



# 1st Franklin Financial

2025 Annual Report



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## THE COMPANY

1st Franklin Financial Corporation (the "Company" or "1FFC") is a consumer finance company headquartered in Toccoa, Georgia which originates and services consumer loans, real estate loans and sales finance contracts through its branch network, with branch offices located throughout the southern United States. The Company also writes credit life, accident and health, unemployment and property insurance when requested by customers and acts as an agent for a non-affiliated insurance company specializing in such insurance.

In 2025, the company underwent a brand refresh, updating its visual identity to appeal to a broader audience and better position itself for today's consumer.

The refresh features a new logo, color palette and an updated website (1FFC.com) with streamlined navigation and valuable resources, all designed to meet customer needs while honoring our Mission and Core Values



**1st Franklin  
Financial** 

**Eight decades of serving  
the community.**

**1FFC.com** 

## Mission Statement

Serving communities by offering opportunities to individuals and families through financial services.

## Core Values



**TEAM**

**IMPACT**

**PEOPLE**

**SERVICE**

1st Franklin  
Financial 

## LETTER FROM THE CHAIRMAN



### **To our Investors, Customers, Employees, Business Partners, and Friends-**

Being able to share the highlights of our accomplishments and growth in this 2025 Annual Report is a privilege. 2025 brought us a successful move from conversion of our lending and servicing platforms to the evolution phase bringing continuous improvement to our operations. We also rebranded 1st Franklin Financial to give us a more modern and engaging presence in the consumer finance market with a new logo and color scheme while still retaining the same commitment and dedication to being the “Friendly Franklin Folks”. In the following pages you will see reflected the results of teamwork, loyalty, unwavering commitment, and renewed energy of our co-workers and their dedication to making 2025 a successful year for our company.

1st Franklin Financial Corporation is continuing to grow and be a leader in the consumer finance industry. We continue to help communities and their citizens do life. Listed below are just a few of our achievements in 2025. They reflect hours of giving back not just by providing products and services, but also by being involved as citizen volunteers in many organizations, civic groups, schools, and churches.

We welcomed five new branches in Florida through an acquisition and are now offering services in ten states with 374 branches and more than 1,600 co-workers.

We had an increase Year-Over-Year of growth in our Net Receivables of \$136.2 million, 159% of our growth goal.

Our State Recovery Centers continued to focus on bad debt recoveries and debt sales, recovering \$28.4 million for the year and recovering approximately \$7.0 million from the debt sale of previously charged off accounts.

While the Branch Operations team was excelling, the Investment Center increased investments by \$47.7 million in new money for the year 2025. Thanks to all of you who have trusted us with your investments.

(Continued)

## LETTER FROM THE CHAIRMAN

(continued)



In 2026 we will celebrate 85 years of providing customer focused products and services in markets where we are a strong fit. Our employees are eager to help people and families live life. To support and strengthen our present operations and put ourselves in a position to take advantage of future opportunities, we made several Senior Leadership changes effective January 1, 2026. The Board of Directors will have a new Chair as Ginger Cheek Barrett will replace me, and I will now serve as Vice Chair replacing Ginger. Ginger will also relinquish the duties of CEO and President and will carry the new title of Chief Culture Officer. Jerry Harrison will become Chief Executive Officer and Gary McQuain will now assume the title of President and retain the position of Chief Operating Officer. Both have been performing these duties over the last year and are now continuing with their duties of dedicated leadership with the appropriate titles. While Ginger and I are not retiring, these promotions do allow for more flexibility with daily responsibilities and helps us move at this time to a family owned but professionally managed company.

On behalf of our leadership team, I extend sincere appreciation to our employees, customers, business partners and investors for their continued confidence and support. We remain focused on prudent growth, sound risk management, and long-term value creation.

