

TEAM KENTUCKY[®]

PUBLIC PROTECTION CABINET

Department of Financial Institutions

2022 ANNUAL REPORT

2022 ANNUAL REPORT

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SUPERVISING KENTUCKY'S FINANCIAL INDUSTRY FOR 111 YEARS.



PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions

500 Mero Street, 2SW19
Frankfort, KY 40601
Phone: (502) 573-3390
KFI@ky.gov

Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

Ray A. Perry
SECRETARY

Justin M. Burse
ACTING COMMISSIONER

Dear Governor Beshear,

The Kentucky Department of Financial Institutions (“Department”) is pleased to present this year’s Annual Report. 2022 proved to be a year of change, not only for the Department but also with the Kentucky financial services industry. The Federal Reserve raised interest rates at the fastest pace in over 30 years to tamp down the worst inflation the United States has seen since the late 1970s. Russia invaded Ukraine, setting off one of the worst spikes in commodity prices since the energy crisis of the 1970s. Cryptocurrency platforms and projects collapsed with the FTX saga encapsulating the tale of the nascent industry.

Despite all the change and the lingering effects of the COVID-19 pandemic, the financial services industry took all the change in stride and continued to offer financial services and products to Kentucky residents and customers.

The banking industry continues to experience consolidation and the number of state-chartered banks declined from 104 in 2021 to 101 in 2022. One credit union merged out of existence during 2022, re-

sulting in 18 credit union charters at year-end. Kentucky’s credit unions reported moderate asset growth during 2022, while state-chartered banks experienced a slight decline in total assets. Both industries exhibit continued financial health and strong capital positions.



Justin M. Burse
Acting Commissioner

Overall non-depository license numbers decreased from 3,016 in 2021 to 2,994 in 2022. This decrease was due in large part to the moratorium of the deferred deposit presentment license. The largest area of growth in the non-depository division is the money transmission industry, as more complex and diverse business models continue to emerge. New legislation was passed which gave the Department authority to regulate the student education loan servicing industry. This has increased the Department’s regulatory footprint and ability to protect the citizens of the Commonwealth.

The Securities Division remains a leader among its counterparts. Several of our employees serve on national boards and regulatory working groups. The Department has worked closely with other state and federal regulators to address the emerging risks associated with crypto industry. As detailed in this report, the De-

partment took bold actions to protect Kentucky investors regarding unregistered securities activities.

While we celebrate these achievements, we also acknowledge the challenges that emerged during the year. The evolving landscape of the financial industry, the impact of global events, and the need to adapt to emerging technologies requires us to remain vigilant and proactive in our approach. We are committed to staying ahead of these challenges and maintaining the trust and confidence placed in us by the citizens of Kentucky.

I would like to express my gratitude to the dedicated staff at the Kentucky Department of Financial Institutions for their unwavering commitment and hard work throughout the year. Their professionalism, expertise, and tireless efforts have been instrumental in achieving our goals and ob-

jectives.

Lastly, I extend my appreciation to our stakeholders, including the financial institutions, industry associations, community organizations, and the general public, for their continued collaboration, support, and valuable feedback. Their contributions are crucial in our pursuit of a vibrant and resilient financial ecosystem.

While the start of 2023 has seen a lot of headwinds for the financial services industry, the Department remains steadfast in its mission of ensuring a safe and sound financial system while fostering economic growth and protecting the interests of the citizens of Kentucky.

Sincerely,

Justin M. Burse

Acting Commissioner

“I would like to express my gratitude to the dedicated staff at the Kentucky Department of Financial Institutions for their unwavering commitment and hard work throughout the year.”

- Acting Commissioner Burse

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMMISSIONERS 1912-2023

YEAR	COMMISSIONER	GOVERNOR	YEAR	COMMISSIONER	GOVERNOR
1912	Thomas J. Smith	James B. McCreary	1980	Randall L. Attkisson	John Y. Brown Jr.
1916	George G. Speer	Augustus O. Stanley	1982	Foster Pettit*	John Y. Brown Jr.
1920	James Lewis	Edwin P. Morrow	1983	Morris R. Smith	John Y. Brown Jr.
1924	Charles E. Marvin	William J. Fields	1983	Tracy Farmer*	John Y. Brown Jr.
1928	O.S. Denny	Flem D. Samson	1983	Neil Welch*	John Y. Brown Jr.
1930	C.S. Wilson	Flem D. Samson	1983	Leonard B. Marshall	John Y. Brown Jr.
1931	J.R. Dorman	Ruby Laffoon	1984	Ballard W. Cassady Jr.	Martha Layne Collins
1935	Hiram Wilhoit	A.B. Chandler	1986	Thomas B. Miller	Martha Layne Collins
1939	Hiram Wilhoit	Keene Johnson	1988	Edward B. Hatchett Jr.	Wallace G. Wilkinson
1943	Hillard H. Smith	Simeon S. Willis	1992	Edward B. Hatchett Jr.	Brereton C. Jones
1948	Henry H. Carter	Earle C. Clements	1994	Edward J. Holmes	Brereton C. Jones
1951	Henry H. Carter	Lawrence W. Wetherby	1995	J. Rick Jones*	Brereton C. Jones
1955	R.E. Glenn	Lawrence W. Wetherby	1996	Larry D. Lander	Paul E. Patton
1956	S. Albert Phillips	A.B. Chandler	1997	Ella D. Robinson*	Paul E. Patton
1958	Earle B. Combs	A.B. Chandler	1998	Arthur L. Freeman	Paul E. Patton
1960	H.A. Rogers	Bert T. Combs	1999	Ella D. Robinson	Paul E. Patton
1964	H.A. Rogers	Edward T. Breathitt	2004**	Tom B. Miller	Ernie Fletcher
1965	G.D. Beach	Edward T. Breathitt	2005**	Cordell G. Lawrence	Ernie Fletcher
1968	E.G. Adams	Louie B. Nunn	2007**	Cordell G. Lawrence	Steven L. Beshear
1971	Lenvil R. Hall	Wendell H. Ford	2008	Charles A. Vice	Steven L. Beshear
1971	Perry R. Miller *	Wendell H. Ford	2015	Charles A. Vice	Matthew G. Bevin
1973	Howard T. Sallee	Wendell H. Ford	2021	Charles A. Vice	Andy Beshear
1975	John Williams Jr.	Julian M. Carroll	2022	JUSTIN M. BURSE*	ANDY BESHEAR
				*Acting ** Executive Director	

DEPARTMENT OF FINANCIAL INSTITUTIONS

HISTORY

The **Banking Act of 1912** originally established Kentucky's Department of Banking. The act charged the department with enforcing laws relating to banks, trust companies, savings banks, and combined bank and trust companies doing business under Kentucky law. The first annual report listed six employees—a commissioner, a deputy, a clerk and three examiners. Initially, the department supervised 466 commercial banks, savings banks, independent trust companies, and title companies with total assets of \$110 million.

