.

FINANCIAL STATEMENTS

OFFICE OF THE COMPTROLLER OF THE CURRENCY
BALANCE SHEET
AS OF SEPTEMBER 30, 2025

(Dollars in Thousands)	FY 2025
Assets	
Intragovernmental:	
Fund Balance with Treasury (Note 2)	$122,686
Investments, net (Note 3)	2,104,797
Accounts receivable (Note 4)	1,695
Other assets	50
Total intragovernmental	**$2,229,228**
With the public:	
Investments, net (Note 3)	$23,042
Accounts receivable, net (Note 4)	7,096
General property, plant, and equipment, net (Note 5)	480,274
Other assets	81
Total with the public	**$510,493**
Total assets	**$2,739,721**
Liabilities	
Intragovernmental:	
Accounts payable and other accrued liabilities	$8,588
Total intragovernmental	**$8,588**
With the public:	
Accounts payable	$6,289
Accrued payroll and benefits	72,070
Accrued annual leave	73,000
Lease liabilities (Note 6)	431,590
Other accrued liabilities	26,538
Deferred revenue	265,404
Other actuarial liabilities (Note 7)	89,030
Total with the public	**$963,921**
Total liabilities	**$972,509**
Commitments and contingencies (Note 12)	
Net position (Note 8)	**$1,767,212**
Total liabilities and net position	**$2,739,721**

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE COMPTROLLER OF THE CURRENCY
STATEMENT OF NET COST
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)	FY 2025
Program costs:	
Supervise	
Intragovernmental	$230,438
With the public	987,967
Subtotal—supervise	**$1,218,405**
Regulate	
Intragovernmental	$23,525
With the public	107,135
Subtotal—regulate	**$130,660**
Charter	
Intragovernmental	$4,659
With the public	19,545
Subtotal—charter	**$24,204**
Total program costs	**$1,373,269**
Less earned revenues not attributed to programs	(1,306,729)
Net program costs before gain/loss from changes in assumptions	**$66,540**
Actuarial (gain)/loss (Note 7)	(4,680)
Net cost of operations (Note 9)	**$61,860**

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE COMPTROLLER OF THE CURRENCY
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)	**FY 2025**
Cumulative results of operations:	
Beginning balance	$1,750,663
Transfer in without reimbursement	0
Imputed financing (Note 10)	78,409
Other	0
Net cost of operations	(61,860)
Net change in cumulative results of operations	16,549
Cumulative results of operations	**$1,767,212**
Net position	**$1,767,212**

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE COMPTROLLER OF THE CURRENCY
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)	**FY 2025**
Budgetary resources:	
Unobligated balance from prior year budget authority, net (Note 13)	$1,796,416
Spending authority from offsetting collections	1,267,046
Total budgetary resources	**$3,063,462**
Status of budgetary resources:	
New obligations and upward adjustments (total)	$1,301,871
Unobligated balance, end of year:	
Exempt from apportionment, unexpired accounts	1,761,591
Unexpired unobligated balance, end of year	1,761,591
Expired unobligated balance, end of year	0
Unobligated balance, end of year (total)	
Total status of budgetary resources	**$3,063,462**
Outlays, net	
Outlays, net (total) (discretionary and mandatory)	(14,200)
Agency outlays, net	**$(14,200)**

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE COMPTROLLER OF THE CURRENCY
STATEMENT OF CUSTODIAL ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)	**FY 2025**
Revenue activity:	
Sources of cash collections:	
Fines and penalties (Note 14)	$450,488
Accrual adjustment	$(557)
Total custodial revenue	**$449,931**
Disposition of custodial revenue:	
Transferred to Treasury	$450,488
(Increase)/decrease in amounts yet to be transferred	$(557)
Total disposition for custodial revenue	**$449,931**
Net custodial activity	**$0**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1—Significant Accounting Policies

Reporting Entity

The OCC was created as a bureau within the Treasury Department by an act of Congress in 1863. The mission of the OCC was to establish and regulate a system of federally chartered national banks. The National Currency Act of 1863, rewritten and reenacted as the National Bank Act of 1864, authorized the OCC to supervise national banks and regulate their lending and investment activities. With the passage of the Dodd–Frank Wall Street Reform and Consumer Protection Act on July 21, 2010, the OCC assumed the responsibility for the supervision of federal savings associations (FSAs) and rulemaking authority for savings associations.

To achieve its goals and objectives, the OCC organizes its activities under three major programs: supervise, regulate, and charter banks. These three programs support the agency's overall mission by ensuring that banks operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

The OCC examined its operations and has prepared these statements and notes in compliance with the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 47, "Reporting Entity." The OCC determined that it does not have a relationship with any entity that would require reporting as a related party as of September 30, 2025.

Basis of Accounting and Presentation

The OCC's financial statements are prepared from the agency's accounting records in conformity with GAAP as set forth by the FASAB. The OCC's financial statements are presented in accordance with the reporting guidance established by the OMB in Circular No. A-136, "Financial Reporting Requirements." Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

In addition, the OCC applies financial accounting and reporting standards pursuant to SFFAS No. 34, "The Hierarchy of Generally Accepted Accounting Principles."

The financial statements reflect both the accrual and the budgetary bases of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to cash receipt or payment. The budgetary method recognizes the obligation of funds according to legal requirements, which in many cases records obligations before the occurrence of an accrual-based transaction. Budgetary accounting is essential for compliance with legal constraints and controls over the use of federal funds.

Use of estimates: In accordance with GAAP, the preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. Such estimates and assumptions could change as more information becomes known, which could affect the amounts reported and disclosed herein.

Entity and non-entity assets: Entity assets are those that the OCC has the authority to use in its operations and include the assessments that the OCC collects semiannually from the banks it supervises to fund its operations. The OCC also collects CMPs as part of its operations. It records these as non-entity assets since the OCC is responsible for transferring these funds to the General Fund of the Treasury. These non-entity assets are not fiduciary, as fiduciary funds are those that the federal government holds on behalf of nonfederal individuals or entities that have an ownership interest.

Intragovernmental and with the public: Throughout these financial statements, assets, liabilities, earned revenues, and costs have been classified according to the entity responsible for these transactions. Intragovernmental assets, liabilities, and earned revenues are derived from activity with other federal entities. All other assets, liabilities, and revenues result from activities with parties outside the federal government. Intragovernmental costs are payments or expense accruals to other federal entities.

