



OFFICE OF FINANCIAL INSTITUTIONS  
 ANNUAL REPORT 2005



1912-2005  
 Supervising  
 Kentucky's  
 Financial Industry  
 for 93 years





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# Mission Statement

*“The Mission of the Office of Financial Institutions is to serve the public through effective and efficient regulation that promotes consumer confidence and economic development.”*

## Office of Financial Institutions Philosophy

The agency's philosophy, drawn from its core values, its vision and its mission, represents the fundamental beliefs that shape the approach to policy and operations, our commitment to those we regulate and to the citizens of Kentucky.

- **Commitment to High Standards.** The agency is committed to raising the standards of financial services regulation by providing professional, accurate, knowledgeable and courteous service to those we regulate.
- **Commitment to Employees.** The agency recognizes that its employees are its greatest asset and that they should be encouraged and empowered to use their creativity, working not only individually but as a team to fully satisfy the needs of the financial services industry. Only through teamwork, training and education can our staff ensure adequate response and delivery of unequalled service. We must continue to provide our employees with lifelong educational opportunities and the most up-to-date technology.
- **Commitment to Flexibility and Service.** Flexibility is essential in today's rapidly changing world. Those we regulate expect greater efficiency and responsiveness from government. Government expectations of its employees is at a higher level than ever before. We must stand ready to make every effort to keep abreast of emerging trends and be able to make changes within our agency that result from mapping trends and industry expectations.
- **Commitment to Assisting Taxpayers.** This agency will improve its efforts to educate and inform citizens.
- **Commitment to Responsiveness.** This agency will continue its efforts to be of service to the citizens. We will, in individual cases, act as an ombudsman to resolve complaints against entities we regulate. We will continue our educational outreach to our citizens in order to ensure their knowledge of their rights and responsibilities.
- **Commitment to Fair and Impartial Administration and Enforcement.** This agency is committed to administering the laws of the Commonwealth fairly, equitably, and impartially without regard to status, wealth, political affiliation, race, color, creed or disability.

ERNIE FLETCHER  
GOVERNOR



LAJUANA S. WILCHER  
SECRETARY

## ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

OFFICE OF FINANCIAL INSTITUTIONS  
1025 CAPITAL CENTER DRIVE, SUITE 200  
FRANKFORT, KENTUCKY 40601  
TELEPHONE: (502) 573-3390  
FAX 502/573-8787

June 30, 2006

The Honorable Ernie L. Fletcher, Governor  
The State Capitol  
Frankfort, Kentucky 40601

Dear Governor Fletcher:

It is my honor and privilege as Executive Director of the Office of Financial Institutions to submit our annual report for the year ending December 31, 2005. This report includes statistical and historical information pertaining to the financial services industry regulated by our agency.

The dynamic and continually changing environment within the financial services industry will continue to require diligence and a keen focus on supervisory methodologies that are consistent with your vision for improving the quality of life through economic growth and opportunities for the citizens of the Commonwealth. We will continue to be ever vigilant in our regulatory capacity to ensure the safety and soundness of the financial services industry, whether that may be in the context of regulatory relief or strengthening regulations where necessary to ensure the adherence to standards of fair and ethical practices of any entity that we supervise.

We must continually search for opportunities to implement the use of technology whenever appropriate to realize your vision of cost effective and efficient government through our regulatory supervision of the financial services industry. We will also require accountability of the financial services industry in all respects for the fair and legal provision of financial services in exchange for the privilege of being licensed or possessing a charter to conduct business in our great Commonwealth.

Our entire professional staff is committed to fulfilling the agency's mission through the thoughtful planning and implementation of our strategic plan which we have set forth to further enhance the industry and citizens we serve. This commitment is evidenced by our endeavors to continually improve upon the service we provide to the financial services industry and to all of the citizens of the Commonwealth.

Sincerely,

Cordell G. Lawrence  
Executive Director  
Office of Financial Institutions

## COMMISSIONERS (1912-2005)

Year	Commissioner (Title changed to Executive Director 2004)	Governor
1912	Thomas J. Smith	James B. McCreary
1916	George G. Speer	Augustus O. Stanley
1920	James Lewis	Edwin P. Morrow
1924	Charles E. Marvin	William J. Fields
1928	O. S. Denny	Flem D. Samson
1930	C. S. Wilson	Flem D. Samson
1931	J. R. Dorman	Ruby Laffoon
1935	Hiram Wilhoit	A. B. Chandler
1939	Hiram Wilhoit	Keene Johnson
1943	Hillard H. Smith	Simeon S. Willis
1948	Henry H. Carter	Earle C. Clements
1951	Henry H. Carter	Lawrence W. Wetherby
1955	R. E. Glenn	Lawrence W. Wetherby
1956	S. Albert Phillips	A. B. Chandler
1958	Earle B. Combs	A. B. Chandler
1960	H. A. Rogers	Bert T. Combs
1964	H. A. Rogers	Edward T. Breathitt
1965	G. D. Beach	Edward T. Breathitt
1968	E. G. Adams	Louie B. Nunn
1971	Lenvil R. Hall	Wendell H. Ford
1971	Perry R. Miller (Acting)	Wendell H. Ford
1973	Howard T. Sallee	Wendell H. Ford
1975	John Williams Jr.	Julian M. Carroll
1980	Randall L. Attkisson	John Y. Brown Jr.
1982	Foster Pettit (Acting)	John Y. Brown Jr.
1983	Morris R. Smith	John Y. Brown Jr.
1983	Tracy Farmer (Acting)	John Y. Brown Jr.
1983	Neil Welch (Acting)	John Y. Brown Jr.
1983	Leonard B. Marshall	John Y. Brown Jr.
1984	Ballard W. Cassady Jr.	Martha Layne Collins
1986	Thomas B. Miller	Martha Layne Collins
1988	Edward B. Hatchett Jr.	Wallace G. Wilkinson
1992	Edward B. Hatchett Jr.	Brereton C. Jones
1994	Edward J. Holmes (Acting)	Brereton C. Jones
1995	J. Rick Jones (Acting)	Brereton C. Jones
1996	Larry D. Lander	Paul E. Patton
1997	Ella D. Robinson (Acting)	Paul E. Patton
1998	Arthur L. Freeman	Paul E. Patton
1999	Ella D. Robinson	Paul E. Patton
2004	Tom B. Miller	Ernie Fletcher
2005	Cordell G. Lawrence	Ernie Fletcher

## OFFICE OF FINANCIAL INSTITUTIONS BOARD

The Financial Institutions Board is a statutory body that serves in an advisory capacity to the governor and the executive director of the Office of Financial Institutions. The board consists of representatives of all segments of Kentucky's financial industry and the public at large and is chaired by the executive director.