Kentucky's legislature mandated supervision of state-chartered savings (building) and loan associations in 1918

and added state-chartered credit unions in 1922. When the agency began to oversee the state's securities industry in mid-1932, it was renamed the Department of Banking and Securities.

Over the years, other regulatory responsibilities were added, including consumer and industrial loan companies in 1946, companies that sell money orders in 1966, mortgage loan companies and brokers in 1980 and check-cashing companies in 1992. As the agency's scope increased to include other types of financial institutions, the organizational structure and name changed as well, to the current Department of Financial Institutions (DFI).



"JESSE JAMES MURAL"
In lobby of Southern Deposit Bank — Russellville, Kentucky

"Jesse James Mural", in lobby of Southern Deposit Bank. (Printed version reads: "Mural depicting 1868 robbery of Southern Bank of Kentucky, said to be the first bank robbed by Jesse James' gang. This institution, now Southern Deposit Bank, has been in continuous operation since 1839. The original building, scene of the robbery, still stands at Sixth and Main Street, in Russellville, Kentucky. Painted by Burnard Wiley, 1033 Berwick Trail, Madison, Tenn.") (creator unknown), retrieved from <https://exploreuk.uky.edu>

DEPARTMENT OF FINANCIAL INSTITUTIONS

MISSION, VISION & VALUES

Mission

The Department of Financial Institutions' mission is to serve Kentucky residents by promoting access to a stable financial industry, implementing effective and efficient regulatory oversight, enforcing consumer protections, encouraging economic opportunities and encouraging sound financial decisions through financial empowerment programs.

Vision

DFI will lead in developing and advancing effective financial services regulation in Kentucky. It will respond to emerging industry trends and issues, and it will implement appropriate regulatory strategies. DFI will strive to educate members of the public on making sound financial decisions to protect their financial interests.

Values

- **Effective and Efficient Operations** – We will wisely use the resources entrusted to us by the Commonwealth.
- **Responsibility** – We accept the serious nature of the duties entrusted to us, and we are willing to be held accountable for the actions we choose.
- **Professionalism** – We will provide quality services, which will be achieved through excellence, accountability, innovation and a highly skilled workforce.
- **Integrity** – We will act honestly, fairly and impartially.
- **Teamwork** – We will achieve organizational goals through open, responsive communication and cooperation with co-workers, other state government agencies and federal regulatory authorities.
- **Respect** – We will be sensitive to the viewpoints and efforts of others, and we will strive to meet the needs of all of our stakeholders.
- **Initiative** – We will identify potential issues that may impact the financial services industry, formulate appropriate solutions and proactively respond to change.
- **Innovation** – We will encourage industry innovation relating to customer service and consumer protection, and use technology to provide effective supervision of the Kentucky financial services industry.

DEPARTMENT OF FINANCIAL INSTITUTIONS

FINANCIAL INSTITUTIONS BOARD

The Financial Institutions Board is a statutory body that serves in an advisory capacity to the Governor and the DFI Commissioner. The board includes representatives from all segments of Kentucky's financial industries and the public at large. The DFI Commissioner serves as chair. Kentucky Revised Statute 286.1-013 defines the board's duties.

CHAIR



Justin M. Burse
Acting Commissioner
Department of Financial
Institutions

CREDIT UNION INDUSTRY



James Thompson
Louisville, KY
Autotruck Financial
Credit Union
Term expires 10/26/2026

CONSUMER FINANCE INDUSTRY



Susan Guess
Paducah, KY
Paducah Bank
Term expires 10/26/2026

SECURITIES INDUSTRY



Dr. Jane Greer
London, KY
First National Bank of
Manchester
Term expires 10/10/2023



Jonathan D. King
Gilbertsville, KY
Edward Jones
Term expires 10/10/2024



John W. Ridley
Bowling Green, KY
The Ridley and Hull Group
Of Wells Fargo Advisors
Term expires 10/10/2024