Funds from dedicated collections: These funds are financed by specifically identified revenue that is provided to the government by nonfederal sources and reported by the OCC in accordance with SFFAS No. 43, "Funds From Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds." These funds are required by statute to be used for designated activities or purposes and must be accounted for separately from the federal government's Treasury General Fund. Typically, an agency reports these funds separately, but because all OCC funds are considered funds from dedicated collections, all net position amounts are recorded and classified as such.

Revenues and Other Financing Sources

The OCC derives its revenue primarily from assessments and other fees paid by banks, from income on investments in nonmarketable U.S. Treasury securities, and from rental property and reimbursable activities with other entities. The OCC does not receive congressional appropriations to fund its operations. Therefore, the OCC has no unexpended appropriations.

The OCC's semiannual bank assessments are collected in the middle of each six-month assessment cycle. At the time of collection, the OCC records deferred revenue on its balance sheet as a liability for the assessments the agency has not yet earned. The OCC recognizes deferred revenue as revenue since the supervisory services are delivered over the following three months.

Federal statute stipulates that the OCC's funds are neither government funds nor appropriated monies (12 USC 481). They are maintained primarily in a U.S. government trust fund and remain available to cover the cost of the OCC's operations in accordance with policies established by the Comptroller of the Currency.

Fund Balance With Treasury

The Treasury Department processes the OCC's cash receipts and disbursements. The OCC's Statement of Budgetary Resources reflects the status of the agency's Fund Balance with Treasury (FBWT). (For more information, see Note 2.)

Investments, Net

The OCC has statutory authority to make investments. The OCC reports its net investments, both intragovernmental and with the public, on an amortized cost basis, including related accrued interest. Premiums and discounts are amortized over the term of the investment using the effective interest method.

Consistent with the provisions of 12 USC 481 and 12 USC 192, the OCC invests (1) available funds held by the U.S. Treasury in nonmarketable U.S. Treasury securities that are not offered to the marketplace and cannot be bought and sold on exchange markets (intragovernmental investments); and (2) beginning in FY 2020, available funds held outside the Treasury in marketable U.S. Treasury securities, which are offered to the marketplace and can be bought and sold on securities exchange markets (with the public investments).

Intragovernmental investments, net: The OCC invests available funds held by the U.S. Treasury in U.S. Government Account Series Treasury securities, which include bills, notes, and one-day certificates. U.S. Government Account Series Treasury securities are available to federal agencies that have specific authority to invest in these special, nonmarketable U.S. Treasury securities. The OCC has the positive intent and ability to hold all U.S. Treasury securities to maturity in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 320, "Investments—Debt Securities," and ASC Topic 321, "Investments—Equity Securities." (For more information, see Note 3.)

With the public investments, net: The OCC also invests available funds held outside the Treasury in a money market mutual fund that operates as a "government money market fund" as defined in Rule 2a-7 under the Investment Company Act of 1940, as amended. It is the OCC's policy to invest in held-to-maturity securities. The fair value of these investments is based on the fair value measurement hierarchy classification, Level 1, in accordance with ASC Topic 820, "Fair Value Measurement." Level 1 reflects the unadjusted quoted prices in active markets for identical assets that the OCC can access at the measurement date. (For more information, see Note 3.)

Accounts Receivable, Net

In accordance with SFFAS No. 1, "Accounting for Selected Assets and Liabilities," the OCC updates the allowance for loss on accounts receivable with the public periodically to reflect the most current estimate of accounts that probably will be uncollectible. The OCC considers multiple factors when calculating the allowance, including how long the debt has been outstanding and what kind of debt it is. Once the allowance is calculated, the OCC uses it to reduce accounts receivable from the public. The OCC does not recognize any allowance for loss on intragovernmental accounts receivable. (For more information, see Note 4.)

General Property, Plant, and Equipment, Net

General property, plant, and equipment (PP&E) and internal-use software are accounted for in accordance with SFFAS No. 6, "Accounting for Property, Plant, and Equipment," and SFFAS No. 10, "Accounting for Internal Use Software." General PP&E purchases and additions are stated at cost. In FY 2024 the OCC adopted SFFAS No. 54, "Leases," which encompasses assets broader than the scope of SFFAS No. 6—specifically right-to-use leases assets—included in PP&E (see the "Leases" section in this note for details).

General PP&E purchased at a cost greater than or equal to the established capitalization thresholds are capitalized at cost and depreciated or amortized, as applicable. Depreciation is expensed on a straight-line basis over the estimated useful life of the asset except for major leasehold improvements, which are amortized on a straight-line basis over the lesser of the terms of the related leases or the estimated useful lives. Land, minor leasehold improvements, and internal-use software in development are not depreciated or amortized. Major alterations and renovations, including leasehold and land improvements, are capitalized, while maintenance and repair costs are expensed as incurred. All other general PP&E are depreciated or amortized, as applicable, on a straight-line basis over their estimated useful lives.

Allowable internal-use software costs are capitalized and amortized once the software is placed in service. The OCC expenses purchases and software development costs that do not meet the capitalization criteria, when received or incurred.

The OCC tests for impairment in accordance with SFFAS No. 44, “Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use,” and removes general PP&E from its asset accounts in the period of disposal, retirement, or removal from service. Any difference between the book value of general PP&E and amounts realized is recognized as a gain or loss in the same period the asset is removed. (For more information, see Note 5.)

Leases

The OCC adopted SFFAS No. 54, “Leases,” on October 1, 2023. SFFAS No. 54 requires that federal lessees recognize a lease liability and a lease asset at the beginning of the lease term unless it meets the scope exclusions or the definition/criteria of a non-intragovernmental short-term lease, contract, or agreement that transfers ownership or intragovernmental lease. A federal lessor would recognize a lease receivable and unearned revenue unless it meets any scope exclusions or the definition/criteria of a non-intragovernmental short-term lease, contract, or agreement that transfers ownership or intragovernmental lease.