Respectfully and sincerely,

Ben F. "Buddy" Cheek, IV



Company Financials

**1st Franklin Financial Corporation**  
**Consolidated Statements of Financial Position**  
**ASSETS**

(\$ in thousands)	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 18,171	\$ 35,931
Restricted cash	28,194	8,784
Investment securities available-for-sale	275,341	255,967
<b>Loans:</b>		
Direct cash loans	1,308,075	1,080,371
Real estate loans	18,859	23,365
Sales finance contracts	120,669	154,677
Loans	<u>1,447,603</u>	<u>1,258,413</u>
Less: Unearned finance charges	237,338	199,844
Unearned insurance premiums	86,025	73,504
Allowance for credit losses	<u>76,279</u>	<u>73,366</u>
Loans, net	<u>1,047,961</u>	<u>911,699</u>
<b>Other assets:</b>		
Premises and equipment, less accumulated depreciation and amortization of \$63,864 and \$60,362, respectively	15,521	15,515
Operating lease right-of-use assets	40,257	40,737
Deferred acquisition costs	5,495	4,465
Due from non-affiliated insurance company	4,297	3,597
Other miscellaneous assets	<u>25,566</u>	<u>34,968</u>
Total other assets	<u>91,136</u>	<u>99,282</u>
<b>Total assets</b>	<u><u>\$ 1,460,803</u></u>	<u><u>\$ 1,311,663</u></u>



**1st Franklin Financial Corporation**  
**Consolidated Statements of Financial Position**  
**LIABILITIES AND STOCKHOLDERS' EQUITY**

(\$ in thousands)	2025	2024
<b>Liabilities and Stockholders' Equity</b>		
Senior debt:		
Bank borrowings	\$ 220,700	\$ 151,869
Senior demand notes, including accrued interest	92,751	91,100
Commercial paper	762,557	718,725
Total senior debt	<u>1,076,008</u>	<u>961,694</u>
Accounts payable and accrued expenses:		
Operating lease liabilities	41,728	42,027
Other accounts payable and accrued expenses	39,520	26,462
Total accounts payable and accrued expenses	<u>81,248</u>	<u>68,489</u>
Subordinated debt	32,793	30,769
<b>Total liabilities</b>	<u>1,190,049</u>	<u>1,060,952</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock		
\$100 par value; 6,000 shares authorized; no shares outstanding	-	-
Common stock		
Voting shares; \$100 par value; 2,000 shares authorized; 1,700 shares outstanding	170	170
Non-voting shares; no par value; 198,000 shares authorized; 168,318 shares outstanding	-	-
Accumulated other comprehensive (loss)	(21,848)	(27,222)
Retained earnings	292,432	277,763
<b>Total stockholders' equity</b>	<u>270,754</u>	<u>250,711</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 1,460,803</u>	<u>\$ 1,311,663</u>



# 1st Franklin Financial Corporation

## Consolidated Statements of Income

(\$ in thousands, except per share data)	2025	2024	2023
<b>Interest income:</b>			
Finance Charges	\$ 348,192	\$ 296,508	\$ 276,974
Net investment income	11,296	10,735	10,039
Total interest income	<u>359,488</u>	<u>307,243</u>	<u>287,013</u>
<b>Interest expense:</b>			
Senior debt	56,532	53,668	42,094
Subordinated debt	1,683	1,482	1,100
Total interest expense	<u>58,215</u>	<u>55,150</u>	<u>43,194</u>
Net interest income	301,273	252,093	243,819
Provision for credit losses	<u>104,638</u>	<u>83,387</u>	<u>87,388</u>
Net interest income after provision for credit losses	<u>196,635</u>	<u>168,706</u>	<u>156,431</u>
<b>Other income:</b>			
Insurance premium income	68,755	63,571	56,571
Insurance claims and expense	(16,205)	(16,003)	(16,204)
Net insurance income	<u>52,550</u>	<u>47,568</u>	<u>40,367</u>
Other revenue	<u>9,121</u>	<u>6,985</u>	<u>7,775</u>
Total other income	<u>61,671</u>	<u>54,553</u>	<u>48,142</u>
<b>Operating expenses:</b>			
Personnel expense	142,562	124,597	111,763
Occupancy expense	24,019	22,241	20,705
Other expense	70,831	76,330	66,755
Total operating expenses	<u>237,412</u>	<u>223,168</u>	<u>199,223</u>
Income before income taxes	<u>20,894</u>	<u>91</u>	<u>5,350</u>
Provision for income taxes	<u>6,225</u>	<u>5,696</u>	<u>4,820</u>
Net income (loss)	<u>\$ 14,669</u>	<u>\$ (5,605)</u>	<u>\$ 530</u>
<b>Basic earnings per share:</b>			
170,000 Shares outstanding for all periods (1,700 voting, 168,318 non-voting)	\$ 86.29	\$ (32.97)	\$ 3.12