DEPARTMENT OF FINANCIAL INSTITUTIONS

FINANCIAL INSTITUTIONS BOARD

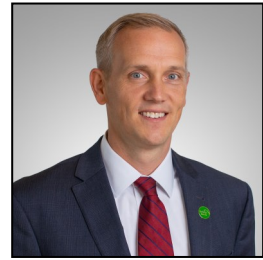
BANKING INDUSTRY



David Alexander Cook
Middlesboro, KY
Hearthside Bank
Term expires 10/10/2023

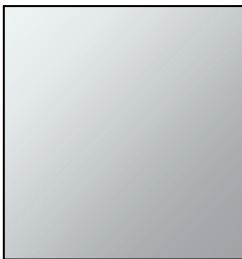


Terry Lyle Spears
Pikeville, KY
Community Trust Bank
Term expires 10/10/2024



Jason Edward Stuecker
Louisville, KY
Forcht Bank
Term expires 10/10/2023

PUBLIC AT LARGE



Derek Miles
Louisville, KY
Turner, Keal & Button,
PLLC
Term expires 10/10/2025



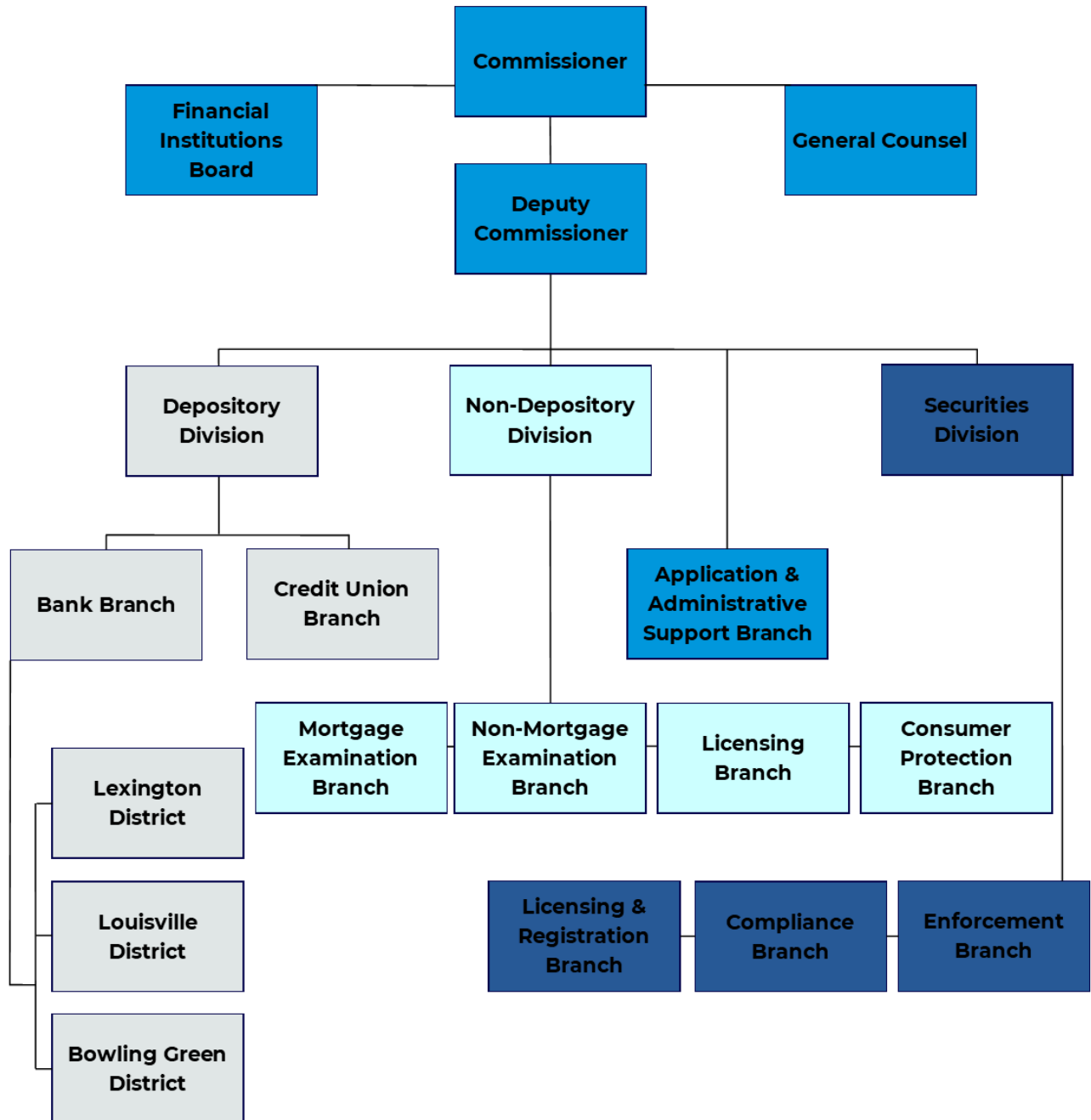
Peggy Williams
Greenville, KY
Retired, Old National Bank
Term expires 10/10/2024



Michael Douglas Wilson
Irvine, KY
Citizens Guaranty Bank
Term expires 10/10/2025

DEPARTMENT OF FINANCIAL INSTITUTIONS

ORGANIZATIONAL STRUCTURE



DEPARTMENT OF FINANCIAL INSTITUTIONS

PUBLIC OUTREACH PROGRAMS

As in years past, DFI partnered with KY Jump\$tart to promote Kentucky Saves Week on February 21-25, 2022, and Financial Literacy Month in April 2022. A series of recorded messages from prominent leaders, including Governor Andy Beshear and State Treasurer Allison Ball, were released to encourage Kentuckians of all ages to expand their financial horizons.

As part of Kentucky Saves Week, the UK Cooperative Extension Service recognized it's annual Piggy Bank Design Contest winners. The winning piggy banks were displayed in the Capitol rotunda, photos below.



DEPARTMENT OF FINANCIAL INSTITUTIONS

APPLICATION & ADMINISTRATIVE SUPPORT BRANCH

The Application and Administrative Support Branch provides the tools necessary for the department to meet its mission. This includes recruiting new staff and retaining qualified employees to provide appropriate supervision of the financial services industry and consumer protections.

Employees in the Application and Administrative Support Branch provide application development and administrative support to the department in the following areas:

- Personnel.
- Facilities management (Frankfort office and district offices).
- Fiscal management.
- Operations and quality control.
- Safety officer.
- Budgeting.
- Revenue and expenditure analysis.



The DFI office is located at:

Mayo-Underwood Building
500 Mero Street, 2SW19
Frankfort, KY 40601

Business hours are 8 a.m.
to 5 p.m. Eastern Standard
Time

Consumers and industry representatives who want to speak with a member of the agency's staff may call or email with their questions and concerns. Information for consumers, regulated industries and the public is available online at **KFI.ky.gov**.



(800) 223-2579



KFI@ky.gov

DIVISION OF DEPOSITORY INSTITUTIONS

Supervised in 2022

- **101 state-chartered banks,**
with assets from **\$25 million** to **\$7.4 billion**
- **18 state-chartered credit unions,**
with assets from **\$13.9 million** to **\$2 billion**
- **4 state-chartered non-depository trust companies,**
with discretionary assets under management of **\$882 million** to **\$10.4 billion**

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF DEPOSITORY INSTITUTIONS

The DFI's Division of Depository Institutions consists of two branches: the Bank Branch and the Credit Union Branch. The Division has two branch managers and three district managers, who supervise examiners tasked with monitoring and assessing the safety and soundness of state-chartered banks, credit unions, and independent trust companies. The Division continues to employ a hybrid approach to examinations to leverage efficiencies while conducting thorough examinations. In 2022, division staff conducted 65 examinations and visitations of regulated institutions. The Division has also increased supervisory efforts in the areas of information technology and consumer compliance to ensure related risks are identified timely. Division staff remain committed to achieving the Department's mission of serving Kentucky residents by maintaining a stable financial industry.

110th Annual Banking Report

The Bank Branch supervised 101 Kentucky banks as of year-end 2022. Merger and acquisition activity resulted in the reduction of three Kentucky chartered banks throughout the year. Total assets held by state-chartered banks remained relatively stable from year-end 2021 and totaled \$65,274,590,000 at year-end 2022. Generally, the ratio of net loans and leases to total assets has increased and, on average, totals 66.26 percent compared to 59.97 percent at year-end 2021. Asset quality metrics remain favorable, and past due loans and leases declined from 0.50 percent of total loans and leases to 0.34 percent over the same timeframe. In general, state banks that have not yet implemented the Current Expected Credit Loss methodology are prepared to fully transition to the new accounting standard in 2023 to ensure continued sufficient levels of allowances for credit losses.