The OCC does not apply the provisions of SFFAS No. 54 to immaterial lessee or lessor items. Per SFFAS No. 54, a lease is defined as a contract or agreement whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration. A short-term lease is a non-intragovernmental lease with a lease term of 24 months or less. The OCC as a lessee recognizes short-term lease payments as an expense based on the payment provisions of the contract or agreement and standards regarding recognition of accounts payable and other related amounts; the OCC as a lessor recognizes short-term lease payments as revenue based on the payment provisions of the contract or agreement and standards regarding recognition of accounts receivable and other related amounts.

A contract or agreement that transfers ownership is defined as one that (a) transfers ownership of the underlying asset to the lessee by the end of the contract or agreement and (b) does not contain options to terminate, but that may contain an availability of funds or cancellation clause that is not probable of being exercised. For contracts and agreements that meet this requirement, the federal agency would report them as a purchase of that asset by the lessee or as a financed sale of the asset by the lessor. The OCC has not identified any contracts or agreements that transfer ownership.

An intragovernmental lease is defined as a contract or agreement occurring within a consolidation entity or between two or more consolidation entities as defined in SFFAS No. 47, “Reporting Entity,” whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration. The OCC as lessee recognizes lease payments, including lease-related operating costs paid to the lessor, as expenses based on the payment provisions of the contract or agreement and standards regarding recognition of accounts payable and other related amounts; the OCC as a lessor recognizes lease receipts, including lease-related operating costs received from the lessee, as income based on the payment provisions of the contract or agreement and standards regarding recognition of accounts payable and other related amounts.

In accordance with SFFAS No. 54, the OCC did not apply the new standard to the scope exclusions, which include immaterial lessee or lessor agreements, short-term lessee or lessor agreements, contracts or agreements that transfer ownership, or an intragovernmental lease, as described in the previous paragraphs.

For lessee contracts or agreements that met the SFFAS No. 54 criteria, the OCC initially recognized a lease liability and a right-to-use lease asset. The lease liability is measured at the present value of payments expected to be made during the lease term. The OCC discounts the future lease payments using the interest rate the lessor charges the lessee, or if the interest rate is not stated in the lease, the OCC’s estimated incremental borrowing rate. The right-to-use lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

For lessor contracts or agreements that meet the SFFAS No. 54 criteria, federal agencies initially measure a lease receivable and unearned revenue. The federal agency measures the lease receivable at the present value of lease payments to be received for the lease term, reduced by any provision for uncollectible amounts. The federal agency discounts the future lease payments to be received using the rate the lessor charges the lessee, or if the interest rate is not stated in the lease, the agency’s estimated incremental borrowing rate. The federal agency amortizes the unearned revenue, recognizing it as earned revenue, in a systematic and rational manner over the term of the lease. The OCC does not have any lessor contracts or agreement that meet the SFFAS No. 54 criteria for reporting.

Liabilities

The OCC records liabilities for amounts that are likely to be paid because of events that have occurred as of the relevant balance sheet dates. The OCC’s liabilities consist of routine operating accounts payable, accrued payroll and benefits, deferred revenue, and other liabilities. The OCC’s liabilities represent the amounts owed or accrued under contractual or other arrangements governing the transactions, including operating expenses incurred but not paid. The OCC accounts for liabilities in accordance with SFFAS No. 5, “Accounting for Liabilities of the Federal Government.” The OCC adopted SFFAS No. 54, “Leases,” on October 1, 2023. SFFAS No. 54 requires that federal lessees recognize a lease liability and a lease asset at the commencement of the lease term unless it meets the scope exclusions or the definition/criteria of a non-intragovernmental short-term lease, contract, or agreement that transfers ownership or intragovernmental lease. Therefore, the OCC recorded lease liabilities disclosed on the balance sheet (for more information, see Note 6).

Accounts payable: Accounts payable represent short-term liabilities to vendors and other entities. Interest penalties are paid when payments are late as prescribed by the Prompt Payment Act (31 USC 39). Discounts are taken when cost-effective and when the invoices are paid within the discount period.

Accrued leave: The OCC accrues and funds annual leave and credit hours as they are earned and reduces the accrual as leave and credit hours are taken or paid. Each year, the balance in the accrued leave account is adjusted to reflect actual leave balances with current pay rates. Sick leave and other types of non-vested leave are expensed as used.

Deferred revenue: The OCC’s activities are primarily financed by assessments on assets held by banks. These assessments are due semiannually on March 31 and September 30 based on each institution’s asset balance in accordance with the methodology in the OCC Notice of Fees. Assessments are recognized as earned revenue on a straight-line basis. The unearned portions of collected assessments are classified as deferred revenue.

Contingent liabilities: The OCC recognizes and discloses contingencies for pending or threatened litigation and unasserted claims in accordance with SFFAS No. 12, “Recognition of Contingent Liabilities Arising from Litigation.” As such, the OCC accrues an estimated liability if it is both probable and can be reasonably estimated. If the likelihood of an unfavorable outcome is more than remote, the OCC discloses the contingent liability. (For more information, see Note 12.)

Employment Benefits

Retirement plans: All OCC employees participate in one of three retirement systems—the Civil Service Retirement System (CSRS or CSRS Offset), the Federal Employees Retirement System (FERS), or the Pentegra Defined Benefit Plan (Pentegra DB Plan). The CSRS and FERS are administered by the U.S. Office of Personnel Management (OPM). Pursuant to the enactment of Public Law 99-335, which established FERS, most OCC employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired before January 1, 1984, are covered by the CSRS, except for those who, during the election period, joined FERS. The Pentegra DB Plan is administered by the president of the plan. The Pentegra DB Plan covers those employees transferred from the former OTS who elected the plan before January 1, 1991, when it was closed to new entrants.

The OCC does not report CSRS or FERS assets or accumulated plan benefits that may be applicable to its employees in its financial statements; these amounts are reported by the OPM. Although the OCC reports no liability for future payments to employees under these programs, the federal government is liable for future payments to employees through the various agencies administering these programs. The OCC recognizes future benefit costs as imputed costs based on OPM cost factors.

