

Annual Update

Kentucky Department of Financial Institutions
September 17, 2024

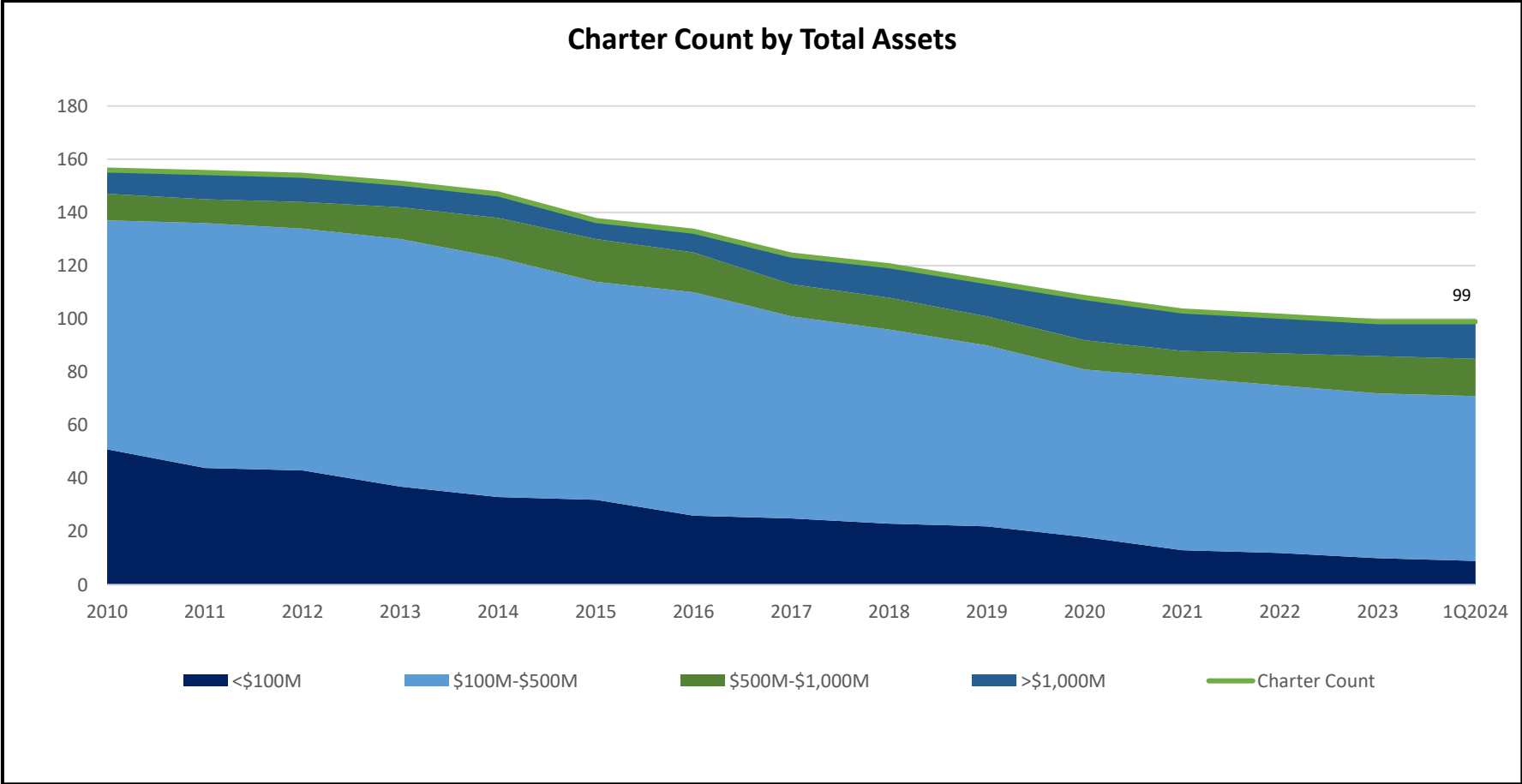
Depository Institutions Division Updates



Bank Branch Snapshot

	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023
# of Banks	114	109	104	101	99
# of Banks <\$100 million	22	18	13	12	10
Total Assets (millions)	\$53,280	\$61,360	\$65,453	\$65,523	\$67,657
Total Loans (millions)	\$37,982	\$41,324	\$39,780	\$43,798	\$47,177

KY Banks by Asset Size



KY Bank Performance

12/31/2023	# BANKS	NIM	ROAA	ROE	CAP
National	3,733	3.09	1.16	12.30	9.41
Kentucky	99	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