With the rising interest rate environment, Kentucky banks have experienced increases in asset yields as well as cost of funds. The increase in yields slightly outpaced the increase in cost of funds, resulting in an improvement to the average Net Interest Margin to 3.46 percent at year-end 2022. However, the average Return on Average Assets declined by seven basis points since year-end 2021 to 1.24 percent, as Kentucky banks generally experienced a decline in noninterest income. Noninterest income to average assets declined, on average, from 1.06 percent to 0.89 percent during that time. Secondary market mortgage activity significantly declined in 2022 as rates increased. Kentucky banks continue to prioritize capital protection and report higher capital ratios than surrounding states. The average Tier 1 Leverage Capital ratio increased since year-end 2021 to 10.73 percent.

DIVISION OF DEPOSITORY INSTITUTIONS

STATE-CHARTERED BANKS

BANK PERFORMANCE COMPARISON (AS OF 12/31/2022)

STATE	NUMBER OF BANKS	RETURN ON AVERAGE ASSETS	NET INTEREST MARGIN	TIER 1 LEVERAGE CAPITAL
Kentucky	101	1.24%	3.46%	10.73%
Illinois	286	1.07%	2.29%	9.03%
Indiana	95	1.38%	3.35%	10.22%
Missouri	201	1.38%	3.33%	9.42%
Ohio	108	1.29%	3.56%	10.34%
Tennessee	131	1.25%	3.39%	10.05%
Virginia	48	1.24%	3.50%	10.73%
West Virginia	38	1.15%	3.53%	10.07%
National	3,733	1.16%	3.09%	9.41%

BANK CHANGES

DATE	CITY	BANK
1/1/2022	Shelbyville	Citizens United Bank merged into Great American Bank, Jasper, Indiana
1/11/2022	Frankfort	Bankers' Bank of Kentucky, Inc., changes its name to Independent Community Bankers' Bank, Inc.
3/7/2022	Louisville	Commonwealth Bank and Trust Company merged into Stock Yards Bank & Trust Company, Louisville, Kentucky
4/25/2022	Dixon	Dixon Bank merged into United Community Bank, Morganfield, Kentucky
6/9/2022	Sebree	Sebree Deposit Bank changed its name to Sonata Bank. The holding company, Sebree Bancorp, changed its name to Sonata Financial Holdings, Inc.
9/22/2022	Frankfort	Independent Community Bankers' Bank, Inc. changed its name to Independent Correspondent Bankers' Bank, Inc.

STATE-CHARTERED BANKS

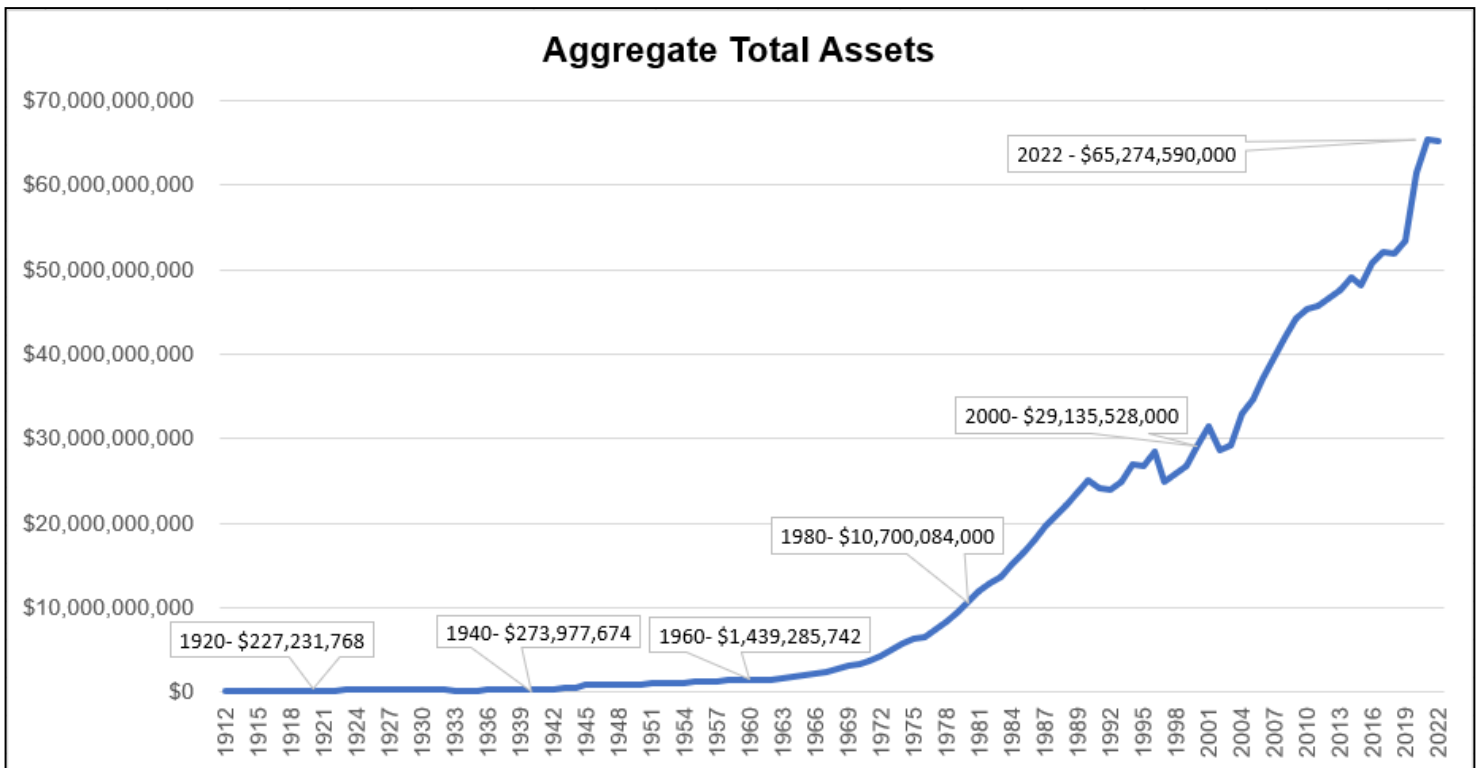
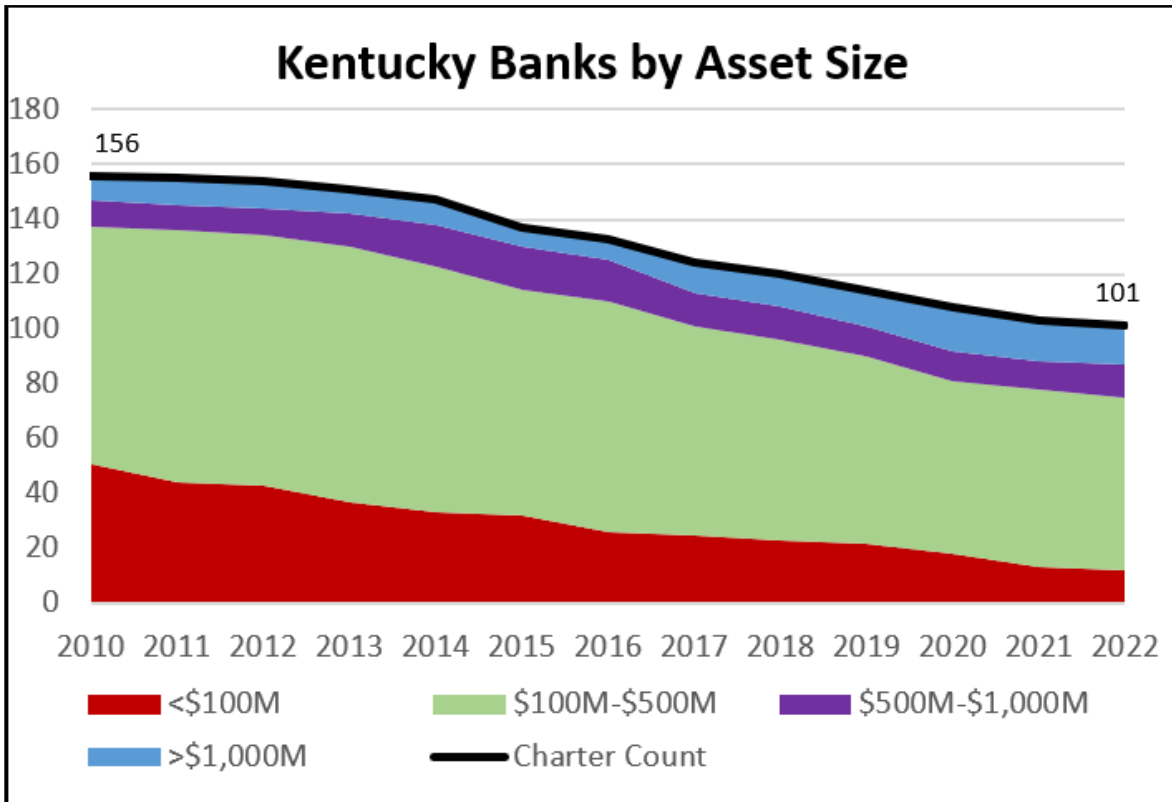
CONSOLIDATED CONDITION & INCOME DATA