The Pentegra DB Plan is a tax-exempt, multiple-employer, DB pension plan. In accordance with the provisions of Dodd–Frank (as amended by the Economic Growth Act), the OCC assumed the role of benefit administrator for the Pentegra DB Plan in FY 2011. For funding purposes, when the plan is in surplus (assets are greater than plan liabilities) the OCC's annual costs equal plan expenses, which include administrative expenses and Pension Benefit Guaranty Corporation premiums. When the plan is not in surplus, the OCC's expenses also include the present value of the benefits expected to be earned in the plan year (the target normal cost), and a portion of the unfunded liability. The plan is currently in surplus. The OCC is committed to adhering to sound financial policies and management oversight of the plan to ensure its sustainability for current and future retirees. The OCC does not report in its financial statements any assets, accumulated plan benefits, or actuarial gains/losses from the Pentegra DB Plan. Pentegra, as plan administrator, reports these amounts in an annual filing.

Thrift savings and 401(k) plans: The OCC's employees are eligible to participate in the federal Thrift Savings Plan (TSP). FERS employees can receive up to 4.0 percent in OCC matching contributions, in addition to an automatic contribution of 1.0 percent of adjusted base pay. The OCC's contributions to the TSP totaled $28.3 million for FY 2025 and are included as a component of "Personnel compensation and benefits" in Note 9, "Net Cost of Operations."

OCC employees also may elect to contribute a portion of their total pay to the OCC-sponsored 401(k) plan, subject to Internal Revenue Service regulations that apply to employee contributions in both the federal TSP and the OCC-sponsored 401(k) plan. The OCC matches the first 1.0 percent of employee contributions to the OCC 401(k) plan and provides an automatic employer contribution of 4.0 percent of adjusted base pay.

The amount of each participant's matching contribution to the 401(k) plan is based on the applicable retirement system under which each participant is covered. For those who participate in FERS, the CSRS, or CSRS Offset, the OCC provides an automatic contribution of 4.0 percent of adjusted base pay and an additional matching contribution of up to 1.0 percent. For those who participate in the OTS 401(k) plan, the OCC provides an automatic contribution of 4.0 percent of adjusted base pay, an additional matching contribution of up to 3.0 percent to participants in the Financial Institutions Retirement Fund, and a 1.0 percent additional match to all other participants.

With few exceptions, employees who leave the OCC before the vesting period (three or more years of continuous credited service) forfeit the OCC's matching contributions. The OCC's 401(k) Plan Adoption Agreement provides that the OCC may use forfeitures to pay plan expenses and offset the employer's contribution obligation. In addition, the agency may re-allocate forfeitures among participants. This year, in accordance with plan documents, the OCC used forfeitures to defray plan expenses.

The OCC's contributions to the 401(k) plans totaled $35.3 million for FY 2025 and are included as a component of "Personnel compensation and benefits" in Note 9, "Net Cost of Operations."

Federal Employees Health Benefits and Federal Employees' Group Life Insurance: Employees and retirees of the OCC are eligible to participate in the Federal Employees Health Benefits and Federal Employees' Group Life Insurance plans administered by the OPM, which involve a cost sharing of biweekly coverage premiums by OCC employees and the OCC. The OCC does not fund post-retirement benefits for these programs. Instead, the OCC's financial statements recognize an imputed financing source and corresponding expense that represent the OCC's share of the cost to the federal government of providing these benefits to all eligible OCC employees.

Post-retirement life insurance benefit plan: The OCC sponsors a life insurance benefit plan for current and retired employees. The OCC's life insurance benefit plan is a defined-benefit plan for which the benefit is earned over the period from the employee's date of hire to the date on which the employee is assumed to retire. The valuation of the plan is performed in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. Specifically, the OCC uses the actuarial cost method as outlined in FASB ASC Topic 715, "Compensation—Retirement Benefits," to determine costs for its retirement plans. Gains or losses owing to changes in actuarial assumptions are amortized over the service life of the plan. The actuarial assumptions and methods used in calculating actuarial amounts comply with the requirements for post-retirement benefits other than pensions as set forth in FASB ASC Topic 715, and for health benefit plans as set forth in American Institute of Certified Public Accountants Statement of Position 92-6, "Accounting and Reporting by Health and Welfare Benefit Plans." (For more information, see Note 7.)

Net Position

Net position is the residual difference between assets and liabilities and is composed of cumulative results of operations. The OCC allocates a significant portion of the net position to its financial reserves. Financial reserves are integral to the effective stewardship of the OCC's resources, particularly because the agency does not receive congressional appropriations. (For more information, see Note 8.)

Custodial Activity

Non-entity receivables, liabilities, and revenues are recorded as custodial activity in the Statement of Custodial Activity and include amounts collected for fines, CMPs, and related interest assessments. Revenues are recognized as cash collected that will be transferred to the General Fund of the Treasury Department. The OCC presents the Statement of Custodial Activity on the "modified cash basis," in accordance with SFFAS No. 7, "Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting." The OCC recognizes revenues as cash is collected and records a "noncash accrual adjustment" representing the net increase or decrease during the reporting period in net revenue-related assets and liabilities.

Note 2—Fund Balance With Treasury

The Fund Balance with Treasury (FBWT) represents the budgetary resources available for the OCC's use and is a reconciliation between budgetary and proprietary accounts. The OCC's FBWT consists of one U.S. Treasury fund symbol designated as a trust fund and established by 12 USC 481, which governs the collection and use of assessments and other funds by the OCC.

The OCC's FBWT consists of unobligated and obligated balances that reflect the budgetary authority remaining for disbursement against current or future obligations. The unobligated balance represents the cumulative amount of budgetary authority that has not been set aside to cover outstanding obligations and is classified as available for future OCC use. The obligated balance not yet disbursed represents funds that have been obligated for goods that have not been received or services that have not been performed. It also represents goods and services that have been delivered or received but for which payment has not been made. The OCC's nonbudgetary FBWT account balance represents investment accounts that reduce the status of the FBWT.

The OCC holds a limited amount of funds outside of Treasury that are classified as with the public investments, net. See Note 3 for more information.

As of September 30, 2025, there were no unreconciled differences between U.S. Treasury records and balances reported on the OCC's general ledger. Table 7 depicts the OCC's FBWT amounts for FY 2025.