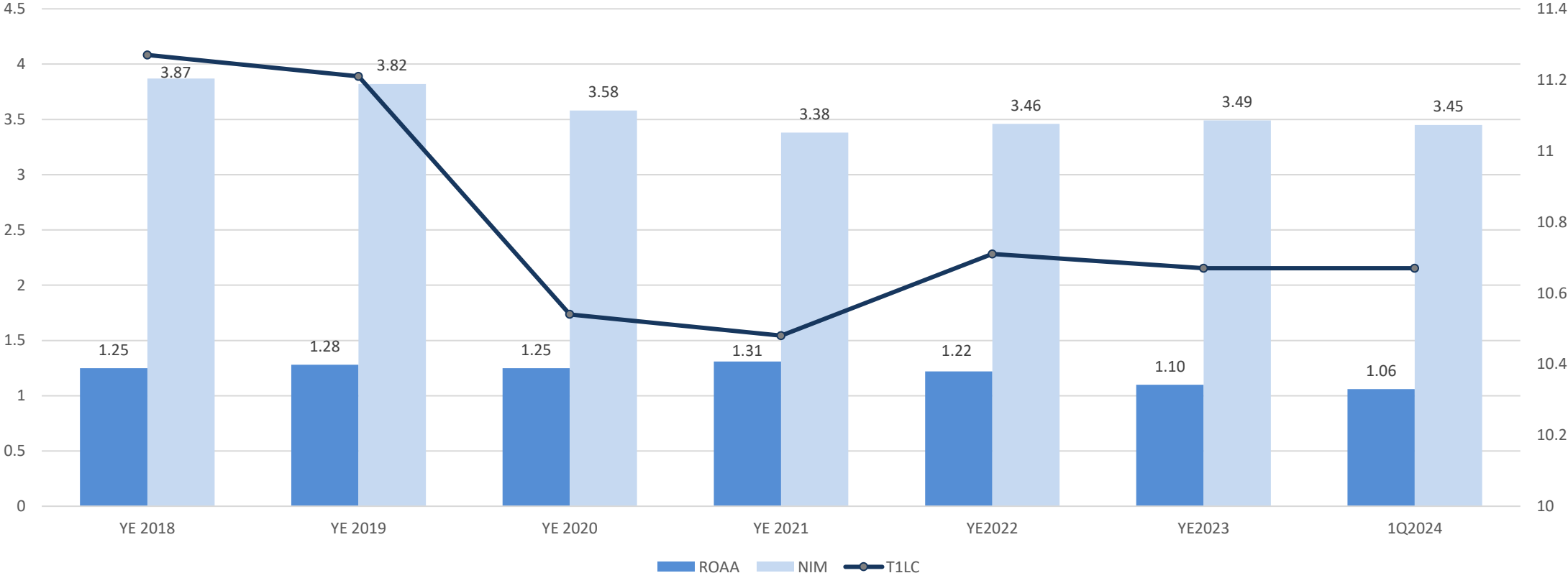
ROAA
Return on
Average
Assets

ROE
Return on
Equity

CAP
Tier 1
Leverage
Capital Ratio

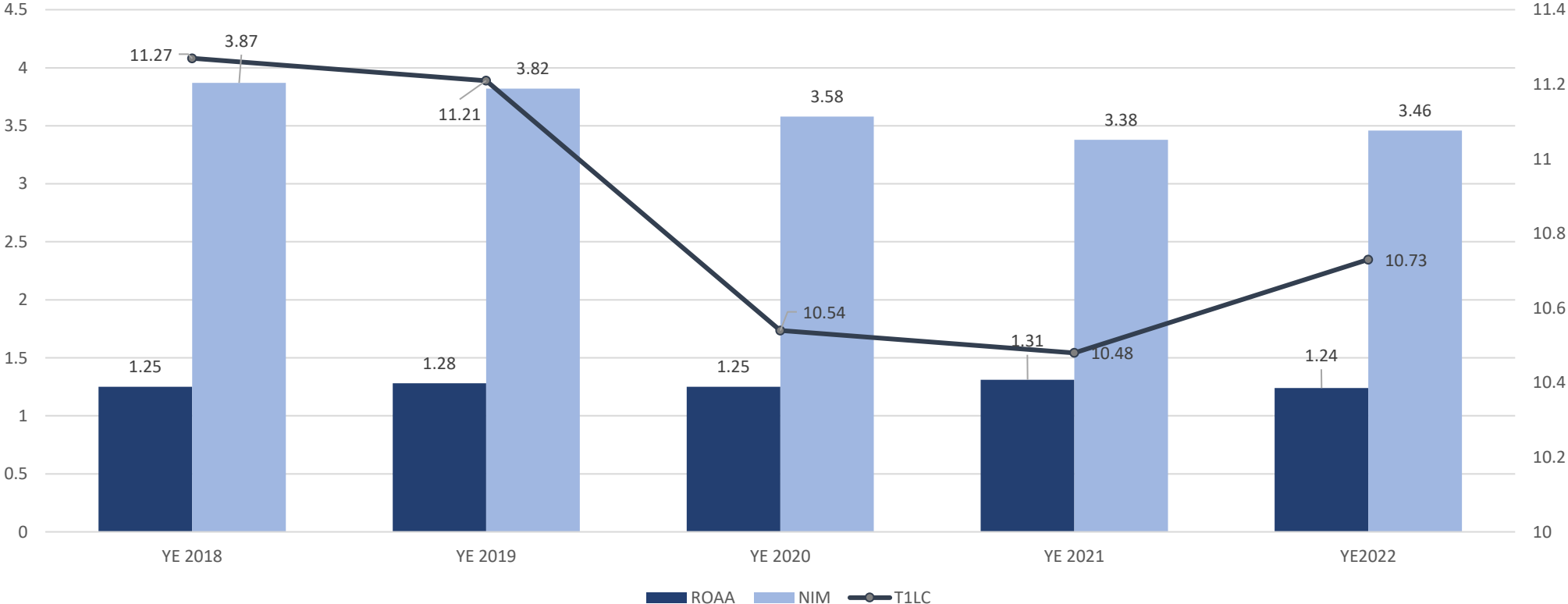
KY Bank Performance

Bank Financial Metrics



KY Bank Performance

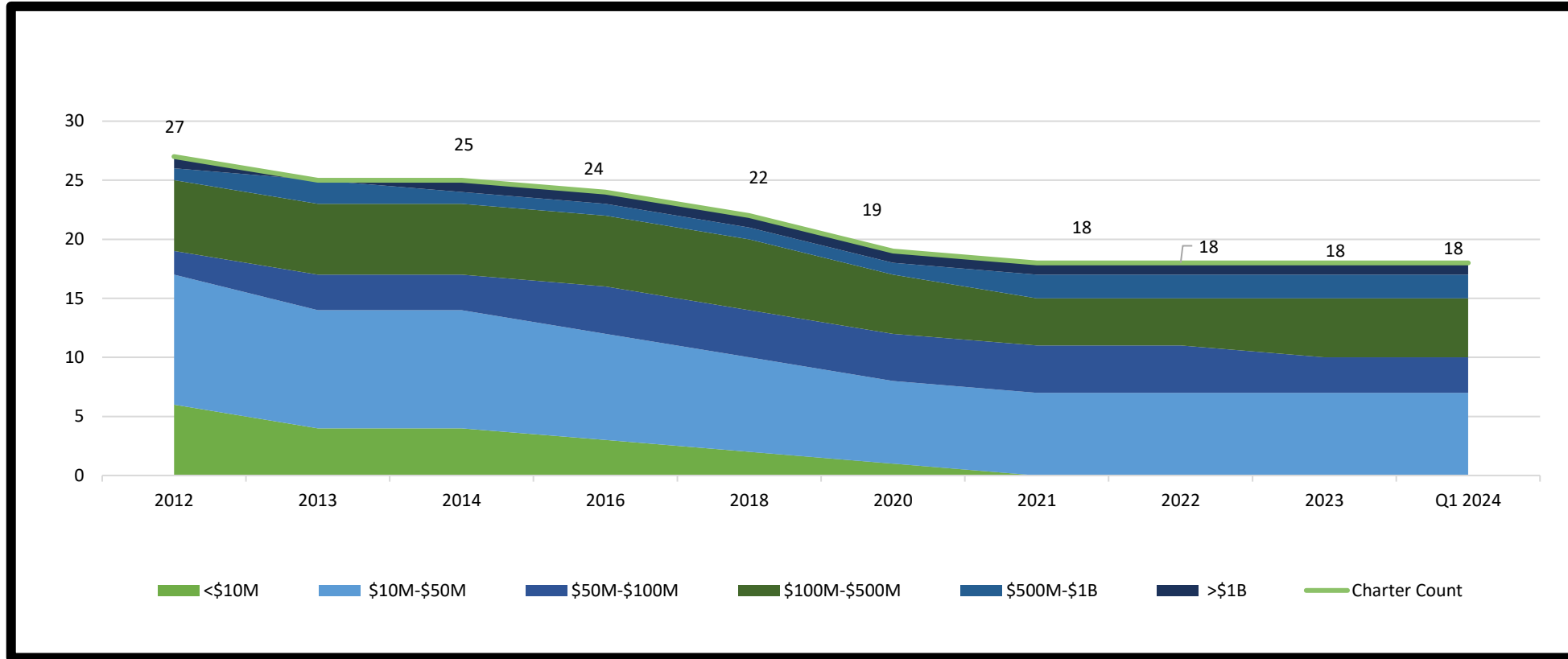
Bank Financial Metrics



Credit Union Branch Snapshot

	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023
# of Credit Unions	22	22	19	18	18
# of Credit Unions <\$100 million	14	14	12	12	11
Total Assets (millions)	\$4,534	\$5,232	\$4,540	\$4,808	\$5,056
Total Loans (millions)	\$3,175	\$3,387	\$2,825	\$3,271	\$3,545

KY Credit Unions by Asset Size



KY Credit Union Performance

3/31/2024	Credit Unions	Net Worth Ratio	ROAA	NIM
Kentucky	18	11.51	1.33	2.99
Illinois	144	9.92	0.74	2.81
Indiana	23	10.51	0.65	2.99
Missouri	88	9.56	0.56	3.00
Ohio	55	10.66	0.51	2.81
Tennessee	74	12.73	1.23	3.14
Virginia	21	10.81	0.43	3.28
West Virginia	3	16.71	1.55	3.89
National	1710	10.76	0.64	2.82

Examinations

	2020	2021	2022	2023
Bank – Safety & Soundness	42	46	43	33
Bank – Visits	2	3	4	3
Bank – Information Technology	15	11	23	18
Credit Union – Safety & Soundness	14	14	15	12
Credit Union – Visits/Off-site Reviews	10	1	3	3
