

Annual Update

Kentucky Department of Financial Institutions
November 1, 2023

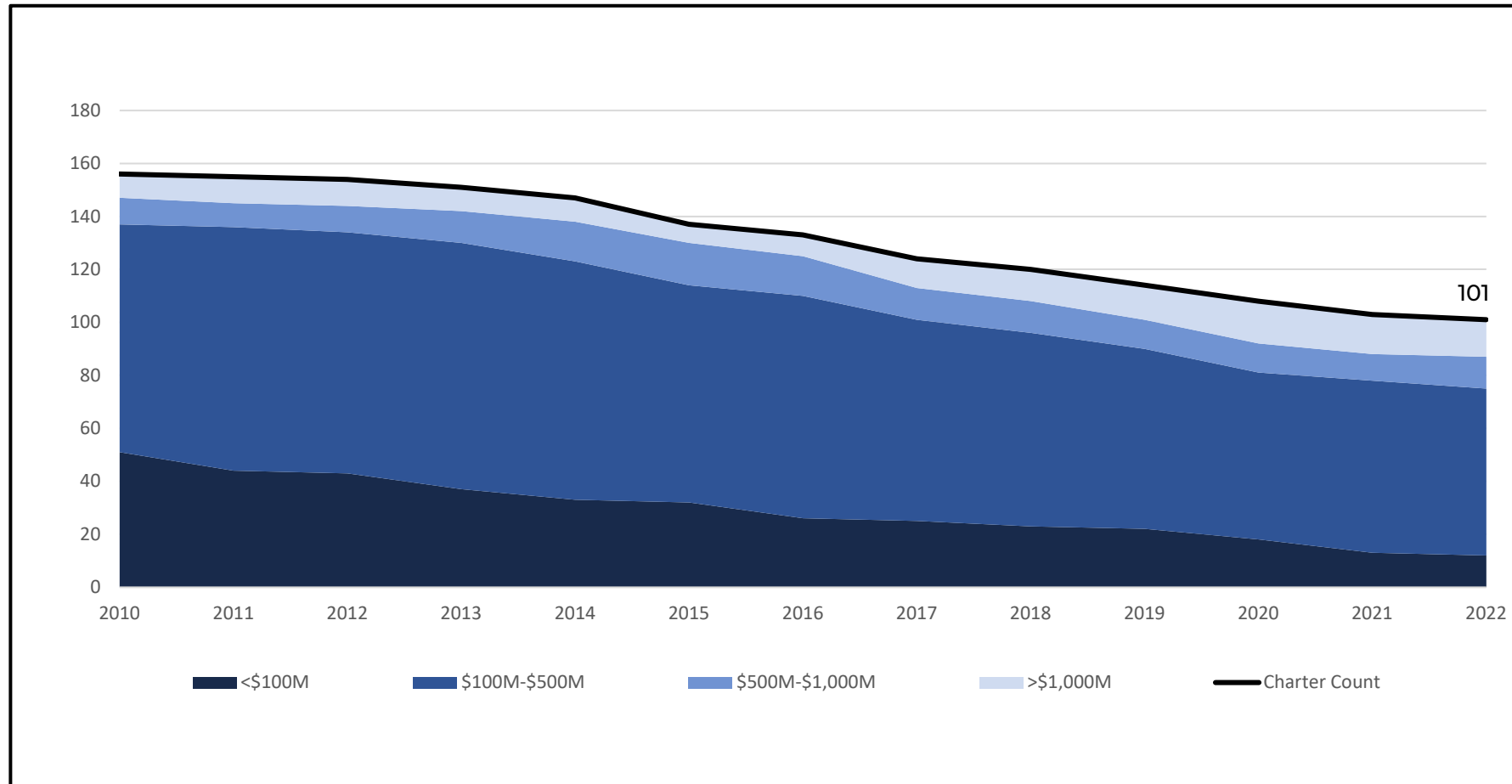
Depository Institutions Division Updates



Bank Branch Snapshot

	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022
# of Banks	120	114	109	104	101
# of Banks <\$100 million	23	22	18	13	12
Total Assets (millions)	\$51,870	\$53,280	\$61,360	\$65,453	\$65,523
Total Loans (millions)	\$37,160	\$37,932	\$41,324	\$39,780	\$43,798