TABLE 7: Fund Balance With Treasury as of September 30, 2025 (Dollars in Thousands)

Fund balance	**FY 2025**
Trust fund	$122,686
Status of FBWT	**FY 2025**
Unobligated balance	$1,759,774
Obligated balance not yet disbursed	$422,870
Nonbudgetary fund balance with Treasury	$(2,059,958)
Total	**$122,686**

NOTES TO THE FINANCIAL STATEMENTS

Note 3—Investments, Net

Intragovernmental investments, net: The OCC's investments are stated at amortized cost and the related accrued interest. Premiums and discounts are amortized over the term of the investment using the effective interest method. The fair market value of intragovernmental investment securities, including overnight investments, was $2,096.0 million on September 30, 2025. The overall portfolio earned an annual yield of 3.1 percent for FY 2025.

The yield-to-maturity on individual securities in the non-overnight portion of the OCC's investment portfolio ranged from 0.4 percent to 4.7 percent on September 30, 2025.

TABLE 8: Intragovernmental Investments, Net as of September 30, 2025 (Dollars in Thousands)

Intragovernmental securities	Cost	Amortization method	Amortized (premium) discount	Interest receivable	Investments, net	Other adjustments	Market value disclosure
Nonmarketable market-based	$2,066,650	Effective interest	$35,089	$3,058	$2,104,797	$0	$2,096,017
Total intragovernmental investments	$2,066,650	NA	$35,089	$3,058	$2,104,797	$0	$2,096,017

With the public investments, net: During FY 2025, the OCC maintained investments in a money market mutual fund, Federated Hermes Trust for Treasury Obligations Fund, Capital Share Class, through a state-chartered Federal Reserve-supervised bank as part of its contingency planning strategy. Total investments with the public are $23.0 million as of September 30, 2025. The bank and its related affiliates are responsible for the administration of the investments in the fund. Although the fund is not insured or guaranteed by the FDIC or any other government agency, the fund complies with the Rule 2a-7 definition of a government money market fund.

TABLE 9: With the Public Investments, Fair Value Measurement as of September 30, 2025 (Dollars in Thousands)

Investment type	**Level 1**	**Level 2**	**Level 3**	**Other**	**Total**
Debt securities	$23,042	$0	$0	$0	$23,042
Total with the public investments	$23,042	$0	$0	$0	$23,042

Note 4—Accounts Receivable

Except for CMPs, accounts receivable represent monies due for services and goods provided that are retained by the OCC upon collection. The amounts shown for federal receivables include pension-sharing costs for former OTS employees transferred to other federal agencies in accordance with provisions of the Dodd–Frank Act.

CMP receivables are amounts assessed against people or banks for violations of law, regulation, and orders; unsafe or unsound practices; and breaches of fiduciary duty. Because CMPs are not debts owed to the OCC, the amount outstanding does not enter into the calculation for the allowance for uncollectible accounts. (For more information on how the OCC calculates the allowance, see Note 1.) The allowance for With the Public Receivables is de minimis and not reflected in the table.

TABLE 10: Accounts Receivable as of September 30, 2025 (Dollars in Thousands)

Component	Gross	Allowance for uncollectible accounts	Accounts receivable, net
Intragovernmental receivables	$1,695	$0	$1,695
CMP receivables	622	0	622
With the public receivables	6,474	(0)	6,474
Total accounts receivable	**$8,791**	**$(0)**	**$8,791**

Note 5—General Property, Plant, and Equipment, Net

The OCC's assets include land, a building, leasehold improvements, equipment, right-to-use lease assets, and internal-use software. See Note 1 for details on the OCC's capitalization policy and accounting for depreciation and amortization and Note 6 for details on right-to-use lease assets recorded per SFFAS No. 54, "Leases." The figures in table 11 present the OCC's capitalization thresholds and the general PP&E balances as of September 30, 2025.

In FY 2025, the OCC recognized $2.9 million of fully depreciated assets and fully amortized leasehold assets removed from service.

The OCC's building and associated land are located in Washington, D.C. The building is a rental-income property that the OCC uses to supplement its operating budget (see Note 6). Details concerning estimated land acreage are discussed in unaudited required supplementary information.

TABLE 11: Property, Plant, and Equipment, Net as of September 30, 2025 (Dollars in Thousands)

Class of assets	Capitalization threshold	Useful life (in years)	Cost	Accumulated depreciation/ amortization	Net book value
Land	NA	NA	$7,101	$0	$ 7,101
Building	$50	50	49,188	(46,555)	2,633
Leasehold improvements	50	5–20	104,100	(63,665)	40,435
Equipment	50	5	82,006	(57,371)	24,635
Right-to-use lease assets	50	Lease term	476,861	(71,676)	405,185
Internal-use software	250	5	88,803	(88,518)	285
Total	NA	NA	$808,059	$(327,785)	$480,274

Note 6—Leases

The OCC adopted SFFAS No. 54, "Leases," on October 1, 2023. SFFAS 54 requires federal lessees to record and report a right-to-use lease asset and a lease liability for non-intragovernmental leases when certain criteria are met. Federal agencies recognize leases that have a lease term greater than 24 months when the entity has the right to obtain and control access to economic benefits or services from the underlying property, plant, or equipment for a period in exchange for consideration under the terms of the contract or agreement. SFFAS 54 also requires federal lessors to record and report a lease receivable and unearned revenue. Intragovernmental leases, leases with a term of 24 months or less (short-term), and agreements that transfer ownership are excluded from the scope of SFFAS 54. In addition, the statement only applies to material items.

OCC as Lessee

The OCC leases equipment and office space for its headquarters operations in Washington, D.C., and for regional and field operations. All leases are evaluated at inception in accordance with the criteria set forth in the standard. In FY 2025, all of the OCC's leases were recorded as right-to-use leases subject to SFFAS No. 54 except for two intragovernmental leases and six short-term leases for office space. As of September 30, 2025, the OCC's right-to-use lease asset balance, composed of office space and equipment leases, is $476.9 million with accumulated amortization of $71.7 million. Lease expiration dates range from FY 2025 to FY 2043 for office space leases, the majority with renewal options; equipment lease expirations range from FY 2025 to FY 2028.

For FY 2025, the OCC had $25.2 million in lease liability expense. As of September 30, 2025, the OCC is carrying a current year lease liability balance of $3.0 million due to the timing of payments driven by lessor invoicing. Tables 12 and 13 show the future lease payments to nonfederal lessors for office space and equipment.

