

Community Banking Strategic Intelligence — September 2026

Integrated monthly report • published October 1, 2026

EXECUTIVE CONCLUSION September brought the largest bank failure of 2026 in the last week of the quarter, a month of acquisitions that ran above the year's pace and involved larger sellers, and a clearer split in how technology companies enter banking: two agreed to buy an existing bank while a third abandoned its purchase. New-bank formation continued at the margin. None of this changes the industry's direction, but the failure and the fintech purchases each add a question a board should be able to answer about its own markets.

Part 1 | What happened in September

1 | The year's largest failure came in its last week

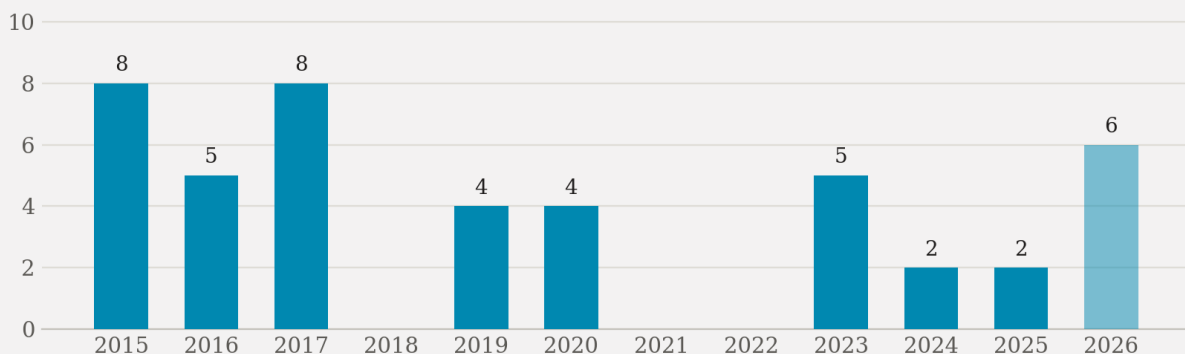
Nano Banc of Irvine, California was closed on September 25, 2026 by the California Department of Financial Protection and Innovation, and the FDIC was appointed receiver. Sunwest Bank of Sandy, Utah assumed substantially all of the deposits and agreed to buy about \$476 million of the assets (note 1).

Nano Banc reported about \$736 million in assets and \$686 million in deposits. Those are June 30, 2026 figures, not balances on the day it closed; the FDIC's own release says so. Even so, it was larger than the other five 2026 failures combined, which together held about \$694 million. The FDIC's preliminary estimate of the cost to the Deposit Insurance Fund is \$114 million, against about \$129 million for the other five together, and the FDIC expects the estimate to change.

Six failures make 2026 the first year since 2017 with more than five (Figure 1). This year's failures held about \$1.43 billion in assets, more than half of it in one bank.

6 failures so far in 2026 — the last full year with more was 2017

Bank charters lost to failure, by year. This year's failures held about \$1.43 billion in assets; the largest, Nano Banc of California, held \$736 million.



Federal Reserve structure data. The final bar is lighter because 2026 is not over.

Figure 1. Six failures, the most since 2017. Source: Federal Reserve structure data for the count; failed-bank assets from each FDIC resolution release.

BOARD IMPLICATION A failure of this size in a single state is still a local event, but it changes the deposit conversation in that market for months. Directors of banks in southern California should expect depositors to ask about insured limits, and should know their own answer before they are asked.

2 | Fintechs bought charters, and one walked away

Three transactions in September involved a technology company and a chartered bank, and they did not all point the same way.

Chime Financial, Inc. agreed on September 8 to buy Central Service Corporation, the parent of Stride Bank, N.A. of Enid, Oklahoma, for \$590 million in cash. Stride becomes Chime Bank, N.A. on closing, Chime becomes a bank holding company, and approvals are still needed from the Federal Reserve and the OCC (note 2). Stride is not a small target: about \$4.9 billion in assets at the end of 2025, with a 2.43% return on assets.

TabaPay, Inc. of Palo Alto, California applied to the Federal Reserve to become a bank holding company by acquiring Transact Bank, N.A. of Denver, Colorado, which held about \$7 million in assets at the end of 2025. TabaPay has said the bank will be renamed TabaBank N.A. The price was not disclosed. Separately, Transact filed with the OCC on September 24 for a sale or other material decrease in its assets.