KY Banks by Asset Size



KY Bank Performance

12/31/2022	# BANKS	NIM	ROAA	ROE	CAP
National	3,733	3.09	1.16	12.30	9.41
Kentucky	101	3.46 #4	1.24 Tied #5	12.76 #3	10.73 Tied #1
Illinois	272	2.29	1.07	11.29	9.03
Indiana	73	3.35	1.38	14.20	10.22
Missouri	201	3.33	1.38	15.88	9.42
Ohio	106	3.56	1.29	11.54	10.34
Tennessee	111	3.39	1.25	11.99	10.05
Virginia	48	3.50	1.24	9.98	10.73
West Virginia	38	3.53	1.15	9.50	10.07

NIM
Net Interest
Margin

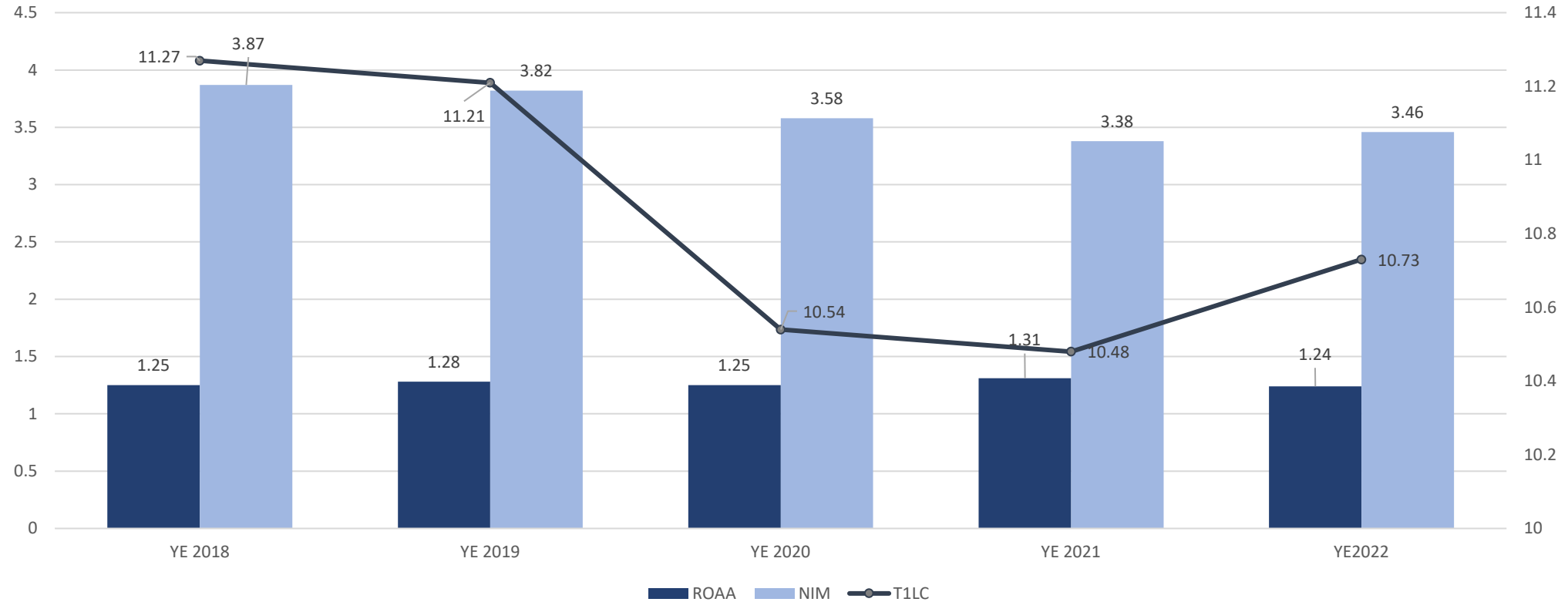