TABLE 12: Future Lease Payments to Nonfederal Lessors for Office Space as of September 30, 2025 (Dollars in Thousands)

Year	Principal	Interest	Total
2026	$26,409	$18,523	$44,931
2027	27,930	17,321	45,252
2028	2,487	16,552	19,039
2029	20,758	16,278	37,036
2030	30,678	15,007	45,685
2031 to 2035	167,337	53,506	220,843
2036 to 2040	135,881	14,537	150,418
2041 to 2045	14,604	755	15,360
Total	**$426,084**	**$152,479**	**$578,564**

TABLE 13: Future Lease Payments to Nonfederal Lessors for Equipment as of September 30, 2025 (Dollars in Thousands)

Year	Principal	Interest	Total
2026	$1,247	$55	$1,301
2027	402	26	428
2028	416	12	428
2029	0	0	0
2030	0	0	0
Total	**$2,065**	**$93**	**$2,157**

The OCC had two intragovernmental leases for office space at the beginning of the reporting period; however, both expired in 2025. For the period ending September 30, 2025, the OCC had $0.4 million in related lease expenses.

OCC as Lessor

In FY 2012, the OCC entered into a 20-year occupancy agreement with another federal agency for space in the building the OCC owns. This agreement expires in February 2032 and includes renewal options. The agreement provides for annual base rent and additional rent for building operating expenses. The agreement also provides for fixed future increases in rents over the term of the agreement. The future lease income from our intragovernmental tenant, through FY 2030 and thereafter, as of September 30, 2025, is shown in table 14.

TABLE 14: Future Lease Income as of September 30, 2025 (Dollars in Thousands)

Year	Amount
2026	$15,225
2027	15,530
2028	15,840
2029	16,157
2030	16,480
2031 and beyond	23,312
Total	**$102,544**

The OCC has two occupancy agreements with nonfederal retail tenants located in the same OCC-owned building mentioned above. These tenants are located on the plaza level to comply with the District of Columbia requirements. These leases are not accounted for under SFFAS No. 54 because related revenue is immaterial.

Note 7—Other Actuarial Liabilities

The OCC's other actuarial liabilities are reported on the Balance Sheet and include the following components.

TABLE 15: Actuarial Liabilities as of September 30, 2025 (Dollars in Thousands)

Component	FY 2025
Post-retirement life insurance benefits	$79,582
Federal Employees' Compensation Act	8,774
Pentegra DB Plan	674
Total actuarial liabilities	**$89,030**

Post-Retirement Life Insurance Benefits

The OCC sponsors a life insurance benefit plan for current and retired employees. The weighted average discount rate used in determining the post-retirement life insurance benefits, also known as the accumulated post-retirement benefit obligation, was 5.5 percent in FY 2025. The net actuarial liability was $79.6 million.

Total periodic post-retirement life insurance benefit expenses are recognized as program costs in the Statement of Net Cost. Any gains or losses from changes in long-term assumptions used to measure liabilities for post-retirement life insurance benefits are displayed separately in the Statement of Net Cost, as required. Table 16 presents a reconciliation of the beginning and ending post-retirement life insurance liability and provides material components of the related expenses.

TABLE 16: Reconciliation of Beginning and Ending Post-Retirement Liability and Related Expenses (Dollars in Thousands)

Change in actuarial and accrued benefits	**FY 2025**
Actuarial post-retirement liability, beginning balance	$81,359
Actuarial expense	
Normal cost	1,053
Interest on the liability balance	4,076
Actuarial (gain)/loss	
From experience	1,240
From assumption changes	(4,680)
Prior service costs	
Total expense	**1,689**
Less amounts paid	(3,466)
Actuarial post-retirement liability, ending balance	**$79,582**

NOTES TO THE FINANCIAL STATEMENTS

Federal Employees' Compensation Act

The Federal Employees' Compensation Act provides income and medical cost protection to cover federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for OCC employees covered under the Federal Employees' Compensation Act are administered by the U.S. Department of Labor and billed to the OCC. The FY 2025 present value of these estimated outflows was calculated using a discount rate of 3.2 percent for wage benefits and 2.9 percent for medical benefits.

Pentegra Defined Benefit Plan

The Pentegra DB Plan is a tax-exempt, multiple-employer DB pension plan in which participating employers pay all costs into one general account. At retirement, employees may choose either a lump sum payment or an annuity/lump sum split. The Pentegra DB Plan year begins July 1 and ends June 30.

For the plan years beginning 2025, the OCC made the minimum required contribution payments to Pentegra DB Plan. In FY 2025, the OCC recognized plan expenses of $2.9 million.

Note 8—Net Position

Net position represents the net result of operations since inception and includes cumulative amounts related to investments in capitalized assets held by the OCC. The OCC allocates a portion of its net position as financial reserves for use at the Comptroller's discretion. In addition, the OCC sets aside funds in the net position to cover the cost of ongoing operations, including commitments and open obligations supporting the achievement of OCC strategic goals and objectives. Table 17 shows balances for the year ended September 30, 2025.

TABLE 17: Net Position Availability (Dollars in Thousands)

Component	FY 2025
Financial reserves	$1,598,176
Set aside for ongoing operations	169,036
Net position	**$1,767,212**

Note 9—Net Cost of Operations

The net cost of operations represents the OCC's operating costs deducted from assessments and fees paid by banks and other income earned. The operating costs include the gain or loss from actuarial experience and assumption changes per the guidance in SFFAS No. 33, "Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates." The imputed financing sources for net cost of operations are reflected in the Statement of Changes in Net Position, Note 10, and Note 11. Table 18 shows the OCC's operating expense categories for the year ended September 30, 2025.

TABLE 18: Net Cost of Operations by Expense Category (Dollars in Thousands)

Component	FY 2025
Personnel compensation and benefits	$964,336
Contractual services	162,689
Rent, communication, and utilities	35,488
Travel and transportation of persons and things	31,272
Imputed costs and financing sources (Note 10)	78,409
Depreciation and amortization	54,604
Other	41,791
Total cost of operations	**1,368,589**
Less earned revenues not attributed to programs	(1,306,729)
Total	**$61,860**

Note 10—Imputed Costs and Financing Sources

In accordance with SFFAS No. 5, federal agencies must recognize the portions of employees' pension and other retirement benefits to be paid by OPM trust funds. These amounts are recorded as imputed costs and imputed financing for other agencies. Annually, OPM provides federal agencies with cost factors for computing current year imputed costs. These cost factors are multiplied by the current year salary or number of employees, as applicable, to provide an estimate of the imputed financing that OPM trust funds will provide for each agency.