## Annual Credit Quality Metrics

(\$ in thousands)	2025	2024
Nonperforming Loans	\$ 65,072	\$ 56,085
Allowance for Credit Losses	76,279	73,366
Net Loans	1,047,961	911,699
Net Charge-offs	101,725	81,383
Net Charge-Offs to Net Loans	9.71%	8.93%
Nonperforming Loans to Assets	4.45%	4.28%

To read the company's complete Form 10-K filing with the Securities and Exchange Commission, please visit: <http://invest.1ffc.com/financials>



### CORPORATE INFORMATION

#### Corporate Offices

1st Franklin Financial  
P.O. Box 880  
135 E. Tugalo Street  
Toccoa, GA 30577

#### Legal Council

Jones Day  
1221 Peachtree Street, N.E.  
Suite 400  
Atlanta, GA 30361

#### Independent Auditors

Deloitte & Touche LLP  
1230 Peachtree Street, N.E.  
Suite 3100  
Atlanta, GA 30309



Slate of Officers and Directors

## 1st Franklin Financial Slate of Officers and Directors

<b>Ben F. Cheek, IV</b>	Chairman of the Board of Directors
<b>Ben F. Cheek, III</b>	Chairman Emeritus of the Board of Directors
<b>Virginia C. Barrett</b>	President and Chief Executive Officer and Vice Chairperson of the Board of Directors
<b>David Cheek</b>	Director
<b>John G. Sample, Jr.</b>	Director, Audit Committee Chairman
<b>A. Roger Guimond</b>	Director
<b>Keith D. Watson</b>	Director
<b>Donata Ison</b>	Director
<b>Sheryl Smith</b>	Director
<b>Jerry J. Harrison, Jr.</b>	Executive Vice President and Chief Strategy Officer & Director
<b>Karly Herring-Menard</b>	Chief Internal Communications Officer & Associate Director
<b>Gary L. McQuain</b>	Executive Vice President and Chief Operating Officer
<b>Mark J. Scarpitti</b>	Executive Vice President and General Counsel & Corporate Secretary
<b>Jenna C. Hood, CPA</b>	Executive Vice President and Chief Financial Officer & Corporate Treasurer
<b>J. Alan Shaw</b>	Executive Vice President and Chief Information Officer
<b>Kelly Abernathy</b>	Executive Vice President and Chief Compliance Officer
<b>John D. (Dan) Niemiec</b>	Executive Vice President and Chief Credit Officer
<b>Mary S. Zimmerman</b>	Executive Vice President and Chief Human Resources Officer
<b>Kristin Dunn</b>	Executive Vice President and Chief Marketing Officer
<b>John-Mark Jones</b>	Chief Information Security Officer
<b>Richard J. Brandt</b>	Senior Vice President – Internal Audit
<b>William C. (Billy) Fuller</b>	Senior Vice President of Operations
<b>James P. (Pat) Smith</b>	Senior Vice President of Operations
<b>Virginia K. Palmer</b>	Senior Vice President of Operations Administration
<b>Patrick Kenny</b>	Senior Vice President – Branch Operations Support
<b>John Copeland</b>	Senior Vice President of Accounting
<b>M. Summer Clevenger</b>	Vice President of Operations
<b>Chad Frederick</b>	Vice President of Operations
<b>J. Brian Gray</b>	Vice President of Operations
<b>Jerry W. Hughes</b>	Vice President of Operations