KENTUCKY BANK RATIOS

	DEC. 31, 2022	DEC. 31, 2021
Number of Institutions Reporting	101	104
Total Employees (Full-Time Equivalent)	10,864	11,023
AGGREGATE CONDITION AND INCOME DATA (IN MILLIONS)		
Net Income (Year-to-Date)	\$800	\$824
Total Assets	\$65,275	\$65,452
Earning Assets	\$60,489	\$61,604
Total Loans and Leases	\$43,798	\$39,780
Other Real Estate Owned	\$21	\$42
Total Deposits	\$55,128	\$55,401
Equity Capital	\$6,124	\$7,078
PERFORMANCE RATIOS (YTD, %)		
Yield on Earning Assets	3.88%	3.69%
Cost of Funding Earning Assets	0.41%	0.31%
Net Interest Margin	3.46%	3.38%
Noninterest Income to Average Earning Assets	0.89%	1.13%
Noninterest Expense to Average Earning Assets	2.53%	2.8%
Net Charge-Offs to Loans and Leases	0.06%	0.09%
Credit-Loss Provision to Net Charge-Offs	290.92%	108.88%
Net Operating Income to Average Assets	1.24%	1.31%
Retained Earnings to Average Equity	6.44%	6.77%
Pre-Tax Return on Assets	1.49%	1.56%
Return on Assets	1.24%	1.31%
Return on Equity	12.76%	12.07%
Percent of Unprofitable Institutions	1.98%	2.88%
Percent of Institutions with Earning Gains	61.39%	79.81%
CONDITION RATIOS (%)		
Net Loans and Leases to Assets	66.24%	59.97%
Loss Allowance to:		
Loans and Leases	1.28%	1.33%
Noncurrent Loans and Leases	370.63%	267.65%
Noncurrent Loans and Leases to Total Loans & Leases	0.34%	0.5%
Nonperforming Assets to Assets	0.27%	0.37%
Core Deposits to Total Liabilities	87.26%	85.62%
Equity Capital to Total Assets	9.38%	10.81%
Core Capital (Leverage) Ratio	10.73%	10.48%
Total Capital to Risk-Weighted Assets		
Gross 1-4 Family Mortgages to Gross Assets	20.30%	18%
Gross Real Estate Assets to Gross Assets	60.69%	55.84%