The imputed cost categories for FY 2025 are listed in table 19. These imputed costs are included on the Statement of Net Cost. The financing sources absorbed by OPM are reflected in the Statement of Changes in Net Position and in Note 11.

TABLE 19: Imputed Costs Absorbed by OPM at the End of the Period (Dollars in Thousands)

Component	FY 2025
Retirement	$42,184
Federal Employees Health Benefits	36,161
Federal Employees' Group Life Insurance	64
Total	**$78,409**

Note 11—Reconciliation of Net Cost to Net Outlays

The Reconciliation of Net Cost of Operations to Net Outlays depicts the difference between proprietary financial accounting information and budgetary accounting information. Proprietary financial accounting information is intended to depict the U.S. government's financial operations and financial position presented on an accrual basis in accordance with GAAP, which includes the recognition of assets and liabilities for which collections and payments, respectively, have not been made. In contrast, budgetary accounting information is used for planning and control purposes and includes net outlays that reflect both the receipt and use of cash, as well as reporting the federal deficit. The reconciliation of the OCC's net cost (presented on an accrual basis) and net outlays (presented on a budgetary basis) reflects the relationship between financial accounting and budgetary information. The reconciliation serves not only to identify costs paid in the past and those that will be paid in the future but also to assure integrity between financial and budgetary accounting. Table 20 depicts the OCC's Reconciliation of Net Cost to Net Outlays for the year ended September 30, 2025.

TABLE 20: Reconciliation of Net Cost to Net Outlays for the Year Ended September 30, 2025 (Dollars in Thousands)

(Dollars in Thousands)	Intra-governmental	With the public	Total FY 2025
Net cost	**$183,232**	**$(121,372)**	**$61,860**
Components of net cost not part of net outlays:			
Property, plant, and equipment depreciation and amortization	0	(53,793)	(53,793)
Right-to-use lease assets	0	3,401	3,401
Increase/(decrease) in assets:			
Accounts receivable, net	135	5,509	5,644
Investments, net	(65,928)	938	(64,990)
Other assets	10	(22)	(12)
(Increase)/decrease in liabilities:			
Accounts payable	0	3,335	3,335
Salaries and benefits	(222)	(21,142)	(21,364)
Lease liabilities	0	21,128	21,128
Other liabilities	(1,434)	23,198	21,764
Other financing sources:			
Imputed financing	(78,409)	0	(78,409)
Total components of net cost not part of net outlays	**$(145,848)**	**$(17,448)**	**$(163,296)**
Components of net outlays that are not part of net cost:			
Acquisition of capital assets	0	10,109	10,109
Intragovernmental investments	77,127	0	77,127
Total components of net outlays that are not part of net cost	**77,127**	**10,109**	**87,236**
Net outlays	**$114,511**	**$(128,711)**	**$14,200**

Note 12—Contingent Liabilities

The OCC recognizes and discloses contingencies in accordance with SFFAS No. 5, as amended by SFFAS No. 12. The OCC is party to various administrative proceedings, legal actions, and claims brought against the agency, including threatened or pending litigation involving federal employment claims, some of which may ultimately result in settlements or decisions against the federal government.

In FY 2025, the OCC recorded a reduction of $4.2 million to its contingent liability balance due to the reclassification of potential losses by the OCC's legal counsel from "probable" to "reasonably possible" in accordance with SFFAS No. 5 (as amended by SFFAS No. 12). The OCC identified $7.2 million in reasonably possible losses from unresolved litigation because of the reclassification.

Note 13—Undelivered Orders at the End of the Period

The Statement of Budgetary Resources provides information about how budgetary resources were made available as well as their status at the end of the period.

The unobligated balance from the prior year budget authority, net amount, does not tie to the prior year's ending unobligated balance amount due to adjustments. The adjustments consist of recoveries of prior year obligated balances.

TABLE 21: Reconciliation of Prior Year Ending Unobligated Balance to Current Year Beginning Balance (Dollars in Thousands)

Description	FY 2025
Prior year unobligated balance, end of year	$1,762,931
Recoveries of prior year unpaid obligations	31,950
Recoveries of prior year paid obligations	1,535
Unobligated balance from prior year budget authority, net	$1,796,416

Undelivered orders represent the amount of goods or services ordered to perform the OCC's mission objectives, but which have not been received.

TABLE 22: Undelivered Orders at the End of the Period (Dollars in Thousands)

Undelivered orders paid at the end of the period	FY 2025
Intragovernmental	$50
With the public	81
Total undelivered orders paid at the end of the period	131
Undelivered orders unpaid at the end of the period	**FY 2025**
Intragovernmental	$6,897
With the public	144,034
Total undelivered orders unpaid at the end of the period	150,931
Total	**$151,062**

Note 14—Custodial Revenues

The OCC assesses fines and penalties against people or banks for violations of law, regulation, and orders; unsafe or unsound practices; and breaches of fiduciary duty. These amounts typically are collected in the same year that the OCC assesses them and are recognized as cash collected that will be transferred to the General Fund of the Treasury.

The OCC collected a CMP from a national bank in the amount of $450 million in October 2024, at the beginning of the fiscal year.

TABLE 23: Custodial Revenue for the Year Ended September 2025 (Dollars in Thousands)

Fines and penalties, non-tax-related	$450,158	$296	$0	$34	$450,488

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Certified Public Accountants
& Consultants

Independent Auditor's Report

Deputy Inspector General
U.S. Department of the Treasury

Comptroller of the Currency
Office of the Comptroller of the Currency

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Office of the Comptroller of the Currency (OCC), which comprise the balance sheet as of September 30, 2025, and the related statements of net cost, changes in net position, budgetary resources and custodial activity for the year then ended, and the related notes to the financial statements, hereinafter referred to as the "financial statements."

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the OCC as of September 30, 2025, and its net cost, changes in net position, budgetary resources, and custodial activity for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the OCC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OCC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Financial Management Discussion and Analysis section be presented to supplement the basic financial statements referred to in the first paragraph of this report. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information in the About this Report, About the OCC, OCC at a Glance, Letter From the Comptroller of the Currency, OCC Year in Review: FY 2025, Supervision, and Other Information sections, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2025, we considered the OCC's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the OCC's internal control. Accordingly, we do not express an opinion on the effectiveness of the OCC's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982.*

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the OCC's financial statements as of and for the year ended September 30, 2025, are free from material misstatement, we performed tests of the OCC's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the OCC's internal control or on compliance. This section is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the OCC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GKA, P.C.