**Office of Financial Institutions**

**Lawrence, Cordell G.**  
1025 Capital Center Drive  
Suite 200  
Frankfort, KY 40601

**Banking Industry**

**Booher, John H.**  
2173 Antiqua Drive  
Lexington, KY 40509  
Appointed November 10, 2003  
Term Expires October 10, 2007

**Greer-Stokes, Whitney Taylor**  
96 Hart Church Road  
London, KY 40744  
Appointed September 22, 2005  
Term Expires October 10, 2008

**Michael, William David**  
P.O. Box 1062  
Louisa, KY 41230  
Appointed February 28, 2005  
Term Expires October 10, 2008

**Whitworth, Mindi F.**  
6465 Barberry Drive  
Paducah, KY 42001  
Reappointed November 10, 2003  
Term Expires October 10, 2007

**Consumer Finance**

**Hopkins, Sally M.**  
2216 Gatesborough Circle  
Murray, KY 42071  
Appointed September 24, 2002  
Term Expires October 10, 2006

**Credit Union Representative**

**Wallace, Gary**  
PO Box 978  
Frankfort, KY 40602-0978  
Appointed September 24, 2002  
Term Expires October 10, 2006

**Public at Large**

**Beard, Arthur Edward "Buzz"**  
130 Southcreek  
Frankfort, KY 40601  
Appointed February 28, 2005  
Term Expires October 10, 2008

**Collins, Monti Rhea**  
205 E. 21st  
Benton, KY 42025  
Appointed December 5, 2005  
Term Expires October 10, 2009

**Hesch, William Edward**  
117 Beechwood Road  
Fort Mitchell, KY 41017  
Appointed December 5, 2005  
Term Expires October 10, 2009

**Securities Industry**

**Mahurin, Pete**  
1419 Euclid  
Bowling Green, KY 4210  
Appointed November 10, 2003  
Term Expires October 10, 2007



## ADMINISTRATIVE SERVICES BRANCH

Employees in the Administrative Services Branch provide administrative support to the office in the following areas:

- Facilities management: Frankfort office and field offices in Eddyville, Bowling Green, Louisville and Lexington;
- Fiscal management;
- Operations and quality control;
- Records management;
- Agency publications; and
- Staff development: coordinating employee training & continuing education and examiner certification programs.

A primary agency goal is to hire, train and maintain a highly informed and capable staff. One of the ways the office seeks to accomplish this goal is through staff development by identifying training needs, developing and delivering agency-specific training, coordinating and/or sharing training and education resources with other state and federal agencies, and assuring equal access to continuing education and training opportunities for all employees.

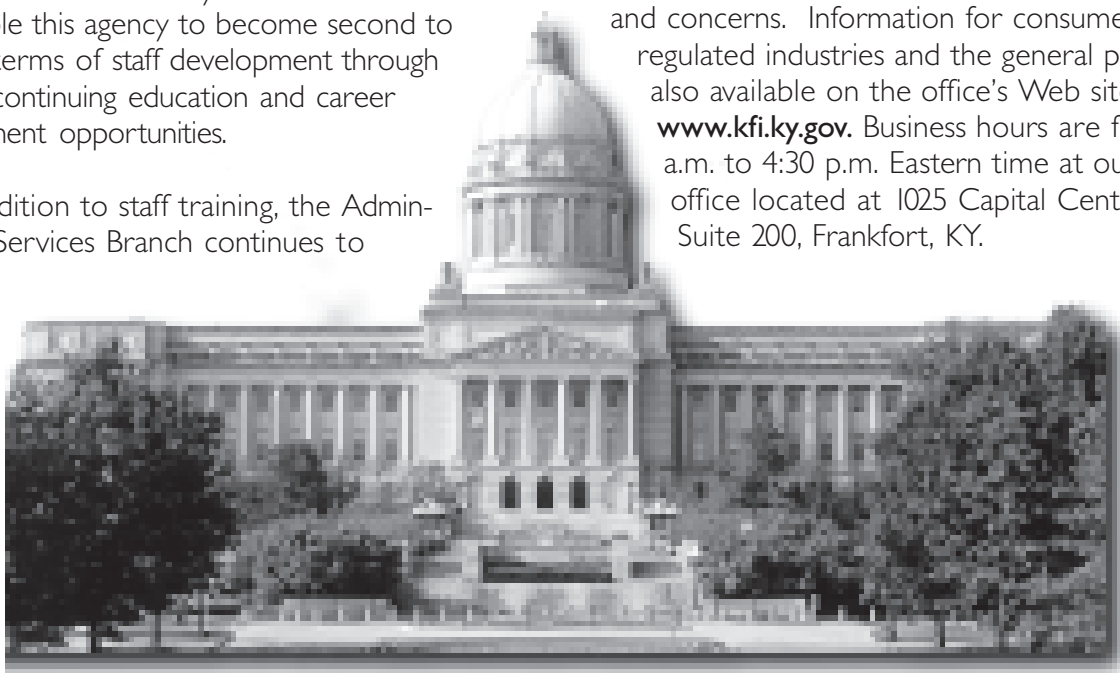
Through continued innovation and open communication, the office is hopeful its past accomplishments will carry forward into the future and enable this agency to become second to none in terms of staff development through training, continuing education and career development opportunities.

In addition to staff training, the Administrative Services Branch continues to

coordinate and support the agency's efforts to inform/educate consumers, legislators and industry representatives. The Administrative Services Branch is also instrumental in developing and publishing several informational brochures and distributing copies of its annual report to the state's public libraries and senior citizens' centers across the Commonwealth.

Staff members from throughout the agency continue to enhance the agency's visibility by participating in public education forums, town meetings and industry association meetings. The office's presence at career days and job fairs was increased during 2005 as administrative services staff visited high schools and colleges in Kentucky and spoke with students about job opportunities. Administrative services employees also represented OFI at the annual Governor's Diversity Day, a job fair that draws hundreds of students and teachers from across the state to Frankfort to learn about career opportunities in state government.

As it has for many years, the office maintains a toll-free telephone number, and consumers and industry representatives wanting to speak with a member of the agency's staff are encouraged to call (800) 223-2579 with their questions and concerns. Information for consumers, regulated industries and the general public is also available on the office's Web site at [www.kfi.ky.gov](http://www.kfi.ky.gov). Business hours are from 8 a.m. to 4:30 p.m. Eastern time at our central office located at 1025 Capital Center Drive, Suite 200, Frankfort, KY.





## DIVISION OF FINANCIAL INSTITUTIONS

The Division of Financial Institutions was created by Executive Order reorganizing the agency, effective June 12, 1997. The division is responsible for licensing, chartering and regulating the activities of state-chartered/licensed depository and non-depository financial institutions. The division's duties are strategically divided among three branches: Bank, Credit Union, and Compliance.

### 93rd ANNUAL BANK AND THRIFT REPORT

The primary duties of the Bank Branch include chartering and regulating 166 state-chartered commercial banks, four independent trust companies and numerous bank trust departments, bank holding companies and electronic data processors. As of December 31, 2005, the banks held aggregate assets in excess of \$34.7 billion.

Banks in general flourished financially in 2005, as the state and national economies continued to improve. No banks failed and the number of problem banks continued to decrease. Problem banks continued to be characterized by weak management, poor underwriting and lack of effective board oversight. Successful banks continue to be the institutions with the most effective risk management systems. The agency's examination focus continued to be concentrated on fundamental banking principles relating to lending, investing, management quality, earnings and capital.

The condition of Kentucky state banks improved in 2005 in terms of financial performance. Through December 31, 2005, they realized an increase in return on assets (ROA) to 1.24 percent from 1.17 percent in 2004. Net charge-offs to loans and leases fell to 0.24 percent from 0.29 percent in 2004. Almost 72 percent of the banks reported earnings gains in 2005. The levels of nonperforming loans declined in 2005, indicating improvement in asset quality. At 9.68 percent, the core capital (leverage) ratio remained strong. There were 68 written consumer complaints against state-chartered banks in 2005 versus 103 in 2004.

Four de novo bank applications were processed in 2005, with one opening for business. In addition, two national banks converted to state charter. De novo charter activity is continuing to increase as the economy continues to improve.

All Bank Branch personnel are provided with a comprehensive training program that involves at least one week of training each year. Training includes the areas of lending, operations, e-banking, trust, bank secrecy and asset/liability management. Many of the examiners have completed or are attending one of the graduate schools of banking or trust.