STATE-CHARTERED BANKS

TOTAL ASSETS



STATE-CHARTERED BANKS

TOTAL ASSETS

KENTUCKY BANK ASSETS

INSTITUTION NAME	CITY	TOTAL ASSETS (IN MILLIONS)
CITIZENS DEPOSIT BANK OF ARLINGTON, INC.	Arlington	\$290,216
AUBURN BANKING COMPANY	Auburn	\$114,728
TOWN & COUNTRY BANK AND TRUST COMPANY	Bardstown	\$435,491
WILSON & MUIR BANK & TRUST COMPANY	Bardstown	\$706,771
BEDFORD LOAN & DEPOSIT BANK	Bedford	\$117,677
COMMUNITY FINANCIAL SERVICES BANK	Benton	\$1,401,542
FARMERS STATE BANK	Booneville	\$60,067
AMERICAN BANK & TRUST COMPANY, INC.	Bowling Green	\$661,211
MEADE COUNTY BANK	Brandenburg	\$343,097
THE FIRST NATIONAL BANK OF BROOKSVILLE	Brooksville	\$76,785
BANK OF EDMONSON COUNTY	Brownsville	\$271,364
BANK OF BUFFALO	Buffalo	\$90,141
CITIZENS BANK OF CUMBERLAND COUNTY, INC.	Burkesville	\$89,545
BANK OF CADIZ AND TRUST COMPANY	Cadiz	\$135,124
UNITED CITIZENS BANK & TRUST COMPANY	Campbellsburg	\$170,162
CITIZENS BANK & TRUST COMPANY	Campbellsville	\$300,783
TAYLOR COUNTY BANK	Campbellsville	\$216,007
FARMERS & TRADERS BANK OF CAMPTON	Campton	\$63,211
CARROLLTON FEDERAL BANK	Carrollton	\$38,670
FIRST NATIONAL BANK OF KENTUCKY	Carrollton	\$186,552
KENTUCKY FARMERS BANK CORPORATION	Catlettsburg	\$267,317
THE CECILIAN BANK	Cecilia	\$1,401,549
BANK OF CLARKSON	Clarkson	\$146,123
CLINTON BANK	Clinton	\$64,359
FIRST COMMUNITY BANK OF THE HEARTLAND, INC.	Clinton	\$404,673
BANK OF COLUMBIA	Columbia	\$177,083
UNITED CITIZENS BANK OF SOUTHERN KENTUCKY	Columbia	\$224,606
HOMETOWN BANK OF CORBIN, INC.	Corbin	\$275,269
CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION	Covington	\$39,204
THE FARMERS NATIONAL BANK OF DANVILLE	Danville	\$945,138
ELKTON BANK & TRUST COMPANY	Elkton	\$188,112
HERITAGE BANK, INC.	Erlanger	\$1,604,636
PEOPLES BANK OF KENTUCKY, INC.	Flemingsburg	\$434,445
FIRST FEDERAL SAVINGS BANK OF KENTUCKY	Frankfort	\$254,739
INDEPENDENT CORRESPONDENT BANKERS' BANK, INC.	Frankfort	\$146,469

STATE-CHARTERED BANKS

TOTAL ASSETS

KENTUCKY BANK ASSETS (CONTINUED)

INSTITUTION NAME	CITY	TOTAL ASSETS (IN MILLIONS)
FRANKLIN BANK & TRUST COMPANY	Franklin	\$725,763
FREDONIA VALLEY BANK	Fredonia	\$97,831
EDMONTON STATE BANK	Glasgow	\$740,741
SOUTH CENTRAL BANK, INC.	Glasgow	\$1,734,843
THE COMMERCIAL BANK OF GRAYSON	Grayson	\$212,590
THE FIRST NATIONAL BANK OF GRAYSON	Grayson	\$329,165
COMMONWEALTH COMMUNITY BANK, INC.	Hartford	\$146,429
1ST TRUST BANK, INC.	Hazard	\$247,777
FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION	Hazard	\$81,201
PEOPLES BANK & TRUST COMPANY OF HAZARD	Hazard	\$291,931
FIELD & MAIN BANK	Henderson	\$592,640
THE CITIZENS BANK	Hickman	\$187,608
BANK OF HINDMAN	Hindman	\$262,901
THE LINCOLN NATIONAL BANK OF HODGENVILLE	Hodgenville	\$395,993
PLANTERS BANK, INC.	Hopkinsville	\$1,587,159
UNITED SOUTHERN BANK	Hopkinsville	\$296,662
HYDEN CITIZENS BANK	Hyden	\$144,446
FIRST STATE BANK	Irvington	\$270,499
CITIZENS BANK & TRUST CO. OF JACKSON	Jackson	\$183,611
BANK OF JAMESTOWN	Jamestown	\$235,389
FIRST SOUTHERN NATIONAL BANK	Lancaster	\$1,166,483
CENTURY BANK OF KENTUCKY, INC.	Lawrenceburg	\$174,862
PEOPLES BANK	Lebanon	\$125,303
THE CITIZENS NATIONAL BANK OF LEBANON	Lebanon	\$151,396
THE FARMERS NATIONAL BANK OF LEBANON	Lebanon	\$117,948
LEWISBURG BANKING COMPANY	Lewisburg	\$173,979
BANK OF LEXINGTON, INC.	Lexington	\$309,468
BANK OF THE BLUEGRASS AND TRUST COMPANY	Lexington	\$330,099
CENTRAL BANK & TRUST COMPANY	Lexington	\$3,821,266
FORCHT BANK, NATIONAL ASSOCIATION	Lexington	\$1,501,392
WHITAKER BANK	Lexington	\$2,018,525
THE CASEY COUNTY BANK, INC.	Liberty	\$343,305
CUMBERLAND VALLEY NATIONAL BANK & TRUST COMPANY	London	\$698,088
ECLIPSE BANK, INC.	Louisville	\$412,577
LIMESTONE BANK, INC.	Louisville	\$1,453,555

STATE-CHARTERED BANKS

TOTAL ASSETS

KENTUCKY BANK ASSETS (CONTINUED)

INSTITUTION NAME	CITY	TOTAL ASSETS (IN MILLIONS)
REPUBLIC BANK & TRUST COMPANY	Louisville	\$5,824,543
RIVER CITY BANK, INC.	Louisville	\$411,957
STOCK YARDS BANK & TRUST COMPANY	Louisville	\$7,488,838
HOME SAVINGS BANK, FSB	Ludlow	\$25,674
FIRST UNITED BANK AND TRUST COMPANY	Madisonville	\$514,809
MAGNOLIA BANK, INCORPORATED	Magnolia	\$449,030
THE FIRST NATIONAL BANK OF MANCHESTER	Manchester	\$191,454
FARMERS BANK AND TRUST COMPANY	Marion	\$605,740
THE PEOPLES BANK	Marion	\$123,414
FIRST KENTUCKY BANK, INC.	Mayfield	\$565,435
FNB BANK, INC.	Mayfield	\$657,695
BANK OF MAYSVILLE	Maysville	\$156,842
SECURITY BANK AND TRUST CO.	Maysville	\$67,386
JACKSON COUNTY BANK	Mc Kee	\$164,445
FIRST STATE BANK OF THE SOUTHEAST, INC	Middlesboro	\$398,189
HEARTHSIDE BANK CORPORATION	Middlesboro	\$496,449
THE FARMERS BANK OF MILTON	Milton	\$295,752
THE MONTICELLO BANKING COMPANY	Monticello	\$1,156,139
FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION	Morehead	\$35,412
THE CITIZENS BANK	Morehead	\$183,728
UNITED COMMUNITY BANK OF WEST KENTUCKY, INC.	Morganfield	\$463,397
MORGANTOWN BANK & TRUST COMPANY, INCORPORATED	Morgantown	\$277,592
TRADITIONAL BANK, INC.	Mount Sterling	\$2,145,608
CITIZENS BANK	Mount Vernon	\$195,676
THE PEOPLES BANK	Mount Washington	\$110,930
HART COUNTY BANK AND TRUST COMPANY	Munfordville	\$31,690
THE MURRAY BANK	Murray	\$433,272
THE FARMERS BANK	Nicholasville	\$230,631
INDEPENDENCE BANK OF KENTUCKY	Owensboro	\$3,469,556
OWINGSVILLE BANKING COMPANY	Owingsville	\$82,442
THE PADUCAH BANK AND TRUST COMPANY	Paducah	\$891,968
CITIZENS BANK OF KENTUCKY, INC.	Paintsville	\$696,971
BLUE GRASS FEDERAL SAVINGS AND LOAN ASSOCIATION	Paris	\$45,930
COMMUNITY TRUST BANK, INC.	Pikeville	\$5,351,295
FARMERS BANK AND TRUST COMPANY	Princeton	\$191,398