## 1st Franklin Financial Slate of Officers and Directors (Continued)

<b>Becki Lawhon</b>	Vice President of Operations
<b>Martin B. Miskelly</b>	Vice President of Operations
<b>Josh Nickerson</b>	Vice President of Operations
<b>Lori A. Sanchez</b>	Vice President of Operations
<b>Michael E. Shankles</b>	Vice President of Operations
<b>Michael Whitaker</b>	Vice President of Operations
<b>Valerie B. Younts</b>	Vice President and Regulatory Counsel and Privacy Officer
<b>Kevin M. Morris</b>	Vice President and Regulatory Counsel
<b>Angela Childs Brock</b>	Vice President – Payroll & Compensation
<b>Richard C. Chapman</b>	Vice President – FP&A and Business Intelligence
<b>Stacey K. Estes</b>	Vice President – Real Estate and Property Management
<b>Shelby J. Gober</b>	Vice President – Employee Development
<b>Brian D. Lingle</b>	Vice President and Controller
<b>Timothy E. Ott</b>	Vice President – IT Applications
<b>Joe Schuebert</b>	Vice President – Government and Regulatory Affairs
<b>April Whiten</b>	Vice President – Compliance Regulatory Governance
<b>Leslie Dailey</b>	Vice President – Procurement Management
<b>Sandra M. Gomez</b>	Vice President – Enterprise Project Management Office
<b>Richard Corirossi</b>	Assistant Vice President of Operations
<b>Loreto Qurrish</b>	AML-CFT Officer
<b>Jodi Rogers</b>	Assistant Treasurer
<b>Tammy Bell</b>	Assistant Treasurer
<b>Yvonne C. Carpenter</b>	Assistant Treasurer
<b>Ashley Donaldson</b>	Assistant Treasurer
<b>Tama R. Henson</b>	Assistant Treasurer
<b>Carol M. Hicks</b>	Assistant Treasurer
<b>Donna McKibben</b>	Assistant Treasurer
<b>Kathryn B. Palmer</b>	Assistant Treasurer
<b>Morgan P. Smith</b>	Assistant Treasurer
<b>Savannah Weaver</b>	Assistant Treasurer
<b>Amber Smith</b>	Assistant Treasurer