**ANNUAL CONSOLIDATED STATEMENT OF ASSETS -  
KENTUCKY STATE BANKS AND THRIFTS**

<b>Year</b>	<b>Total Assets</b>
September 4, 1912	\$ 110,096,102.83
September 3, 1913	112,556,338.09
September 12, 1914	110,516,100.67
November 10, 1915	110,068,034.26
August 17, 1916	120,217,111.75
September 7, 1917	152,490,422.93
September 5, 1918	175,361,452.29
September 5, 1919	213,365,256.47
September 13, 1920	227,231,768.46
June 30, 1921	220,117,518.15
June 30, 1922	222,284,937.92
June 30, 1923	257,447,342.36
June 30, 1924	260,394,024.52
June 30, 1925	269,730,816.68
June 30, 1926	278,619,057.34
June 30, 1927	308,521,323.67
June 30, 1928	341,300,174.09
June 30, 1929	385,559,868.28
June 30, 1930	364,849,233.33
June 30, 1931	295,881,257.76
June 30, 1932	248,031,078.12
June 30, 1933	231,577,905.49
June 30, 1934	239,624,124.68
June 30, 1935	229,781,437.48
June 30, 1936	250,997,016.66
June 30, 1937	270,699,778.60
June 30, 1939	266,594,369.49
June 30, 1940	273,977,674.22
June 30, 1941	297,360,610.22
June 30, 1942	340,903,872.17
June 30, 1943	477,658,367.10
June 30, 1944	578,775,786.77
June 30, 1945	904,485,435.10
June 30, 1946	941,787,755.13
June 30, 1947	898,858,508.44
June 30, 1948	932,808,480.54
June 30, 1949	933,714,814.70
June 30, 1950	953,843,874.72
June 30, 1951	1,002,285,106.04
June 30, 1952	1,081,217,820.20
June 30, 1953	1,125,336,205.82
June 30, 1954	1,167,432,270.01
June 30, 1955	1,211,811,536.25
June 30, 1956	1,220,534,082.10
June 30, 1957	1,294,391,352.88
June 30, 1958	1,383,757,204.28
June 30, 1959	1,402,074,237.64
June 30, 1960	1,439,285,742.07
June 30, 1961	1,416,812,042.56

**ANNUAL CONSOLIDATED STATEMENT OF ASSETS -  
KENTUCKY STATE BANKS AND THRIFTS**

Year	Total Assets
June 30, 1962	1,539,385,203.23
June 30, 1963	1,682,807,021.85
June 30, 1964	1,798,326,242.98
June 30, 1965	1,932,620,428.05
June 30, 1966	2,157,183,512.81
June 30, 1967	2,490,156,359.19
June 30, 1968	2,703,101,033.03
June 30, 1969	3,067,136,736.70
June 30, 1970	3,259,015,862.86
June 30, 1971	3,793,329,845.00
June 30, 1972	4,277,132,990.00
June 30, 1973	4,973,878,479.44
June 30, 1974	5,696,240,528.60
June 30, 1975	6,300,190,296.19
June 30, 1976	6,550,032,000.00
June 30, 1977	7,431,081,000.00
June 30, 1978	8,371,752,000.00
June 30, 1979	9,507,372,000.00
June 30, 1980	10,700,084,000.00
June 30, 1981	11,968,250,000.00
June 30, 1982	12,878,728,000.00
June 30, 1983	13,724,157,000.00
June 30, 1984	15,171,523,000.00
June 30, 1985	16,448,822,000.00
June 30, 1986	17,869,731,000.00
June 30, 1987	19,709,513,000.00
June 30, 1988	20,984,582,000.00
December 31, 1988	22,103,771,000.00
December 31, 1989	23,570,033,000.00
December 31, 1990	25,058,852,000.00
December 31, 1991	24,145,642,000.00
December 31, 1992	23,932,903,000.00
December 31, 1993	24,825,281,000.00
December 31, 1994	26,860,360,000.00
December 31, 1995	26,765,509,000.00
December 31, 1996	28,414,146,000.00
December 31, 1997	24,975,052,000.00
December 31, 1998	25,811,929,000.00
December 31, 1999	26,800,458,000.00
December 31, 2000	29,135,528,000.00
December 31, 2001	31,473,451,000.00
December 31, 2002	28,554,384,000.00
December 31, 2003	29,188,172,000.00
December 31, 2004	32,945,550,000.00
<b>December 31, 2005</b>	<b>\$34,654,113,000.00</b>

**CONSOLIDATED CONDITION AND INCOME DATA -  
KENTUCKY STATE BANKS AND THRIFTS (dollar amounts in millions)**

	Dec. 31, 2005	Change	Dec. 31, 2004
<b>NUMBER OF INSTITUTIONS</b>	166		172
Net income	416	12.43%	370
Total assets	34,654	5.18%	32,946
Earning assets	31,858	4.81%	30,396
Total loans & leases	24,710	5.68%	23,383
Other real estate owned	57	7.55%	53
Total deposits	27,139	5.32%	25,769
Equity capital	3,513	7.53%	3,267
 <b>PERFORMANCE RATIOS</b>			
Yield on earning assets	6.27		5.84
Cost of funding earning assets	2.18		1.76
Net interest margin	4.09		4.07
Non-interest income to average earning assets	1.07		1.06
Non-interest expense to average earning assets	3.19		3.21
Net charge-offs to loans and leases	0.24		0.29
Net operating income to average assets	1.23		1.16
Retained earnings to average equity	6.56		5.78
Return on assets	1.24		1.17
Return on equity	12.35		11.79
Percent of unprofitable institutions	5.39		5.81
Percent of institutions with earnings gains	71.86		65.12
 <b>CONDITION RATIOS</b>			
Net loans and leases to assets	70.54		70.04
Loss allowance to loans and leases	1.26		1.32
Loss allowance to non-current loans and leases	170.29		165.02
Non-current loans and leases to total loans and leases	0.74		0.80
Non-performing assets to total assets	0.66		0.74
Core deposits to total liabilities	71.64		72.60
Equity capital to total assets	10.14		9.92
Core (leverage) capital ratio	9.68		9.33

**TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS**  
**(dollar amounts in thousands with 000's omitted)**

<b>Bank</b>	<b>City</b>	<b>Total Assets</b>
First & Farmers Bank, Inc.	Albany	\$241,185
Citizens Deposit Bank of Arlington, Inc.	Arlington	122,443
Heritage Bank of Ashland, Inc.	Ashland	82,569
Town Square Bank, Inc.	Ashland	128,878
Auburn Banking Co.	Auburn	57,154
Kentucky Home Bank	Bardstown	81,306
Town & Country Bank and Trust Co.	Bardstown	265,705
Wilson & Muir Bank & Trust Co.	Bardstown	281,889
Bardwell Deposit Bank	Bardwell	54,780
Kentucky Trust Bank	Beaver Dam	106,739
Bedford Loan & Deposit Bank	Bedford	67,824
Bank of Benton	Benton	319,891
Peoples Bank and Trust Co. of Madison County	Berea	322,306
Farmers State Bank	Booneville	43,456
American Bank & Trust Co., Inc.	Bowling Green	148,141
Citizens First Bank, Inc.	Bowling Green	195,275
South Central Bank of Bowling Green, Inc.	Bowling Green	180,020
Meade County Bank	Brandenburg	112,455
Bank of Edmonson County	Brownsville	165,438
Brownsville Deposit Bank	Brownsville	53,730
Bank of Buffalo	Buffalo	53,203
Citizens Bank of Cumberland County, Inc.	Burkesville	86,538
Bank of Cadiz and Trust Co.	Cadiz	95,824
United Citizens Bank & Trust Co.	Cambellsburg	75,524
Citizens Bank & Trust Co.	Campbellsville	140,568
Taylor County Bank	Campbellsville	112,342
Farmers & Traders Bank of Campton	Campton	37,076
Bank of Caneyville	Caneyville	43,673
Deposit Bank of Carlisle	Carlisle	62,106
Kentucky-Farmers Bank of Catlettsburg, Kentucky	Catlettsburg	117,543
The Cecilian Bank	Cecilia	329,701
King Southern Bank	Chaplin	136,681
Bank of Clarkson	Clarkson	103,253
Clinton Bank	Clinton	42,818
First Community Bank of Western Kentucky, Inc.	Clinton	60,016
Bank of Columbia	Columbia	122,378
United Citizens Bank of Southern Kentucky	Columbia	59,118
Bank of Corbin	Corbin	88,699
The Bank of Kentucky, Inc.	Crestview Hills	956,023

**TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS**  
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
The Harrison Deposit Bank and Trust Co.	Cynthiana	56,775
Dixon Bank	Dixon	60,103
Bank of Ohio County, Inc.	Dundee	71,908
First Citizens Bank	Elizabethtown	198,846
First Federal Savings Bank of Elizabethtown	Elizabethtown	764,086
Kentucky Neighborhood Bank	Elizabethtown	110,513
Elkton Bank & Trust Co.	Elkton	102,710
Farmers Deposit Bank	Eminence	80,901
Heritage Bank, Inc.	Erlanger	277,296
United Kentucky Bank of Pendleton County, Inc.	Falmouth	30,123
The People's Bank of Fleming County, Kentucky	Flemingsburg	167,639
First Security Trust Bank, Inc.	Florence	90,129
First Bank of Northern Kentucky, Inc.	Fort Mitchell	64,460
American Founders Bank, Inc.	Frankfort	317,676
Farmers Bank & Capital Trust Co.	Frankfort	516,580
The Bankers' Bank of Kentucky, Inc.	Frankfort	41,445
Franklin Bank & Trust Co.	Franklin	210,002
Fredonia Valley Bank	Fredonia	64,877
The Farmers Bank and Trust Co. of Georgetown, Kentucky	Georgetown	298,257
Edmonton State Bank	Glasgow	316,231
Kentucky Banking Centers, Inc.	Glasgow	127,239
South Central Bank of Barren County, Inc.	Glasgow	274,955
The Commercial Bank of Grayson	Grayson	151,990
Deposit Bank & Trust Co.	Greensburg	93,048
The Central Bank, USA, Inc.	Greensburg	395,361
The Farmers Bank	Hardinsburg	81,443
The Bank of Harlan	Harlan	120,136
State Bank & Trust Co.	Harrodsburg	118,218
Citizens Bank	Hartford	19,072
Commonwealth Community Bank, Inc.	Hartford	166,535
Hancock Bank & Trust Co.	Hawesville	154,845
Ist Trust Bank, Inc.	Hazard	25,556
Peoples Bank & Trust Co. of Hazard	Hazard	249,792
The Citizens Bank	Hickman	85,736
Bank of Hindman	Hindman	132,756
Planters Bank, Inc.	Hopkinsville	271,374
United Southern Bank	Hopkinsville	152,707
Hyden Citizens Bank	Hyden	103,783
Inez Deposit Bank	Inez	93,464



**TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS**  
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
First State Bank	Irvington	124,899
First Security Bank & Trust, McLean	Island	23,337
Citizens Bank & Trust Co. of Jackson	Jackson	113,248
Bank of Jamestown	Jamestown	138,817
The Kevil Bank	Kevil	35,509
THE BANK - Oldham County, Inc.	Lagrange	136,460
Century Bank of Kentucky, Inc.	Lawrenceburg	102,509
Peoples Bank	Lebanon	45,279
Leitchfield Deposit Bank & Trust Co.	Leitchfield	90,280
Lewisburg Banking Co.	Lewisburg	60,577
Bank of the Bluegrass and Trust Co.	Lexington	223,287
Central Bank & Trust Co.	Lexington	1,283,576
First Security Bank of Lexington, Inc.	Lexington	216,440
Whitaker Bank	Lexington	1,140,788
The Casey County Bank, Inc.	Liberty	129,063
Peoples Security Bank	Louisa	46,634
1st Independence Bank	Louisville	334,769
Ascencia Bank	Louisville	367,191
Central Bank of Jefferson County	Louisville	173,242
Commonwealth Bank and Trust Co.	Louisville	497,027
Eclipse Bank, Inc.	Louisville	15,581
Louisville Community Development Bank	Louisville	33,903
Republic Bank & Trust Co.	Louisville	2,666,710
River City Bank, Inc.	Louisville	227,972
Stock Yards Bank & Trust Co.	Louisville	1,325,408
The First Capital Bank of Kentucky	Louisville	257,633
First United Bank of Hopkins County, Inc.	Madisonville	143,736
Magnolia Bank, Inc.	Magnolia	93,265
Farmers Bank & Trust Co. of Marion, Kentucky	Marion	113,363
The Peoples Bank	Marion	23,002
First Guaranty Bank	Martin	57,707
First Kentucky Bank, Inc.	Mayfield	290,413
FNB Bank, Inc.	Mayfield	139,416
Bank of Maysville	Maysville	108,942
Security Bank and Trust Co.	Maysville	45,145
Jackson County Bank	Mckee	118,218
Farmers Deposit Bank of Middleburg, Inc.	Middleburg	40,789
Home Federal Bank Corporation	Middlesboro	293,046
The Farmers Bank of Milton	Milton	109,221

**TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS**  
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
The Monticello Banking Co.	Monticello	378,279
Peoples Bank	Morehead	87,066
The Citizens Bank	Morehead	75,149
United Community Bank of West Kentucky, Inc.	Morganfield	92,441
Morgantown Bank & Trust Co., Inc.	Morgantown	122,470
Traditional Bank, Inc.	Mount Sterling	666,554
Citizens Bank	Mount Vernon	118,297
The Peoples Bank	Mount Washington	88,081
Hart County Bank and Trust Co.	Munfordville	29,199
Citizens Bank	New Liberty	17,046
Citizens Bank of Northern Kentucky, Inc.	Newport	222,262
The Farmers Bank	Nicholasville	89,801
First Security Bank of Owensboro, Inc.	Owensboro	136,135
Independence Bank of Kentucky	Owensboro	547,323
South Central Bank of Daviess County, Inc.	Owensboro	183,645
First Farmers Bank and Trust Co.	Owenton	72,373
Peoples Bank & Trust Co.	Owenton	55,729
Owingsville Banking Co.	Owingsville	63,573
The Paducah Bank and Trust Co.	Paducah	402,171
Kentucky Bank	Paris	572,360
Community Trust Bank, Inc.	Pikeville	2,837,528
First State Financial, Inc.	Pineville	373,064
The First Commonwealth Bank of Prestonsburg, Inc.	Prestonsburg	158,339
Farmers Bank and Trust Co., Princeton, Kentucky	Princeton	89,652
West Point Bank	Radcliff	107,407
Citizens Guaranty Bank	Richmond	104,141
Madison Bank	Richmond	132,724
First & Peoples Bank	Russell	184,475
The Sacramento Deposit Bank	Sacramento	52,825
The Salt Lick Deposit Bank	Salt Lick	68,733
Sebree Deposit Bank	Sebree	19,282
Citizens Union Bank of Shelbyville	Shelbyville	568,676
Bullitt County Bank	Shepherdsville	188,789
The Peoples Bank of Bullitt County	Shepherdsville	172,293
Cumberland Security Bank, Inc.	Somerset	135,868
Springfield State Bank	Springfield	191,076
PBK Bank, Inc.	Stanford	96,301
Peoples Exchange Bank	Stanton	234,226
The Peoples Bank	Taylorsville	90,072

**TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS**  
(dollar amounts in thousands with 000's omitted)

<b>Bank</b>	<b>City</b>	<b>Total Assets</b>
South Central Bank of Monroe County	Tompkinsville	103,458
Citizens Deposit Bank & Trust	Vanceburg	118,409
First Community Bank	Vanceburg	29,440
United Bank & Trust Co.	Versailles	189,819
Bank of the Mountains, Inc.	West Liberty	63,375
Commercial Bank	West Liberty	122,603
Bank of McCreary County	Whitley City	120,516
Eagle Bank, Inc.	Williamstown	150,621
Grant County Deposit Bank	Williamstown	93,020
Alliance Banking Co.	Winchester	38,190
<b>Total</b>		<b>\$34,654, 113</b>