ROAA
Return on
Average
Assets

ROE
Return on
Equity

CAP
Tier 1
Leverage
Capital Ratio

KY Bank Performance

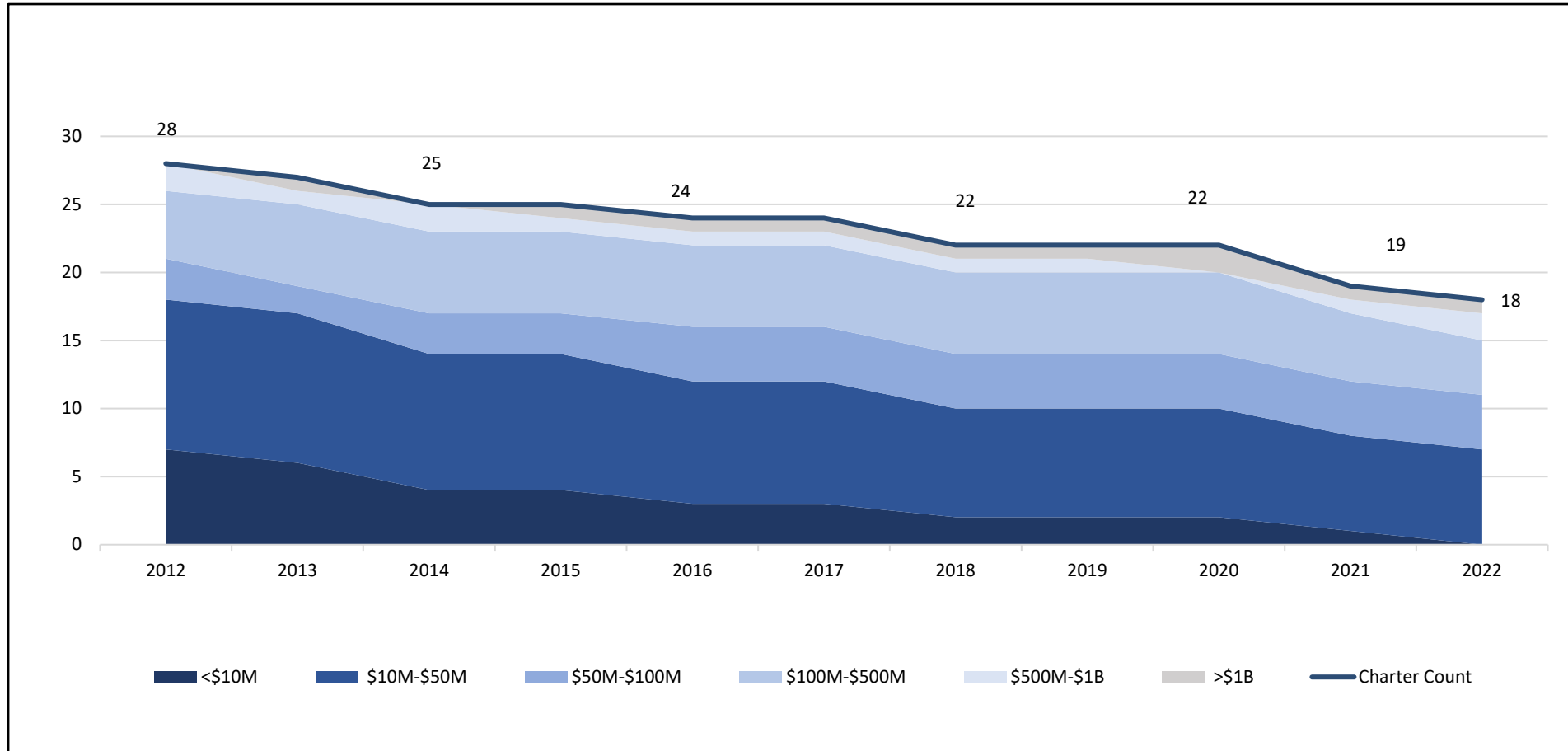
Bank Financial Metrics



Credit Union Branch Snapshot

	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022
# of Credit Unions	22	22	22	19	18
# of Credit Unions <\$100 million	14	14	14	12	12
Total Assets (millions)	\$4,201	\$4,534	\$5,232	\$4,540	\$4,808
Total Loans (millions)	\$2,978	\$3,175	\$3,387	\$2,825	\$3,271