STATE-CHARTERED BANKS

TOTAL ASSETS

KENTUCKY BANK ASSETS (CONTINUED)

INSTITUTION NAME	CITY	TOTAL ASSETS (IN MILLIONS)
WEST POINT BANK	Radcliff	\$396,988
CITIZENS GUARANTY BANK	Richmond	\$280,725
FIRST & PEOPLES BANK AND TRUST COMPANY	Russell	\$252,776
THE FIRST NATIONAL BANK OF RUSSELL SPRINGS	Russell Springs	\$313,858
THE SACRAMENTO DEPOSIT BANK	Sacramento	\$131,355
THE SALYERSVILLE NATIONAL BANK	Salyersville	\$137,793
SONATA BANK	Sebree	\$40,265
CUMBERLAND SECURITY BANK, INC.	Somerset	\$299,994
FIRST & FARMERS NATIONAL BANK, INC.	Somerset	\$624,296
THE CITIZENS NATIONAL BANK OF SOMERSET	Somerset	\$610,873
SPRINGFIELD STATE BANK	Springfield	\$386,869
PBK BANK, INC.	Stanford	\$149,804
THE PEOPLES BANK	Taylorsville	\$140,087
PINNACLE BANK, INC.	Vanceburg	\$54,524
CITIZENS COMMERCE BANK	Versailles	\$336,115
BANK OF THE MOUNTAINS, INC.	West Liberty	\$90,986
COMMERCIAL BANK	West Liberty	\$191,649
UNITED CUMBERLAND BANK	Whitley City	\$375,602
PEOPLES EXCHANGE BANK	Winchester	\$523,769
	TOTAL	\$73,675,906

STATE-CHARTERED BANKS

TRUST ASSETS

TRUST ASSETS IN KENTUCKY BANKS

INSTITUTION NAME	CITY	TOTAL ASSETS (IN MILLIONS)
TOWN & COUNTRY BANK AND TRUST COMPANY	Bardstown	\$261,066
WILSON & MUIR BANK & TRUST COMPANY	Bardstown	\$234
BANK OF CADIZ AND TRUST COMPANY	Cadiz	\$6,335
KENTUCKY FARMERS BANK CORPORATION	Catlettsburg	\$186,362
CLINTON BANK	Clinton	\$1,857
ELKTON BANK & TRUST COMPANY	Elkton	\$10,171
PEOPLES BANK OF KENTUCKY, INC.	Flemingsburg	\$5,280
FRANKLIN BANK & TRUST COMPANY	Franklin	\$295,269
COMMONWEALTH COMMUNITY BANK, INC.	Hartford	\$15,568
PEOPLES BANK & TRUST COMPANY OF HAZARD	Hazard	\$4,051
FIELD & MAIN BANK	Henderson	\$494,906
THE CITIZENS BANK	Hickman	\$10,507
PLANTERS BANK, INC.	Hopkinsville	\$264,138
CITIZENS BANK & TRUST CO. OF JACKSON	Jackson	\$13,793
BANK OF THE BLUEGRASS AND TRUST COMPANY	Lexington	\$342,397
CENTRAL BANK & TRUST COMPANY	Lexington	\$1,744,427
WHITAKER BANK	Lexington	\$645,510
STOCK YARDS BANK & TRUST COMPANY	Louisville	\$6,328,490
FIRST UNITED BANK AND TRUST COMPANY	Madisonville	\$45,413
BANK OF MAYSVILLE	Maysville	\$28,004
UNITED COMMUNITY BANK OF WEST KENTUCKY, INC.	Morganfield	\$10,069
MORGANTOWN BANK & TRUST COMPANY, INCORPORATED	Morgantown	\$4,339
HART COUNTY BANK AND TRUST COMPANY	Munfordville	\$2,030
INDEPENDENCE BANK OF KENTUCKY	Owensboro	\$898,440
THE PADUCAH BANK AND TRUST COMPANY	Paducah	\$362,088
COMMUNITY TRUST BANK, INC.	Pikeville	\$701
FARMERS BANK AND TRUST COMPANY	Princeton	\$15,995
FIRST & PEOPLES BANK AND TRUST COMPANY	Russell	\$37,959
CUMBERLAND SECURITY BANK, INC.	Somerset	\$26,770
	TOTAL	\$12,062,169

STATE-CHARTERED TRUSTS

INDEPENDENT TRUST COMPANIES

INSTITUTION NAME	CITY	DISCRETIONARY TRUST ASSETS UNDER MANAGEMENT (IN MILLIONS)
Community Trust & Investment Company	Lexington	\$3,176,169
First Kentucky Trust	Louisville	\$882,349
Glenview Trust Company	Louisville	\$10,405,422
Baird Trust Company	Louisville	\$9,635,820
	TOTAL	\$24,099,760

DIVISION OF DEPOSITORY INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

87th Annual Credit Union Report

The Credit Union Branch supervised 18 credit unions with aggregate assets in excess of \$4.8 billion as of year-end 2022. While supervised credit unions declined by one charter during 2022, aggregate assets increased by \$268 million from year-end 2021, as all loan categories increased. However, loans were primarily funded through increases in borrowings, share certificates, and nonmember deposits, as these accounts increased, on average, by 375 percent, 15 percent, and 1,362 percent, respectively. While used vehicle loans experienced the largest dollar increase, non-federally guaranteed student loans and

commercial loans/lines of credit not secured by real estate increased by 55 percent and 121 percent, respectively.

Earnings performance declined from year-end 2021 but remains satisfactory. The Return on Average Assets and Net Interest Margin at year-end 2022 were 0.64 percent and 2.79 percent on average, respectively. Net worth remained strong at 11.46 percent of total assets as of year-end 2022. Loan delinquency and charge-off levels increased by 54.7 percent and 37.2 percent, respectively, as members are beginning to experience the financial strains of inflation.