**TRUST ASSETS - KENTUCKY STATE-CHARTERED  
INDEPENDENT TRUST COMPANIES**

<b>Name</b>	<b>City</b>	<b>Assets Under Management (Discretionary and Non-discretionary)</b>
Kentucky Trust Company	Danville	\$321,350,000
Community Trust and Investment Company	Lexington	984,872,000
Louisville Trust Company	Louisville	104,744,000
The Glenview Trust Company	Louisville	1,341,755,000
<b>Totals</b>		<b>\$2,752,721,000</b>

**TRUST ASSETS - KENTUCKY STATE BANK TRUST DEPARTMENTS**  
(dollar amounts in thousands with 000's omitted)

<b>Name</b>	<b>City</b>	<b>Total Trust Assets</b>
Town & Country Bank and Trust Co.	Bardstown	\$236,377
Wilson & Muir Bank & Trust Co.	Bardstown	7,976
Kentucky Trust Bank	Beaver Dam	127,290
Bank of Benton	Benton	4,669
Bank of Cadiz and Trust Co.	Cadiz	7,760
Deposit Bank of Carlisle	Carlisle	372
Kentucky-Farmers Bank of Catlettsburg, Kentucky	Catlettsburg	24,545
Clinton Bank	Clinton	2,125
The Bank of Kentucky, Inc.	Crestview Hills	174,871
The Harrison Deposit Bank and Trust Co.	Cynthiana	4,293
First Citizens Bank	Elizabethtown	129,867
First Federal Savings Bank of Elizabethtown	Elizabethtown	1,708
Elkton Bank & Trust Co.	Elkton	4,897
Farmers Deposit Bank	Eminence	11,798
The People's Bank of Fleming County, Kentucky	Flemingsburg	5,158
Farmers Bank & Capital Trust Co.	Frankfort	274,398
Franklin Bank & Trust Co.	Franklin	172
The Central Bank, USA, Inc.	Greensburg	1,487
The Bank of Harlan	Harlan	3,962
State Bank & Trust Co.	Harrodsburg	1,496
Hancock Bank & Trust Co.	Hawesville	3,613
Peoples Bank & Trust Co. of Hazard	Hazard	6,027
The Citizens Bank	Hickman	2,996
Planters Bank, Inc.	Hopkinsville	102,634
Citizens Bank & Trust Co. of Jackson	Jackson	9,340
Bank of the Bluegrass and Trust Co.	Lexington	48,758
Central Bank & Trust Co.	Lexington	888,866
Whitaker Bank	Lexington	21,029
Commonwealth Bank and Trust Co.	Louisville	907,100
Republic Bank & Trust Co.	Louisville	358,838
Stock Yards Bank & Trust Co.	Louisville	1,293,200
Farmers Bank & Trust Co. of Marion, Kentucky	Marion	1,909
Bank of Maysville	Maysville	15,772
Security Bank and Trust Co.	Maysville	1,629
The Monticello Banking Co.	Monticello	28,834
United Community Bank of West Kentucky, Inc.	Morganfield	350
Morgantown Bank & Trust Co., Inc.	Morgantown	6,510
Hart County Bank and Trust Co.	Munfordville	2,496
Citizens Bank of Northern Kentucky, Inc.	Newport	13,028

**TRUST ASSETS - KENTUCKY STATE BANK TRUST DEPARTMENTS**  
 (dollar amounts in thousands with 000's omitted)

<b>Name</b>	<b>City</b>	<b>Total Trust Assets</b>
Independence Bank of Kentucky	Owensboro	200,924
Peoples Bank & Trust Company	Owenton	636
The Paducah Bank and Trust Co.	Paducah	75,229
Kentucky Bank	Paris	67,499
Community Trust Bank, Inc.	Pikeville	92,982
Farmers Bank and Trust Co., Princeton, Kentucky	Princeton	9,908
First & Peoples Bank	Russell	65,305
Citizens Union Bank of Shelbyville	Shelbyville	1,240
Cumberland Security Bank, Inc.	Somerset	3,575
Eagle Bank, Inc.	Williamstown	1,586



## BANK CHANGES 2005: New Bank Charters, Bank Conversions, Name Changes and Mergers

### Conversions

- 11/14/05 The First National Bank of Mayfield, Mayfield, converted to a state bank charter.
- 12/27/05 Kentucky National Bank, Elizabethtown, converted to a state bank charter (Kentucky Neighborhood Bank, Elizabethtown, KY)
- 12/29/05 Berea National Bank, Berea, converted to a state bank charter (Berea Community Bank, Berea, KY)

### Name Change

- 1/5/05 Citizens Bank of Albany, Albany, changed its name to First & Farmers Bank, Inc.
- 2/22/05 The Winchester Bank, Inc., Winchester changed its name to Alliance Banking Company, Winchester.
- 4/4/05 First Bank, Louisville changed its name to Central Bank of Jefferson County, Louisville.
- 11/14/05 The First National Bank of Mayfield, Mayfield, changed its name to FNB Bank, Inc.

### New Charters

- 10/14/05 Eclipse Bank, Inc., Louisville, Kentucky

### Main Office Relocations

- 5/15/05 Central Bank of Jefferson County, Louisville, to relocate its main office from 9100 Shelbyville Road to 9300 Shelbyville Road, Louisville, Kentucky.

### Mergers

- 1/1/05 Green River Bank, Morgantown and Pioneer Bank, Canmer, merged into The Central Bank USA, Inc., Greensburg, Kentucky.
- 1/1/05 Breckinridge Bank, Cloverport, merged into Hancock Bank & Trust Company, Hawesville, Kentucky.
- 1/3/05 Bank of Germantown, Germantown, merged into Citizens Deposit Bank & Trust, Vanceburg, Kentucky.
- 2/15/05 Citizens Financial Bank, Inc. of Glasgow merged into The Central Bank USA, Inc., Greensburg, Kentucky.
- 5/20/05 Classic Bank, Ashland, merged into City National Bank, Charleston, West Virginia.
- 6/11/05 Heritage Community Bank, Danville, merged into Community Trust Bank, Inc., Pikeville, Kentucky.
- 7/1/05 Citizens Bank of Ballard County, Wickliffe, and First Bank and Trust Company, Princeton, merged into First Southern National Bank, Stanford, Kentucky.
- 12/31/05 Berea Community Bank, Berea, merged into Peoples Bank & Trust Company, Berea, Kentucky.

## CREDIT UNION BRANCH 72nd ANNUAL CREDIT UNION REPORT

The Credit Union Branch supervises the activities of 32 Kentucky state-chartered credit unions, ranging in size from \$326,838 to \$618,738,615. Total asset growth of state-chartered credit unions was minimal at .01 percent. This increased the total assets under supervision by the Credit Union Branch to \$1,273,328,540.

The Credit Union Branch hired its first new examiner in over 15 years. Branch Manager Randy Duncan and District Manager Phil Williams welcome Mike Wisley to the Credit Union Branch.

As a whole, Kentucky state-chartered credit unions favored well during the year. Net worth growth was favorable at 5.54 percent. Loan growth was positive at 4.89 percent and outpaced share growth.

The Office of Financial Institutions received two applications for merger in 2005. Newport Postal Credit Union merged into Beacon Community Credit Union, and Covington City Credit Union merged into C&O United Credit Union.

## ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY STATE-CHARTERED CREDIT UNIONS

Year	Total Assets
June 30, 1934	\$391,943
June 30, 1935	725,535
June 30, 1936	1,249,342
June 30, 1937	1,660,520
June 30, 1938	1,696,127
June 30, 1939	2,057,015
June 30, 1941	3,146,257
June 30, 1942	3,251,825
June 30, 1943	2,982,267
June 30, 1944	3,088,248
June 30, 1945	3,505,257
June 30, 1946	4,144,653
June 30, 1947	4,995,675
June 30, 1948	6,083,221
June 30, 1949	7,107,044
June 30, 1950	8,334,194
June 30, 1951	8,179,622
June 30, 1952	10,516,625
June 30, 1953	12,623,784
June 30, 1954	14,781,357
June 30, 1955	16,702,656
June 30, 1956	19,107,017
June 30, 1957	21,437,514
June 30, 1958	23,623,385
June 30, 1959	26,447,334
June 30, 1960	27,979,449
June 30, 1961	29,357,256
June 30, 1962	31,739,280
June 30, 1963	34,501,791
June 30, 1964	39,301,082
June 30, 1965	43,391,089
June 30, 1966	46,430,845
June 30, 1967	50,065,518
June 30, 1968	53,669,699
June 30, 1969	58,409,409
June 30, 1970	64,297,546
June 30, 1971	71,728,169
June 30, 1972	81,246,995
June 30, 1973	91,221,819

**ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY STATE  
CHARTERED CREDIT UNIONS**

Year	Total Assets
June 30, 1974	100,937,750
June 30, 1975	113,438,105
June 30, 1976	129,079,696
June 30, 1977	147,094,455
June 30, 1978	169,281,627
June 30, 1979	176,261,333
June 30, 1980	170,888,349
June 30, 1981	198,916,832
June 30, 1982	190,721,775
June 30, 1983	226,257,290
June 30, 1984	270,077,766
June 30, 1985	324,359,567
June 30, 1986	465,930,836
June 30, 1987	534,721,314
June 30, 1988	52,285,417
December 31, 1988	486,976,000
December 31, 1989	482,857,000
December 31, 1990	509,758,691
December 31, 1991	554,628,084
December 31, 1992	610,893,902
December 31, 1993	643,540,808
December 31, 1994	670,077,079
December 31, 1995	697,585,006
December 31, 1996	726,727,477
December 31, 1997	782,580,308
December 31, 1998	855,559,615
December 31, 1999	897,712,452
December 31, 2000	957,541,750
December 31, 2001	1,081,872,980
December 31, 2002	1,157,171,468
December 31, 2003	1,246,654,450
December 31, 2004	1,273,167,962
<b>December 31, 2005</b>	<b>\$ 1,273,328,540</b>

**SELECTED COMPOSITE OPERATING RATIOS -  
KENTUCKY STATE-CHARTERED CREDIT UNIONS**

Ratio Description	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05
<b>Capital Adequacy:</b>					
NetWorth/Total Assets	14.48	14.49	14.34	14.92	15.75
Total Delinquent Loans/NetWorth	5.05	4.50	4.27	4.65	4.95
Solvency Evaluation (Estimated)	117.15	117.14	116.90	117.64	118.79
Classified Assets (Est)/NetWorth	4.86	4.69	4.52	3.83	4.05
<b>Asset Quality:</b>					
Delinquent Loans/Total Loans	1.11	1.01	0.99	1.09	1.17
Net Charge-Offs/Avg Loans	0.51	0.61	0.77	0.70	0.73
Fair (Market) Value/Book Value (HTM invests)	100.82	100.42	100.23	99.25	98.35
Accum Unreal G-L On AFS/CST of Invest AFS	2.16	2.55	0.89	-1.07	-2.05
Delinquent Loans/Assets	0.73	0.65	0.61	0.69	0.78
<b>Earnings:</b>					
Return on Average Assets	0.98	1.06	0.93	0.89	0.82
Gross Income/Average Assets	8.43	7.40	6.57	6.13	6.71
Yield On Average Loans	8.89	8.31	7.58	6.97	6.97
Yield On Average Investments	5.12	3.40	2.52	2.33	2.89
Cost of Funds/Avg Assets	3.65	2.47	1.80	1.48	1.82
Net Margin/Avg Assets	4.78	4.93	4.77	4.65	4.89
Operating Exp/Avg Assets	3.41	3.45	3.34	3.42	3.52
Provision For Loan & Lease Losses/Avg Assets	0.40	0.41	0.50	0.37	0.55
Net Interest Margin/Avg Assets	3.81	3.98	3.81	3.65	3.59
Operating Exp/Gross Income	40.41	46.65	50.82	55.73	52.49
Fixed Assets Including FRAs/Total Assets	3.01	2.64	2.58	2.47	2.37
Net Operation Exp/Avg Assets	2.84	2.85	2.74	2.79	2.64
<b>Asset/Liability Management:</b>					
Net Long-Term Assets/Total Assets	15.29	14.31	15.29	15.64	15.03
Reg Shares/Total Shares & Borrowings	54.41	57.82	59.94	58.16	54.36
Total Loans/Total Shares	77.67	76.08	72.72	75.34	79.85
Total Loans/Total Assets	65.88	64.63	61.86	63.55	66.68
Cash + Short-Term Investments/Assets	19.18	16.50	18.10	16.37	16.39
Total Shares Dep. & Borrowings/Earning Assets	89.11	89.14	89.11	88.84	87.90
Reg Shares+Share Drafts/Total Shares & Borrowings	62.19	65.67	68.34	67.05	63.66
Borrowings/Total Shares & NetWorth	0.00	0.00	0.07	0.30	0.22
<b>Productivity:</b>					
Members/Potential Members	38.53	39.13	38.53	17.58	17.36
Borrowers/Members	63.28	61.70	59.43	59.60	62.92
Members/ Full Time Employees	436	422	408	407	406
AVG. Shares Per Members	4,443	4,645	4,949	4,961	4,922
AVG. Loan Balance	5,453	5,727	6,056	6,272	6,247
Salary & Benefits/Full Time Employee	38,307	39,609	41,908	45,317	47,028
<b>Other Ratios:</b>					
NetWorth Growth	6.70	6.99	6.67	6.26	5.54
Market (Share) Growth	14.10	7.14	7.86	1.32	-1.03
Loan Growth	4.15	4.94	3.10	4.97	4.89
Asset Growth	12.98	6.96	7.73	2.17	0.01
Investment Growth	36.63	11.97	18.26	-3.74	-9.97

**REPORT OF CONDITION - KENTUCKY STATE -  
CHARTERED CREDIT UNIONS**

<b>Charter</b>	<b>Name</b>	<b>City</b>	<b>Year Opened</b>	<b>Total Assets</b>
60883	Beacon Community	Louisville	1947	\$30,356,621
61103	Members One Credit Union, Inc.	Louisville	1949	3,561,631
61123	Louisville Gas And Electric Company	Louisville	1934	18,346,606
61166	Fancy Farm	Fancy Farm	1957	8,456,907
61204	B. C. B. S.	Louisville	1952	5,767,234
61316	Tarcana	Louisville	1936	2,852,985
61437	Commonwealth	Frankfort	1951	618,738,615
61597	Kenesco	Ashland	1972	635,732
61693	Rural Cooperatives	Louisville	1964	31,364,597
61738	Paducah City Employees	Paducah	1961	2,385,855
61772	Louisville Police Officers	Louisville	1942	9,441,381
61792	Ashland Inc Employees	Ashland	1942	123,481,951
62026	Members Choice	Ashland	1932	97,897,506
62033	Courier Journal And Times	Louisville	1930	4,237,270
62089	Kitco Employees	Louisville	1944	4,011,113
62228	Gtky	Lexington	1953	61,044,881
62303	Letcher County Teachers	Whitesburg	1964	1,057,022
62358	Kemba Louisville	Louisville	1934	33,992,276
62370	Lexington Postal	Lexington	1928	15,999,198
62389	Berea	Berea	1923	1,532,956
62431	Kentucky Employees	Frankfort	1938	42,035,035
62432	Whitesville Community	Whitesville	1962	12,259,674
62433	Louisville Federal	Louisville	1924	28,676,427
62482	Brown-Forman Employees	Louisville	1936	7,716,385
62484	Service One	Bowling Green	1963	76,125,123
62485	Louisville District USs Engineer Emp	Louisville	1935	3,662,303
62490	Muhlenberg Community Hospital	Greenville	1961	632,845
62559	Alcan Employees	Louisville	1948	2,333,755
62587	C&O United	Edgewood	1928	12,871,804
62625	Kentucky Conference	Lexington	1963	848,453
62785	Ferry Morse (Fulton)	Fulton	1961	326,838
63058	Metro Employees	Lexington	1940	10,677,561
	<b>Total</b>			<b>\$1,273,328,540</b>