Branch Operations

# 1st Franklin Financial Corporation Branch Footprint



**374** Locations across **10** States

**Texas** (24)

**Louisiana** (37)

**Mississippi** (40)

**Tennessee** (39)

**Kentucky** (17)

**Virginia** (7)

**Alabama** (48)

**Georgia** (114)

**South Carolina** (43)

**Florida** (5)



## BRANCH OPERATIONS

<b>MIDDLE GEORGIA</b>	<b>SOUTH CAROLINA</b>
Michael J. Whitaker      Vice President	M. Summer Clevenger      Vice President
<b>Regional Operations Directors</b>	<b>Regional Operations Directors</b>
Janet R. Brownlee      Deloris L. O’Neal	Lonnie N. Boston III      Gerald D. Rhoden
Ronald E. Byerly      Jennifer C. Purser	Audrey C. Goode      Gregory A. Shealy
Kathryn D. Landry      Harriet H. Welch	Jenna L. Henderson      Louise S. Stokes
James A. Mahaffey	Tammy T. Lee
<b>SOUTH GEORGIA</b>	<b>NORTH GEORGIA</b>
Michael E. Shankles      Vice President	Becki B. Lawhon      Vice President
<b>Regional Operations Directors</b>	<b>Regional Operations Directors</b>
Stacy M. Courson      Wanda Parham	James D. Blalock      Christian J. Murray
Jeffrey C. Lee      David B. Surret	Kevin M. Gray      April E. Pelphrey
Sylvia J. McClung      Robert D. Whitlock	Nokie N. Moore      F. Cliff Snyder
<b>ALABAMA</b>	<b>TENNESSEE</b>
Jerry W. Hughes      Vice President	Josh C. Nickerson      Vice President
<b>Regional Operations Directors</b>	<b>Regional Operations Directors</b>
M. Peyton Givens      William J. Pridmore	Jerry D. Cline      J. Steven Knotts
Eric S. Hayes      Tanya M. Slaten	Brian M. Hill      Angelia M. Stafford
Tomerria S. Iser      Michael L. Spriggs	Tammy R. Hood      Melissa D. Storck
Jonathan M. Kendrick	
<b>MISSISSIPPI</b>	<b>KENTUCKY</b>
Marty B. Miskelly      Vice President	Chad H. Frederick      Vice President
<b>Regional Operations Directors</b>	<b>Regional Operations Directors</b>
Maurice J. Bize, Jr.      Jimmy R. Fairbanks, Jr.	Zackary S. Coker      Gary A. Zortman
Carla A. Eldridge      Teresa A. Grantham	Daniel C. Powell
<b>LOUISIANA</b>	<b>VIRGINIA</b>
John B. Gray      Vice President	Scott T. Milbourn      Assistant Vice President
<b>Regional Operations Directors</b>	<b>Regional Operations Directors</b>
Sonya L. Acosta      Tabatha A. Green	
Bryan W. Cook      Anthony B. Seney	
L. Christopher Deakle	
<b>TEXAS</b>	<b>FLORIDA</b>
Lori A. Sanchez      Vice President	Lori A. Sanchez      Vice President
Lauren M. Munoz      Assistant Vice President	
<b>Regional Operations Directors</b>	<b>Regional Operations Directors</b>
Chadd D. Stewart      Brittany L. Rubio	
Rene N. Villescas	



## BRANCH OPERATIONS (Continued)

### ALABAMA

Adamsville	Brewton	Fort Payne	Moody	Pell City	Talladega
Albertville	Clanton	Gadsden	Moulton	Prattville	Tallassee
Alexander City	Cullman	Hamilton	Muscle Shoals	Robertsdale	Troy
Andalusia	Decatur	Huntsville (2)	Oneonta	Russellville (2)	Trussville
Arab	Dothan	Jackson	Opelika	Saraland	Tuscaloosa
Athens	Enterprise	Jasper	Oxford	Scottsboro	Wetumpka
Bay Minette	Fayette	Mobile	Ozark	Selma	
Bessemer	Florence	Montgomery	Pelham	Sylacauga	

### FLORIDA

Blountstown	Marianna	Milton	DeFuniak Springs	Panama City	
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### GEORGIA

Adel	Cartersville	Douglasville	Hawkinsville	Milledgeville	Thomaston
Albany	Cedartown	Dublin	Hazlehurst	Monroe	Thomasville
Alma	Chatsworth	East Ellijay	Helena	Montezuma	Thomson
Americus	Clarksville	Eastman	Hinesville (2)	Monticello	Tifton
Athens (2)	Claxton	Eatonton	Hiram	Moultrie	Toccoa
Augusta	Clayton	Elberton	Hogansville	Nashville	Tucker
Bainbridge	Cleveland	Fayetteville	Jackson	Newnan	Valdosta
Barnesville	Cochran	Fitzgerald	Jasper	Perry	Vidalia
Baxley	Columbus (2)	Flowery Branch	Jefferson	Pooler	Villa Rica
Blairsville	Commerce	Forest Park	Jesup	Richmond Hill	Warner Robins
Blakely	Conyers	Forsyth	Kennesaw	Rome	Washington
Blue Ridge	Cordele	Fort Valley	Kingsland	Royston	Waycross
Bremen	Cornelia	Ft. Oglethorpe	LaGrange	Sandersville	Waynesboro
Brunswick	Covington	Gainesville	Lavonia	Savannah	Winder
Butler	Cumming	Garden City	Lawrenceville	Statesboro	
Cairo	Dahlonega	Georgetown	Macon (2)	Stockbridge	
Calhoun	Dalton	Greensboro	Madison	Swainsboro	
Canton	Dawson	Griffin	Manchester	Sylvania	
Carrollton	Douglas (2)	Hartwell	McDonough	Sylvester	