On September 14, Enova International, Inc. withdrew its applications with the OCC and the Federal Reserve to acquire Grasshopper Bank, N.A. of New York, New York, a purchase it had announced in December 2025 at about \$369 million.

The same month, two fintechs moved forward on charters of their own. Mercury Bank, N.A. of Salt Lake City, Utah received FDIC approval for deposit insurance on September 8, and on September 25 the OCC granted preliminary conditional approval to charter Mission Lane Bank, N.A. of Richmond, Virginia as a national credit card bank (note 3).

BOARD IMPLICATION Buying a bank gives a technology company a balance sheet, a payments franchise and an existing supervisory relationship on day one. It also brings the full weight of bank regulation, and Enova's withdrawal is a reminder that the approval is not assured. For a community bank that sponsors fintech programs, a sponsor partner becoming a competitor with its own charter is now a realistic scenario, not a hypothetical one.

3 | More acquisitions than usual, and larger sellers

Ten bank acquisitions were announced in September, against an average of 8.8 a month from January through August (note 4). No state accounted for more than two: by the home state of the bank being bought, Colorado and Oklahoma had two each, and Florida, Iowa, Maryland, New Mexico, Tennessee and Virginia one each.

The largest announcements were these:

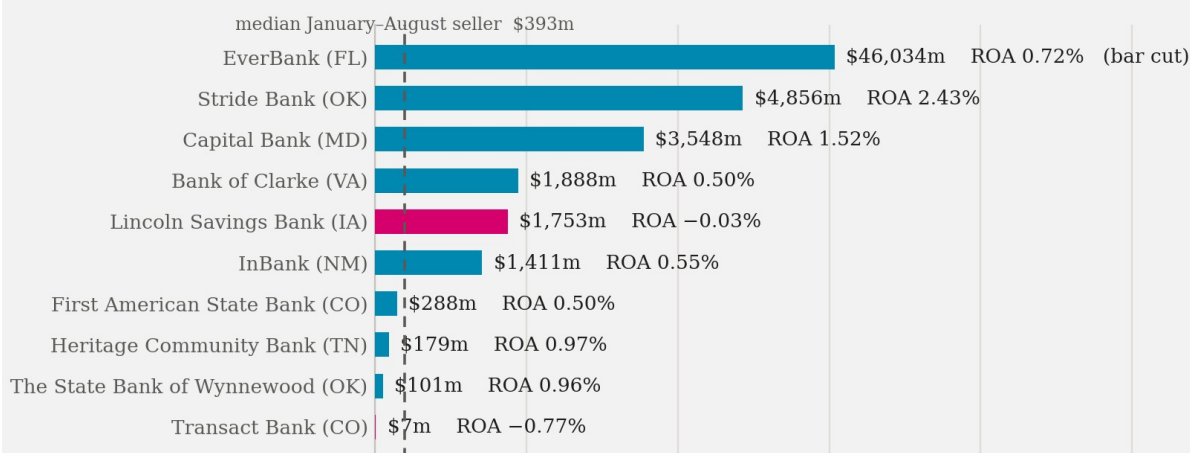
- WaFd, Inc. of Seattle, Washington and EverBank Financial Corp of Jacksonville, Florida agreed an all-stock combination valued at about \$3.9 billion on September 7. WaFd is the legal acquirer, but EverBank's shareholders will own 59.2% of the combined company, which takes the EverBank name. In substance, EverBank is the buyer.

- Peoples Bancorp Inc. of Marietta, Ohio agreed on September 29 to acquire Capital Bancorp, Inc. of Rockville, Maryland in an all-stock deal valued at about \$728.1 million. Capital reported \$3.9 billion in assets at June 30, 2026. The deal is expected to close in the first half of 2027.
- John Marshall Bancorp, Inc. of Reston, Virginia and Eagle Financial Services, Inc. of Berryville, Virginia, parent of Bank of Clarke, agreed to merge on September 8 at about \$253 million.
- Equity Bancshares, Inc. of Wichita, Kansas agreed on September 3 to acquire Lincoln Bancorp of Reinbeck, Iowa, at about \$123.8 million on Equity's share price the day before. That value moves with the share price.

Every one of the ten sellers files a call report, and they were larger than earlier 2026 sellers (Figure 2). Their median assets were about \$1.6 billion at the end of 2025, against about \$393 million for sellers announced from January through August. One outlier does not drive that: without EverBank, N.A. of Jacksonville, Florida, at \$46 billion the largest seller of the year, the median is still about \$1.4 billion. Their median return on assets was 0.64%, against 0.95% for the earlier group, and two were losing money: Lincoln Savings Bank of Reinbeck, Iowa, and Transact Bank.