Washington, DC
January 5, 2026

OTHER INFORMATION

Key Performance Measures and Results

The OCC's FY 2025 performance measures, workload indicators, customer service standards, and results are presented in table 24. They respond to the requirements for most agencies to set goals, measure performance, and report the information to Congress as established in the Government Performance and Results Act of 1993 and the GRPA Modernization Act of 2010.

The OCC organizes its programs under three activities: supervise, regulate, and charter banks. In addition, the OCC measures its overall efficiency and effectiveness with an agency-wide indicator. As such, the OCC's priorities focus on strengthening the resiliency of the institutions subject to its jurisdiction through its supervisory and regulatory programs and activities. A stronger and more resilient banking system supports four out of five Treasury Department FY 2022–2026 strategic goals: boost U.S. economic growth, promote financial stability, enhance national security, and achieve operational excellence.

TABLE 24: Performance Measures, Workload Indicators, Customer Service Standards, and Results

Category	Performance measures, workload indicators, and customer service standards	FY 2022	FY 2023	FY 2024	FY 2025 target	FY 2025 actual
Supervise and regulate programs	Percentage of banks with composite capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk (CAMELS) rating of 1 or 2	96%	95%	92%	90%	93%
Supervise and regulate programs	Percentage of banks that are well capitalized	99%	99%	99%	95%	98%
Supervise and regulate programs	Percentage of banks with consumer compliance rating of 1 or 2. For institutions with assets more than $10 billion, these ratings reflect only those laws and regulations for which the OCC has enforcement and supervisory authority.	98%	98%	97%	94%	97%
Charter program	Percentage of licensing applications and notices completed within established time frames	98%	99%	99%	95%	99%
Agency-wide	Total OCC costs relative to every $100,000 in assets regulated	$6.78	$7.04	$7.45	$8.15	$7.14

Note: A bank's composite rating, or CAMELS, under the Uniform Financial Institutions Rating System integrates ratings from six component areas: capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk.

Government Land

The OCC owns one building and associated land located at 1700 G Street NW, Washington, D.C. The building was placed onto the OCC's balance sheet in July 2011, when the Office of Thrift Supervision activities were merged into the Office of the Comptroller of the Currency with the passage of Dodd–Frank.

Predominant use of land is considered commercial use since the OCC leases the office space to another federal agency and leases the ground floor space to commercial retail tenants. The OCC uses the rental income to supplement its operating budget. The total estimated acreage for this property at the beginning of the reporting year was 1.4 acres and was the same at the end of the year.

In accordance with SFFAS 59, "Accounting and Reporting of Government Land," the OCC will no longer capitalize land and permanent land rights on its balance sheets. Information specific to the OCC's land and permanent land rights will be disclosed as required.

Payment Integrity

The OCC follows the Treasury Department's implementation guidance for OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," Appendix C, "Requirements for Payment Integrity Improvement." As stated in the guidance, low-risk programs are placed on a three-year risk assessment cycle. The following OCC programs were assessed as low risk in FY 2023:

- Federal employee payments, including payroll
- Entitlements or benefits (other than payroll)
- Travel card
- Contract payments and/or invoices
- Purchase card

There are no changes to the risk rating in FY 2025. The results of the agency's risk assessment indicate that none of the OCC's programs or activities are susceptible to significant improper payments at or above thresholds established by OMB; therefore, the OCC is not required to determine a statistically valid estimate of improper payments or perform additional reporting on corrective actions or root causes.

Analysis of Overpayments

Overpayments are identified through pre- and post-payment audits, recurring quality control reviews, and other controls, such as Treasury pay file reviews and Do Not Pay (DNP) continuous monitoring efforts. The OCC ensures effective controls are in place to prevent payments to ineligible vendors and to meet the DNP requirements.

The OCC monitors overpayments to increase the likelihood of prompt recovery. The underlying causes and contributing factors are identified quickly, and control measures are implemented, where needed, to prevent additional overpayments.

In FY 2025, the OCC reported information on identified overpayments to OMB through Treasury.

Office of the Comptroller of the Currency

MEMORANDUM

To: Scott K. H. Bessent
Secretary of the Treasury

From: Jonathan V. Gould
Comptroller of the Currency

Jonathan V. Gould Digitally signed by Jonathan V. Gould Date: 2025.10.14 14:16:07 -04'00'

Subject: Final FY 2025 Unmodified Statement of Assurance for Achievement of Management Control Objectives

The Office of the Comptroller of the Currency (OCC) is responsible for meeting the objectives of Section 2 and Section 4 of the Federal Managers' Financial Integrity Act (FMFIA), as well as implementing the requirements of the Federal Financial Management Improvement Act (FFMIA) and Digital Accountability and Transparency Act. The implementation guidelines related to these Acts are included in the internal control requirements of the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. The objectives of OMB Circular A-123, including its appendices, are to ensure: (1) alignment of strategic goals with the agency's mission; (2) effective and efficient operations; (3) reliable reporting; and (4) compliance with applicable laws and regulations.

Management is responsible for managing risks and maintaining effective internal control and financial management systems that meet the objectives of Sections 2 and 4 of the FMFIA. Risk management practices that identify, assess, respond to, and report on risks are considered when designing internal controls and assessing their effectiveness. The OCC conducted our assessment of risk and internal controls in accordance with OMB Circular A-123 and OMB Circular A-123, Appendix A, Management of Reporting and Data Integrity Risk. Based on the results of this assessment, the OCC can provide reasonable assurance that the internal controls over operations, reporting, and compliance were operating effectively as of September 30, 2025.

In addition, the OCC conducted an assessment of our financial management systems in accordance with OMB Circular A-123, Appendix D, Management of Financial Management Systems – Risk and Compliance. Based on the results of this assessment, our financial management systems substantially comply with FFMIA Section 803(a) as of September 30, 2025.

As part of our evaluation process, the OCC considered the results of extensive testing and assessment across the organization and independent audits.

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