### KENTUCKY

Burkesville	Harlan	Lexington	Middlesboro	Paducah	Shepherdsville
Cadiz	Hopkinsville	Louisville	Morehead	Richmond	Somerset
Elizabethtown	Jackson	Madisonville	Owensboro	Shelbyville	



## BRANCH OPERATIONS

(Continued)

### LOUISIANA

Abbeville	Crowley	Jena	Marksville	New Iberia	Slidell
Alexandria	Denham Springs	Kenner	Marrero	Opelousas	Sulphur
Baker	DeRidder	Lafayette	Minden	Pineville	Thibodaux
Bastrop	Eunice	Lake Charles	Monroe	Prairieville	West Monroe
Baton Rouge	Franklin	LaPlace	Morgan City	Ruston	Winnsboro
Bossier City	Hammond	Leesville	Natchitoches	Shreveport	
Covington	Houma				

### MISSISSIPPI

Amory	Columbia	Gulfport	Laurel	Olive Branch	Ridgeland
Batesville	Columbus	Hattiesburg	Louisville	Oxford	Ripley
Bay St. Louis	Corinth	Hazlehurst	Magee	Pearl	Senatobia
Booneville	D'Iberville	Hernando	McComb	Philadelphia	Starkville
Brookhaven	Forest	Houston	Meridian	Picayune	Tupelo
Carthage	Greenwood	Iuka	New Albany	Pontotoc	Winona
Clinton	Grenada	Kosciusko	Newton		

### SOUTH CAROLINA

Aiken	Cheraw	Gaffney	Lancaster	Newberry	Spartanburg
Anderson	Chester	Georgetown	Laurens	North Charleston	Summerville
Batesburg-Leesville	Columbia	Greenwood	Lexington	North Greenville	Sumter
Beaufort	Conway	Greer	Manning	Orangeburg	Union
Boling Springs	Dillon	Hartsville	Marion	Rock Hill	Walterboro
Camden	Easley	Irmo	Moncks Corner	Seneca	Winnsboro
Cayce	Florence	Lake City	Myrtle Beach	Simpsonville	York
Charleston					

### TENNESSEE

Athens	Crossville	Greeneville	Lebanon	Murfreesboro	Smyrna
Bristol	Dayton	Hixson	Lenoir City	Newport	Springfield
Clarksville	Dickson	Jacksboro	Lexington	Powell	Tazewell
Cleveland	Dyersburg	Jackson	Madisonville	Pulaski	Tullahoma
Columbia	Elizabethton	Johnson City	Maryville	Savannah	Winchester
Cookeville	Fayetteville	Kingsport	Millington	Sevierville	
Cordova	Gallatin	Lafayette	Morristown		

### TEXAS

Austin (2)	Houston	Longview	New Braunfels	San Antonio (3)	Texarkana
Bastrop	Huntsville	Lufkin	Pasadena	San Marcos	Victoria
Conroe	Katy	Missouri City	Pearland	Temple	
Corpus Christi	Lake Jackson	Mount Pleasant	Rosenburg		

### VIRGINIA

Abingdon	Chesapeake (2)	Colonial Heights	Danville	Mechanicsville	Yorktown
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# 2025 Ben F. Cheek, Jr. Office of the Year

## SWAINSBORO, GA



*'Office of the Year' – awarded to the branch with the highest overall performance.*



*Swainsboro Team  
Alton Dudley, Denise Wilkerson, Randi Hall,  
Angel Eady, Monica Cox.*

# CONGRATULATIONS!





1st Franklin  
Financial

[1FFC.com](http://1FFC.com)