September's sellers were bigger again, and two were losing money

Total assets at December 31, 2025. The magenta bar is the negative return on assets.



Call reports as filed with the FFIEC, at the last year-end before the deal; return on assets for the twelve months then ended. 10 of 10 September sellers carry a call report. The EverBank (FL) bar is cut at the edge of the chart.

Figure 2. September sellers by size and return on assets. Assets and return on assets are from call reports at December 31, 2025, the last year-end before each deal.

Six bank acquisitions closed during the month. Among them, Farmers State Bank of Cameron, Missouri was acquired on September 3, The Stock Exchange Bank of Woodward, Oklahoma merged into Cowboy Bank of Kremlin, Oklahoma on September 4, and Northstar Bank of Estherville, Iowa merged into First State Bank of Webster City, Iowa on September 19.

On September 25 the Federal Reserve approved Peoples Bancorp's acquisition of Citizens National Corporation of Paintsville, Kentucky. Governor Michael S. Barr did not approve, saying the deal would raise concentration in the Pikeville, Kentucky market by more than 290 points, to above 3,100 on the Herfindahl-Hirschman Index, and that the Board should have asked for branch divestitures (note 5). Three other Federal Reserve actions in the month waived a filing requirement for pending deals. A waiver is not an approval, and none is counted as one here.

INDEPENDENCE TEST The September sellers were larger and earned less than the year's earlier sellers. A board does not need to read that as a signal to sell. It should be able to say, with numbers, what its own bank would need to earn and how large it would need to be to keep funding technology and talent on its own.

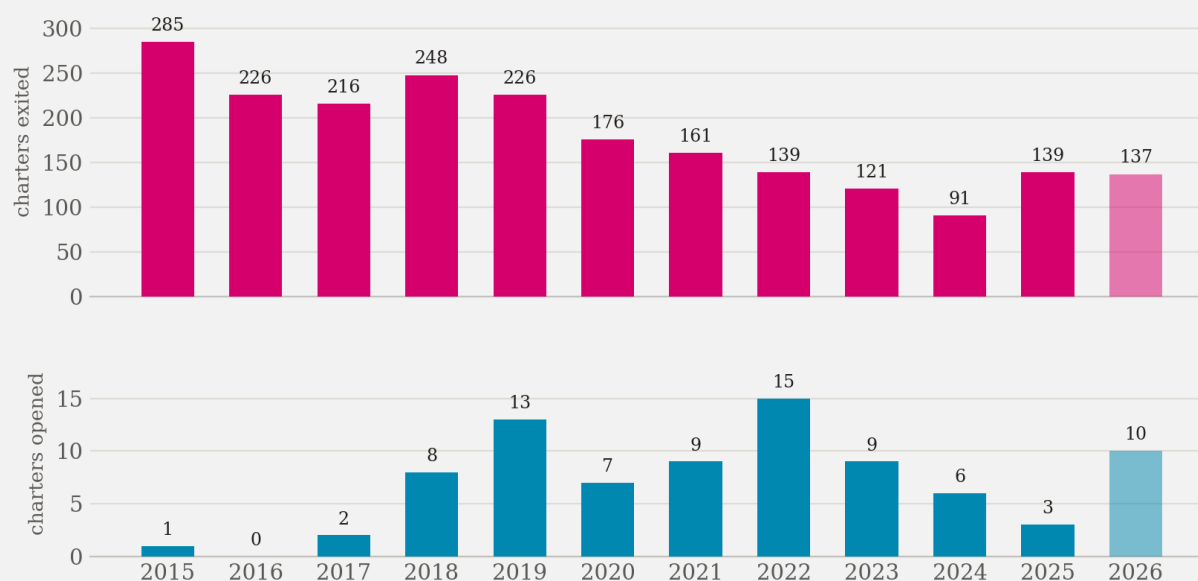
4 | New banks: two openings and four new applications

The long-run picture is unchanged (Figure 3). Federal Reserve structure data count 137 charter exits and 10 charter openings in 2026 through October 1, or about 14 exits for every opening. In 2015 the figure was 285 exits for a single opening.

The gap is closing. It has never closed.

Bank charters exited and opened, by year — two panels rather than two scales, because the counts are an order of magnitude apart. The industry has not added a net charter in any year on this record.