Trust Company	1	3	1	3

Depository Initiatives

- Banking Modernization
- Trust Regulation Update

Securities Division Updates



Licensing & Registration

	YE 2021	YE 2022	YE 2023
Broker-Dealer Registrations	1,405	1,425	1,416
Broker-Dealer and Issuer Agents	145,091	160,532	170,488
Investment Advisers	1,432	1,501	1,528
Investment Adviser Representatives	6,420	6,465	6,739

Licensing & Registration

	YE 2021	YE 2022	YE 2023
Mutual Funds	3,782	3,770	3,793
Unit Investment Trusts	1,013	935	925
Regulation D/ Rule 506 Offerings	1,464	1,470	998
Private Placement Offerings	33	47	43
Regulation A, Tier 2	80	232	168
Claims of Exemption	53	54	61

Compliance

Examinations	YE 2021	YE 2022	YE 2023
Broker-Dealer	2	2	0
Investment Adviser	55	50	45
TOTAL	57	52	45
Enforcement Actions	7	5	1

Enforcement

	YE 2021	YE 2022	YE 2023
Referrals	39	23	31
Investigations Opened	29	28	19
Pending Investigations	45	46	48
Administrative Orders	22	20	11
Fines	\$187,750	\$1,005,896	\$1,194,899
Restitution (Ordered)	\$16,934,773	\$0	\$8,595,318
Law Enforcement Investigations	5	1	3

Securities Initiatives

- Exam Validity Extension Program
- Investment Adviser Representative Continuing Education

Non-Depository Institutions Division Updates



Licensing Branch

	YE 2022	YE 2023
Mortgage Companies & Brokers	2,177	2,035
Loan Originators	9,148	8,093
Consumer Loans	361	363
Deferred Deposit* & Limited Check Cashers	320	242
Money Transmitters	149	161
Total	12,159	10,898

*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

- **90 exams** of mortgage companies completed in 2023, compared to 88 in 2022.
- **45 exams** of mortgage brokers completed in 2023, compared to 35 in 2022.

Non-Mortgage Examination Branch

Exams Completed	YE 2021	YE 2022	YE 2023
Consumer & Industrial Loans	212	231	219
Deferred Deposit	251	264	258
Money Transmitters	29	24	39

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 2021	YE 2022	YE 2023
Mortgage	14	35	49
Consumer Loans	9	5	5
Deferred Deposit	8	9	20
Money Transmitters	13	10	15
Internet Payday Loan	0	12	5
Other/General Scams	2	7	36
Total	46	78	130
Fines	\$67,500	\$48,200	\$48,850

Fines include cases generated internally by examiners as well as those opened as a result of complaints received.

Kentucky Department of Financial Institutions



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PUBLIC PROTECTION
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