## NINTH ANNUAL COMPLIANCE BRANCH REPORT

The Compliance Branch licenses and regulates mortgage brokers and companies, check cashers, consumer and industrial loan companies, and sale of checks licensees. As of December 31, 2005, this branch supervised 1,579 licensees.

The number and type of licenses regulated by the office are as follows:

License Type	Number of Licensees December 31, 2004	Number of Licensees December 31, 2005
Mortgage Companies	118	114
Mortgage Brokers	315	316
Check Cashers	641	695
Consumer Loan Companies	336	348
Industrial Loan Companies	65	72
Sale of Checks	36	34
<b>Total</b>	<b>1,511</b>	<b>1,579</b>

There were 417 Compliance Branch written consumer complaints received by the office during 2005. The breakdown is as follows:

License Type	Complaints 2004	Complaints 2005
Mortgage Companies	97	108
Mortgage Brokers	106	167
Check Cashers	4	12
Consumer Loan Companies	38	66
Industrial Loan Companies	0	0
Sale of Checks	0	2
HUD Mortgage Brokers/Companies	Not recorded	62
<b>Total</b>	<b>245</b>	<b>417</b>

During 2005, the number of examinations conducted by the Compliance Branch is as follows:

Number of Examinations	
Mortgage Companies	14
Mortgage Brokers	155
Check Cashers	630
Consumer Loan Companies	344
Industrial Loan Companies	67
<b>Total</b>	<b>1,210</b>

In 2005, a total of \$34,000 in fines was assessed against various mortgage companies and mortgage brokers.

The Compliance Branch is staffed with 11 examiners. Three are assigned to consumer loan companies and industrial loan companies, four to check cashers and four to mortgage companies and mortgage brokers. These examiners are highly trained in their respective areas. The examiners reside in Bowling Green, Frankfort, Irvine, Lexington, Louisville, Union and Versailles.

Check casher, consumer loan company and industrial loan company licensees are examined annually as required by statute. Mortgage company and mortgage broker examination frequency are not set by statute, however, licensees are examined every 18 to 24 months. Each examiner has his own portfolio of licensees. Every effort is made by the office to keep an examiner's portfolio in a geographic area close to his residence in order to keep travel to a minimum. Office field offices located in Eddyville, Bowling Green, Louisville and Lexington are used by examiners for administrative purposes.

During calendar year 2005, the Compliance Branch examination staff attended several schools and conferences that provided continuing education in their respective fields. The American Association of Residential Mortgage Regulators (AARMR) provides an examiner school annually, which all four of the mortgage examiners attend each year. The topics covered vary from year to year, but most importantly this particular school keeps the mortgage staff current in changes to federal laws and regulations. Every two years AARMR offers a three-day mortgage fraud school in addition to the examiner school, and the entire mortgage staff attends. Consumer loan company, industrial loan company and check casher examiners attend the National Association of Consumer Credit Administrators (NACCA) annual five-day examiner school that is held in various locations throughout the United States. As with the AARMR examiner school, this school provides for continuing education and updates on the changes in federal laws and regulations.

**ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY CONSUMER  
LOAN COMPANIES (dollar amounts in millions with 000's omitted)**

<b>Year</b>	<b>Total Assets</b>
December 31, 1970	\$215,167,905
December 31, 1971	226,157,998
December 31, 1972	239,477,617
December 31, 1973	245,215,588
December 31, 1974	229,683,167
December 31, 1975	208,570,020
December 31, 1976	211,463,297
December 31, 1977	239,296,246
December 31, 1978	268,373,094
December 31, 1979	293,273,325
December 31, 1980	259,294,136
December 31, 1981	211,028,452
December 31, 1982	232,543,585
December 31, 1983	321,540,852
December 31, 1984	382,601,061
December 31, 1985	421,405,340
December 31, 1986	493,127,698
December 31, 1987	566,180,285
December 31, 1988	640,725,342
December 31, 1989	667,957,592
December 31, 1990	696,270,222
December 31, 1991	730,091,564
December 31, 1992	761,442,628
December 31, 1993	822,215,474
December 31, 1994	852,349,610
December 31, 1995	842,469,339
December 31, 1996	892,877,819
December 31, 1997	690,503,783
December 31, 1998	675,952,908
December 31, 1999	728,313,360
December 31, 2000	715,191,067
December 31, 2001	587,058,850
December 31, 2002	641,252,164
December 31, 2003	684,177,846
December 31, 2004	739,568,188
<b>December 31, 2005</b>	<b>\$871,268,224</b>

**CONSOLIDATED REPORT OF CONDITION -  
KENTUCKY CONSUMER LOAN COMPANIES**

TOTALS FOR STATE	348 Consumer Loan Companies Dec. 31, 2005	Change	336 Consumer Loan Companies Dec. 31, 2004
<b>ASSETS</b>			
Cash and Due from Depositor Institutions	\$ 6,342,987	6.61%	\$5,949,438
Total Loans Receivable, Net of Unearned Interest and Reserves	823,890,075	15.69%	712,172,387
Premises and Fixed Assets (Net of Depreciation)	5,054,616	11.99%	4,513,584
Deferred Charges and Prepaid Expenses	960,866	-57.40%	2,255,640
Other Assets Used in Consumer Loan Business	35,019,680	138.60%	14,677,139
<b>Total Assets Used in Consumer Loan Business</b>	<b>\$ 871,268,224</b>	<b>17.81%</b>	<b>\$739,568,188</b>
<b>LIABILITIES &amp; CAPITAL or NET WORTH</b>			
Total Liabilities	\$ 733,189,265	21.99%	\$601,043,249
Total Capital	138,078,959	-0.32%	138,524,939
<b>Total Liabilities &amp; Capital or Net Worth</b>	<b>\$ 871,268,224</b>	<b>17.81%</b>	<b>\$739,568,188</b>
<b>LOANS MADE IN 2005 CLASSIFIED BY COLLATERAL KENTUCKY CONSUMER LOAN COMPANIES</b>			
Collateral			
Personal Items/Household Goods	\$ 388,874,369	13.82%	\$341,650,854
Motor Vehicles	76,548,278	21.61%	62,943,787
Motor Vehicles & Personal Items	149,249,922	23.13%	121,211,601
Real Estate	17,569,629	-24.25%	23,194,131
Unsecured Notes	143,499,781	6.93%	134,197,884
Endorsed and/or Co-Maker Notes	10,492,229	36.74%	7,672,871
Other Considerations	3,983,708	-12.19%	4,536,759
<b>Total</b>	<b>\$ 790,217,916</b>	<b>13.63%</b>	<b>\$695,407,887</b>