285 exits per opening in 2015 → 14 in 2026



Federal Reserve structure data. The final year is not over.

Figure 3. Charter exits still far exceed openings. Source: Federal Reserve structure data; 2026 is a partial year.

Two new insured banks opened in September: Nola Bank of New Orleans, Louisiana on September 14 and Private Bank & Trust of Gainesville, Georgia on September 28. That brings 2026 to nine on the FDIC's decisions roster (note 6).

Four new deposit-insurance applications reached the FDIC's pending list during the month: Texas Patriot Bank of Frisco, Texas; California Standard Bank of Fresno, California; Avant Bank, N.A., now listed in Chicago, Illinois; and Moodai International Bank of Washington, D.C. The FDIC has now received 28 deposit-insurance applications for new banks in 2026, against 19 in all of 2025.

Two applications left the pending list. New South Bank of Tampa, Florida left because the FDIC acted on it on September 28.

Aspira Bank of Irvine, California reportedly dropped off the FDIC pending list because its application was tied to a targeted shelf charter strategy to acquire another bank that did not occur (note 8).

The OCC granted conditional approval to two national bank applicants on September 2, Revolut Bank US, N.A. of Stamford, Connecticut and OpenReserve Bank, N.A. of Salt Lake City, Utah, and to three national trust companies on September 18, including Agora National Trust Bank and Catena Trust Bank, N.A., both of New York, New York.

5 | Credit unions: one buyer, two banks

Gulf Winds Credit Union of Pensacola, Florida agreed on September 25 to acquire Peoples Exchange Bank of Monroeville, Alabama and its parent. It is Gulf Winds' second pending bank purchase, after Madison County Community Bank of Florida in August. If both close, the credit union will have over \$1.75 billion in assets. The regulatory approvals are expected in mid-2027 (note 7).

Part 2 | What analysis was added

Four additions this month changed what this report can say.

- **The payment-access gate is now counted.** The August report, published September 19, added a count of the Federal Reserve's own queue of access requests by tier. It showed that uninsured applicants wait years and most often withdraw. The file has not been updated since August 31, so there is nothing new to report on it this month.
- **Seller size and profitability now come from call reports.** Every seller in Figure 2 is matched to the bank that files the call report, through Federal Reserve structure data, so the comparison with earlier sellers uses one measure throughout.
- **Regulatory filings are now checked from both directions.** Comparing the OCC's September 23 and October 1 records found four deals on our record that had moved forward. The OCC approved the bank merger behind ODNB Financial of Tysons Corner, Virginia's acquisition of National Capital Bancorp of Washington, D.C. on September 29, and approved VersaBank USA, N.A. of Minneapolis, Minnesota's interim merger on September 24. Bank-merger applications were filed for First National Bank of Omaha, Nebraska's acquisition of InBank of Raton, New Mexico, and for Valley National Bank of Passaic, New Jersey's acquisition of Providence Bank & Trust of South Holland, Illinois.
- **A correction to the charter series.** Federal Reserve structure data list foreign banks alongside U.S. charters, and our count had included nine of them as U.S. openings since 2015. They are now excluded. The August report and the 2026 presentation were corrected on October 1. The correction strengthens their conclusion: 2015 had one opening, not two, so openings have risen eightfold since then, not fourfold.

Part 3 | What changed on the website

- A Reports tab was added on September 19, carrying the August integrated report and the 2026 flagship report. The August report was corrected on September 30 and again on October 1.
- An About page was added on September 21.
- The weekly briefing archive resumed, with issues of record for the weeks ending September 17 and September 30.

- The bank M&A pipeline became a filterable table, with filters for state, year, stage and type of transaction, so acquisitions by credit unions and non-bank buyers can be seen beside bank-to-bank deals.
- The charter monitor was refreshed on October 1. It now covers 86 charter applications since 2024 and sees through September 29.
- Three analysis pages, on the charter census, credit-union acquisitions and the industry, were taken down on September 2 for an editing pass and have not yet returned.

What to watch

- Nano Banc: the final cost to the Deposit Insurance Fund, and whether a seventh failure follows.
- Chime and TabaPay: the Federal Reserve and OCC decisions on both, and whether either buyer commits to conditions on its bank's growth.
- Aspira Bank: the outcome of its application, in the FDIC's record covering September.
- The two December gates: the FDIC's first contingent authorizations for new banks on its 120-day clock, and the end of the Federal Reserve's pause on Tier 3 access decisions, expected on or before December 31, 2026.
- Peoples Bancorp: at about \$14 billion pro forma, it moves above \$10 billion in assets, with the higher regulatory requirements that brings.