KY Credit Unions by Asset Size



KY Credit Union Performance

12/31/2022	Credit Unions (#)	Net Worth Ratio	ROAA	NIM
Kentucky	18	11.46 #3	0.64 #8	2.79 #6
Illinois	148	9.80	0.86	2.76
Indiana	24	10.34	0.96	2.83
Missouri	90	9.62	0.60	2.78
Ohio	59	10.70	0.92	2.84
Tennessee	74	12.10	1.34	2.94
Virginia	23	10.38	0.81	2.93
West Virginia	3	14.91	0.84	2.73
National	1,780	10.53	0.88	2.76

100% of KY Credit Unions have an Asset Quality Rating of 1 or 2



Examinations

	2019	2020	2021	2022
Bank – Safety & Soundness	45	42	46	43
Bank – Visits	4	2	3	4
Bank – Information Technology	6	15	11	23
Credit Union – Safety & Soundness	17	14	14	15
Credit Union – Visits/Off-site Reviews	8	10	1	3
Trust Company	3	1	3	1

Securities Division Updates



Licensing & Registration

	YE 2020	YE 2021	YE 2022
Broker-Dealer Registrations	1382	1405	1,425
Broker-Dealer and Issuer Agents	134,830	145,091	160,532
Investment Advisers	1,339	1432	1501
Investment Adviser Representatives	6,109	6,420	6,465

Licensing & Registration

	YE 2020	YE 2021	YE 2022
Mutual Funds	3,938	3,782	3,770
Unit Investment Trusts	933	1,013	935
Regulation D/ Rule 506 Offerings	858	1,464	1,464
Private Placement Offerings	41	33	47
Regulation A, Tier 2	41	80	232
Claims of Exemption	46	53	54

Compliance

Examinations	YE 2020	YE 2021	YE 2022
Broker-Dealer	5	2	2
Investment Adviser	69	55	50
TOTAL	74	57	52
Enforcement Actions	7	7	5

Enforcement

	YE 2020	YE 2021	YE 2022
Referrals	20	39	23
Investigations Opened	18	29	28
Pending Investigations	35	45	46
Administrative Orders	21	22	20
Fines	\$1,485,791	\$187,750	\$1,005,896
Restitution (Ordered)	\$4,185,786	\$16,934,773	\$0
Law Enforcement Investigations	5	5	1

Non-Depository Institutions Division Updates



Licensing Branch

	YE 2021	YE 2022
Mortgage Companies & Brokers	2,503	2,177
Loan Originators	12,068	9,148
Consumer Loans	375	361
Deferred Deposit* & Limited Check Cashers	329	324
Money Transmitters	160	149
Total	15,435	12,159

*The number of deferred deposit lenders steadily declined since 2009 due to a statute change that placed a moratorium on new licenses, which was extended indefinitely in 2019.

Mortgage Examination Branch

- **88 exams** of mortgage companies completed in 2022, compared to 86 in 2021.
- **35 exams** of mortgage brokers completed in 2022, compared to 38 in 2021.

Non-Mortgage Examination Branch

Exams Completed	YE 2020	YE 2021	YE 2022
Consumer & Industrial Loans	160	212	231
Deferred Deposit	296	251	264
Money Transmitters	49	29	24

There is a decline in both consumer and payday exams because the law requiring annual exams was removed. The exam cycle is 18 to 24-months with a risk-based approach to schedule exams.



Consumer Protection Branch

Complaints	YE 2020	YE 2021	YE 2022
Mortgage	15	14	35
Consumer Loans	1	9	5
Deferred Deposit	7	8	9
Money Transmitters	10	13	10
Internet Payday Loan	12	0	12
Other/General Scams	5	2	7
Total	50	46	78
Fines	\$113,706	\$67,500	\$48,200

Fines include cases generated by examiners, not just complaints. The number of complaints increased since COVID-monetary incentives are no longer provided.

Kentucky Department of Financial Institutions



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PUBLIC PROTECTION
CABINET

Department of Financial Institutions