**ANNUAL CONSOLIDATED STATEMENT OF ASSETS -  
KENTUCKY INDUSTRIAL LOAN COMPANIES**

Year	Total Assets
June 29, 1946	\$432,786
June 30, 1947	843,587
June 30, 1948	1,207,448
June 30, 1949	998,520
June 30, 1950	725,995
June 30, 1951	1,002,486
June 30, 1952	1,260,935
June 30, 1953	1,197,125
June 30, 1954	1,145,154
June 30, 1955	1,337,078
June 30, 1956	3,351,255
June 29, 1957	6,674,101
June 30, 1958	7,624,233
June 30, 1959	12,027,595
June 30, 1960	25,016,928
June 30, 1961	29,533,306
June 30, 1962	38,986,576
June 29, 1963	47,926,026
June 30, 1964	62,498,295
June 30, 1965	74,443,666
June 30, 1966	83,269,104
June 30, 1967	92,253,814
June 30, 1968	106,979,831
June 30, 1969	118,607,417
June 30, 1970	128,303,693
June 30, 1971	130,666,763
June 30, 1972	144,585,041
June 30, 1973	182,173,895
June 30, 1974	212,063,191
June 30, 1975	203,572,673
June 30, 1976	208,046,246
June 30, 1977	224,959,496
June 30, 1978	238,484,239
June 30, 1979	268,877,377
June 30, 1980	254,058,175
June 30, 1981	255,953,218
June 30, 1982	165,942,225
June 30, 1983	69,058,748

## OFFICE OF FINANCIAL INSTITUTIONS

ANNUAL CONSOLIDATED STATEMENT OF ASSETS -  
KENTUCKY INDUSTRIAL LOAN COMPANIES

Year	Total Assets
June 30, 1984	45,051,556
June 30, 1985	61,357,110
June 30, 1986	47,118,841
June 30, 1987	19,930,854
June 30, 1988	3,579,048
December 31, 1988	33,707,258
December 31, 1989	66,185,013
December 31, 1990	60,216,163
December 31, 1991	93,265,336
December 31, 1992	70,626,327
December 31, 1993	36,242,155
December 31, 1994	17,161,759
December 31, 1995	13,559,113
December 31, 1996	13,841,777
December 31, 1997	13,346,139
December 31, 1998	8,854,581
December 31, 1999	3,184,487
December 31, 2000	12,700,424
December 31, 2001	12,013,001
December 31, 2002	16,861,557
December 31, 2003	7,106,807
December 31, 2004	7,727,195
<b>December 31, 2005</b>	<b>\$22,308,961</b>



**CONSOLIDATED REPORT OF CONDITION -  
KENTUCKY INDUSTRIAL LOAN COMPANIES**

	72 Industrial Loan Companies Dec. 31, 2005	Change	65 Industrial Loan Companies Dec. 31, 2004
<b>ASSETS</b>			
Cash on hand	0	0.00%	0
Cash in Depository Institutions	20,106	-90.84%	219,512
Investments	0	0.00%	0
Industrial Loans	12,053,607	-14.69%	14,129,062
Cond. Sales Contracts	0	0.00%	0
Other Loans	9,565,073	5792.51%	162,326
Total Loans	21,618,680	50.27%	14,291,388
Less: Unearned Interest	83,347	62.14%	51,403
Reserve for Loan Loss	760,632	1.90%	746,455
Loans, Net of Unearned Interest and Reserves	20,744,701	53.74%	13,493,530
Premises and Fixed Assets	0	0.00%	0
Other Assets	1,514,154	-26.67%	2,064,815
<b>TOTAL ASSETS</b>	<b>\$22,308,961</b>	<b>41.39%</b>	<b>\$15,777,857</b>
<b>LIABILITIES</b>			
Certificates of Investment	0	0.00%	0
Other Borrowed Money	16,331,493	34.53%	12,139,913
Other Liabilities	2,247,388	612.05%	315,621
<b>TOTAL LIABILITIES</b>	<b>\$18,578,881</b>	<b>49.16%</b>	<b>\$12,455,534</b>
<b>EQUITY CAPITAL</b>			
Capital Stock	1,250,000	0.00%	1,250,000
Surplus & Undivided Profits	4,658,106	118.73%	2,129,615
Current Earnings	-2,178,026	-3701.62%	-57,292
Total Equity Capital	3,730,080	12.27%	3,322,323
<b>TOTAL LIABILITIES &amp; EQUITY CAPITAL</b>	<b>\$22,308,961</b>	<b>41.39%</b>	<b>\$15,777,857</b>

## DIVISION OF SECURITIES

### 20th Annual Securities Report

The mission of the Division of Securities is to 1) protect Kentucky investors by preventing and remedying, whenever possible, investment fraud and related illegal conduct, 2) educate the investing public on how to make informed investment decisions, and 3) assist companies in their legitimate attempts to raise capital and transact securities business in Kentucky.

To fulfill its mission, the Division of Securities performs the various functions set forth below. Each of these activities is intended to provide protection to the citizens of the Commonwealth by helping to ensure that securities transactions are effected in compliance with the Securities Act and that investors have thorough and accurate information available to them when they are evaluating an investment in a security or contemplating doing business with a securities professional.

- Licensing – Licensing staff assist in the registration of, or determination to deny registration to, broker-dealers, investment advisers and their employees. Another service provided by licensing staff is to provide information to the public concerning a broker's disciplinary history.
- Compliance – Examiners in the Compliance Branch perform routine (but often unannounced) examinations of broker-dealers, investment advisers and their employees in the Commonwealth in order to determine that they are complying with the securities laws.
- Enforcement – Investigators in the Enforcement Branch investigate allegations of securities fraud or other illegal conduct. In coordination with OFI's legal staff, the investigators assist in the administrative actions the office may pursue against alleged violators of the Securities Act. Further, the division may refer cases to criminal authorities to prosecute the most serious occurrences of securities fraud.
- Corporation Finance – Corporation Finance staff assist in the registration or exemption from registration of entities that issue securities in the Commonwealth. The staff in this area also process notice filings by issuers of federally covered securities such as mutual funds. The corporation finance staff also answer questions from the general public about the requirements for offerings of securities in Kentucky.

In addition, division staff distribute informational brochures to Kentuckians through public libraries, county cooperative extension agencies and regularly speak to high school students and community groups about saving and investing.

**REPORT OF THE  
DIVISION OF SECURITIES YEAR-END 2005**

**LICENSING**

	Year End
	2005
<b>Broker-Dealer Registrations</b>	
Total Registered	1,633
<b>Broker-Dealer Agent Registrations</b>	
Total Registered	73,230
<b>Issuer Agent Registrations</b>	
Total Registered	183
<b>State Investment Advisers</b>	
Total Registered	128
<b>State Investment Advisers Representatives</b>	
Total Registered	170
<b>Federal Covered Investment Advisers</b>	
Total Effective Notice Filings	744
<b>Federal Covered IA Representatives</b>	
Total Registered	2,195

**ENFORCEMENT BRANCH**

2005	Year to Date
Investigations Opened	25
Investigations Closed	35
Investigations Pending at year end	43

**CORPORATION FINANCE**

2005	Effective Year to Date
<b>Registrations</b>	
By Coordination	22
By Qualification	1
By Notification	0
<b>Notice Filings</b>	
Investment Companies – New	331
Investment Companies – Renewals	2,304
Unit Investment Trusts	425
Reg. D, Rule 506 Offerings	368
<b>Exemptions</b>	
Claims of Exemption Requested	40
<b>Total</b>	<b>3,491</b>

**COMPLIANCE BRANCH**

2005	Year to Date Exams
<b>Broker Dealer</b>	<b>82</b>
Main Office	2
Branch Office	47
Non-Branch Office	33
<b>Investment Adviser</b>	<b>36</b>
Main Office	36
<b>Total</b>	<b>118</b>



The financial information in this report is based upon  
unverified figures furnished in Dec. 31, 2005 call reports.

Subsequent amendments to call reports are not reflected.

PAID FOR WITH STATE FUNDS



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