Indiana note

Indiana has recorded three bank charter exits in 2026 through October 1 (note 9).

- First Savings Bank of Jeffersonville, Indiana merged into First Merchants Bank of Muncie, Indiana on February 1, when First Merchants Corporation completed its acquisition of First Savings Financial Group, Inc.
- The Farmers Bank of Frankfort, Indiana merged into First Bank Richmond of Richmond, Indiana on July 1, when Richmond Mutual Bancorporation, Inc. completed its merger with The Farmers Bancorp. The surviving bank took the name First Bank Midwest and moved its headquarters to Frankfort, so the name and the city stayed while the Frankfort charter itself ended.
- Kentland Federal Savings and Loan Association of Kentland, Indiana failed on July 10, and Kentland Bank of Kentland, Indiana took its deposits.

None went to a credit union.

Method and source notes

1. Nano Banc's closing, receiver, assuming bank and asset purchase are from the FDIC's resolution release and its Bank Failures in Brief page for 2026, read in full. Assets and deposits are June 30, 2026 figures as the release states. The Deposit Insurance Fund cost is the FDIC's preliminary estimate. The five earlier 2026 failures are from the FDIC release for each.
2. Chime Financial, Inc., SEC Form 8-K filed September 2026 (Item 1.01), and the accompanying release. TabaPay, Inc.: Federal Register document 2026-18763, September 14, 2026, and TabaPay's announcement of September 2, 2026. Transact Bank's filing is OCC Corporate Applications Search 2026-5.53-347773. Enova International, Inc.: release and Form 8-K of September 14, 2026.

3. FDIC and OCC decisions on new charters are from the FDIC's decisions roster, downloaded October 1, 2026, whose latest agency action is September 28, 2026, and from OCC Corporate Applications Search records through September 30, 2026.
4. Counts of announced acquisitions are from our own transaction record as of October 1, 2026, counting each deal by its announcement date. States are the home state of the bank being bought, resolved through Federal Reserve structure data. Assets and return on assets are from FFIEC call reports at December 31, 2025, matched through Federal Reserve structure data. Transaction values are the issuers' own figures and, for stock deals, depend on the share price on the date the issuer used.
5. Federal Reserve Board press release of September 25, 2026 and Governor Barr's statement, both read in full.
6. New bank openings are from the FDIC's decisions roster. Pending applications are from the FDIC's list of pending new deposit-insurance applications, data as of September 29, 2026. Applications received by year combine the FDIC's bulk record of application actions, which runs through August 31, 2026, with the pending list. Charter openings and exits are from Federal Reserve structure data built October 1, 2026, and exclude foreign banks.
7. Gulf Winds Credit Union and Peoples Exchange Bank joint announcement of September 25, 2026.
8. Aspira Bank's departure is from the FDIC's list of pending new deposit-insurance applications, data as of September 22 and September 29, 2026. The description of its application is from S&P Global Market Intelligence, "FDIC application does little to mask identity of possible failed-bank target," July 2, 2026, which does not name the target.
9. Federal Reserve structure data, built October 1, 2026, for the charter exits and their dates. First Merchants Corporation's release of February 2, 2026, filed with the SEC. The Farmers Bank's merger announcement, which names First Bank Midwest and its Frankfort headquarters; structure data show that First Bank Richmond's charter, not The Farmers Bank's, continued. Kentland's failure is from the FDIC's resolution release.

Population note. Openings, charter exits, deposit-insurance applications and trust-charter applications are different populations and should not be added together. Five cutoffs apply in this report: transactions through September 30, 2026; Federal Reserve structure data through October 1, 2026; the FDIC's decisions roster through September 28, 2026 and its pending list as of September 29, 2026; the FDIC's record of application actions through August 31, 2026; and the Federal Reserve's access-request file as of August 31, 2026.

Provenance. Every figure in this report comes from a primary record: federal data, regulators' filings or the banks' own announcements. Figures and charts reflect our record as it stood on October 1, 2026.

This report reflects information available on October 1, 2026. Regulators and issuers often publish actions taken in September weeks after the month ends, and some figures here may be revised as they do; any material change will be noted in the October report. This report is provided for information only. It is not investment, legal or regulatory advice, and it should not be relied on as the basis for any transaction or supervisory decision.