



Commonwealth of Kentucky
Public Protection Cabinet
Department of Financial Institutions

Andy Beshear, Governor

Kerry B. Harvey, Secretary
Charles A. Vice, Commissioner

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KENTUCKY FINANCIAL SERVICES INDUSTRY THRIVED IN 2019
Department of Financial Institutions Issues Annual Report

FRANKFORT, Ky. (Oct. 6, 2020) – The Kentucky Department of Financial Institutions (DFI) released its 2019 annual report today at <http://kfi.ky.gov/Documents/2019%20Annual%20Report.pdf>. The report summarizes the status of state-chartered banks, credit unions, lenders, and securities firms and professionals operating in Kentucky during calendar year 2019. It highlights DFI’s work to promote consumer protection and reasonable regulation industry-wide. The report also notes industry trends and changes across the state.

“The financial services industry has experienced dynamic and continual changes to meet the needs of its customers,” Commissioner Charles A. Vice said. “Companies continue to offer services through diverse and innovative platforms, and an increasing number of financial transactions are performed electronically or through digital delivery channels.”

“The banking and credit union industries reported strong profitability and strong capitalization in 2019,” Vice said. “Meanwhile, the complexity of non-depository financial service providers registered or licensed in Kentucky continued to increase as consumers sought financial services from multiple sources.”

DFI’s Non-Depository Division regulates check cashers, deferred deposit companies, consumer loan companies, industrial loan companies and money transmitters. It also oversees mortgage loan companies, mortgage loan brokers and mortgage originators.

Highlights from the 2019 report include the following:

- The banking industry continued to experience consolidation. The number of state-chartered banks decreased by 5% last year, from 120 to 114. The number of state-chartered credit unions remained stable, at 22.

- Assets held by Kentucky banks increased by 2.75% during 2019, ranging from \$21.3 million to \$5.6 billion per bank. Collectively, Kentucky banks had almost \$53.3 billion in assets.
- Kentucky credit unions' assets grew by nearly 8% last year, ranging from \$685,000 to \$1.4 billion per institution. Together, state-chartered credit unions held aggregate assets of more than \$4.5 billion at the year's end.
- DFI's Securities Division worked closely with local and federal prosecutors to address investor harm when identified, which resulted in \$2,287,392 in ordered restitution to affected investors. Administrative actions also led to \$438,950 in fines.
- DFI accomplished its consumer protection goals through appropriately supervising regulated industries, participating in various consumer outreach programs and hosting meetings with the industry to clarify expectations.

The 2019 report does not address changes or challenges caused by the COVID-19 pandemic.

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DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years, it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, encouraging economic opportunities, and promoting sound financial decisions through financial literacy and empowerment programs.