CREDIT UNION PERFORMANCE COMPARISON (AS OF 12/31/2022)

STATE	NUMBER OF STATE-CHARTERED CREDIT UNIONS	RETURN ON AVERAGE ASSETS	NET INTEREST MARGIN	NET WORTH TO TOTAL ASSETS
Kentucky	18	0.64%	2.79%	11.46%
Illinois	148	0.86%	2.76%	9.80%
Indiana	24	0.96%	2.83%	10.34%
Missouri	90	0.60%	2.78%	9.62%
Ohio	59	0.92%	2.84%	10.70%
Tennessee	74	1.34%	2.94%	12.10%
Virginia	23	0.81%	2.93%	10.38%
West Virginia	3	0.84%	2.73%	14.91%
National	1,780	0.88%	2.76%	10.53%

STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED CONDITION & INCOME DATA

CONDITION, INCOME & PERFORMANCE DATA

	DEC. 31, 2022	DEC. 31, 2021
Number of Institutions Reporting	18	19
AGGREGATE CONDITION AND INCOME DATA (IN THOUSANDS)		
Loans	\$3,270,523	\$2,824,673
Assets	\$4,808,229	\$4,539,923
Liabilities	\$193,795	\$73,923
Shares and Deposits	\$4,135,950	\$3,964,393
Equity	\$478,484	\$501,607
Net Income	\$29,901	\$35,910
PERFORMANCE RATIOS AND AVERAGES		
<i>Capital Adequacy</i>		
Net Worth/Total Assets	11.46%	11.47%
Total Delinquent Loans/Net Worth	2.45%	1.68%
Solvency Evaluation (Estimated)	111.57%	112.65%
Classified Assets (Estimated)/Net Worth	3.72%	3.75%
<i>Asset Quality</i>		
Delinquent Loans/Total Loans	0.41%	0.31%
Net Charge-Offs/Average Loans	0.23%	0.16%
Held-to-Maturity Investment Fair Value/Book Value	91.68%	100.09%
Accumulated Unrealized Gain/Loss on Available-for-Sale Investments/Cost of Available-for-Sale Investments	-10.53%	-0.57%
Delinquent Loans/Assets	0.28%	0.19%
<i>Earnings</i>		
Return On Average Assets	0.64%	0.73%
Gross Income/Average Assets	4.70%	4.01%
Yield on Average Loans	4.42%	3.96%
Yield on Average Investments	1.52%	0.86%
Fee and Other Operating Income/Average Assets	1.37%	1.24%
Cost of Funds/Average Assets	0.53%	0.43%
Net Margin/Average Assets	4.16%	3.59%
Operating Expense/Average Assets	3.25%	2.88%
Provision For Loan and Lease Losses/Average Assets	0.17%	0.09%
Net Interest Margin/Average Assets	2.79%	2.34%
Operating Expense/Gross Income	69.13%	71.66%
Fixed Assets & Foreclosed & Repossessed Assets/Total Assets	2.42%	2.31%
Net Operating Expense/Average Assets	2.61%	2.29%

STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED CONDITION & INCOME DATA

CONDITION, INCOME & PERFORMANCE DATA (CONTINUED)

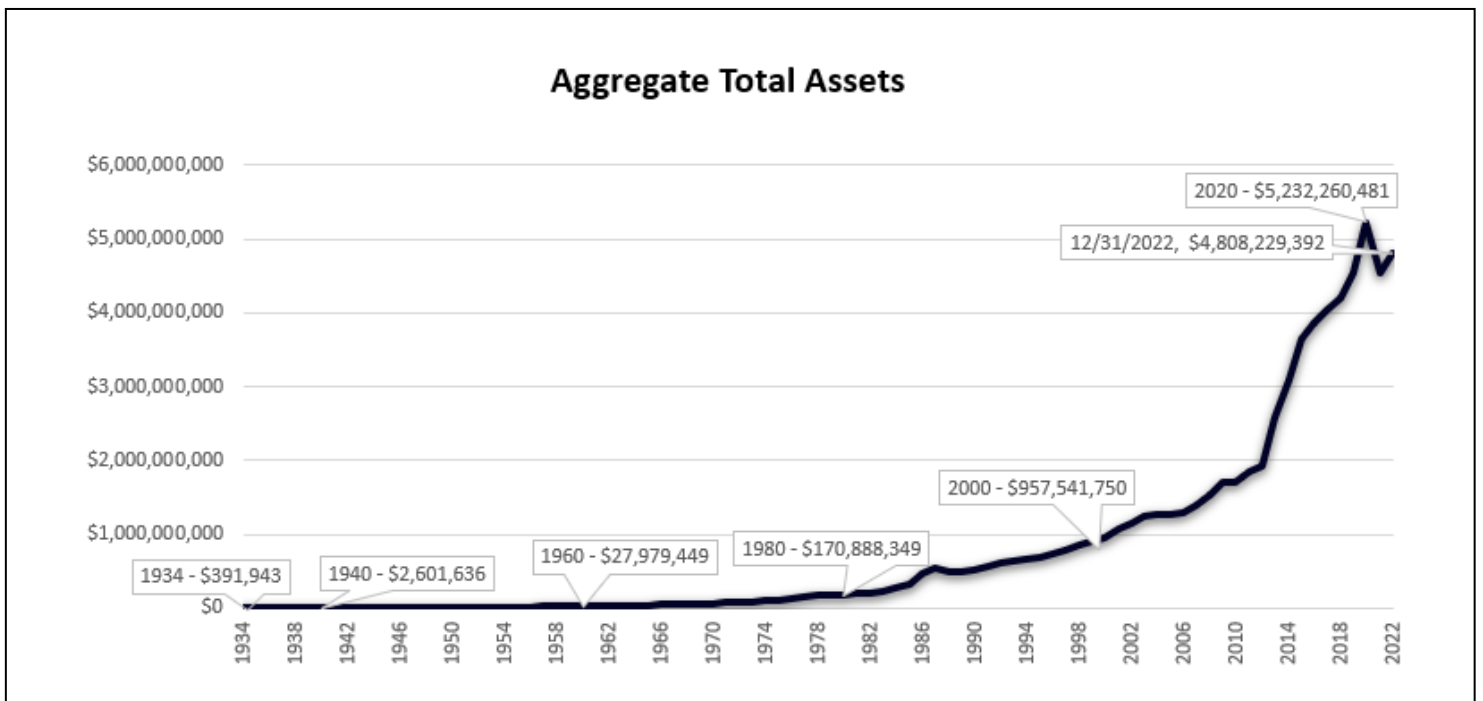
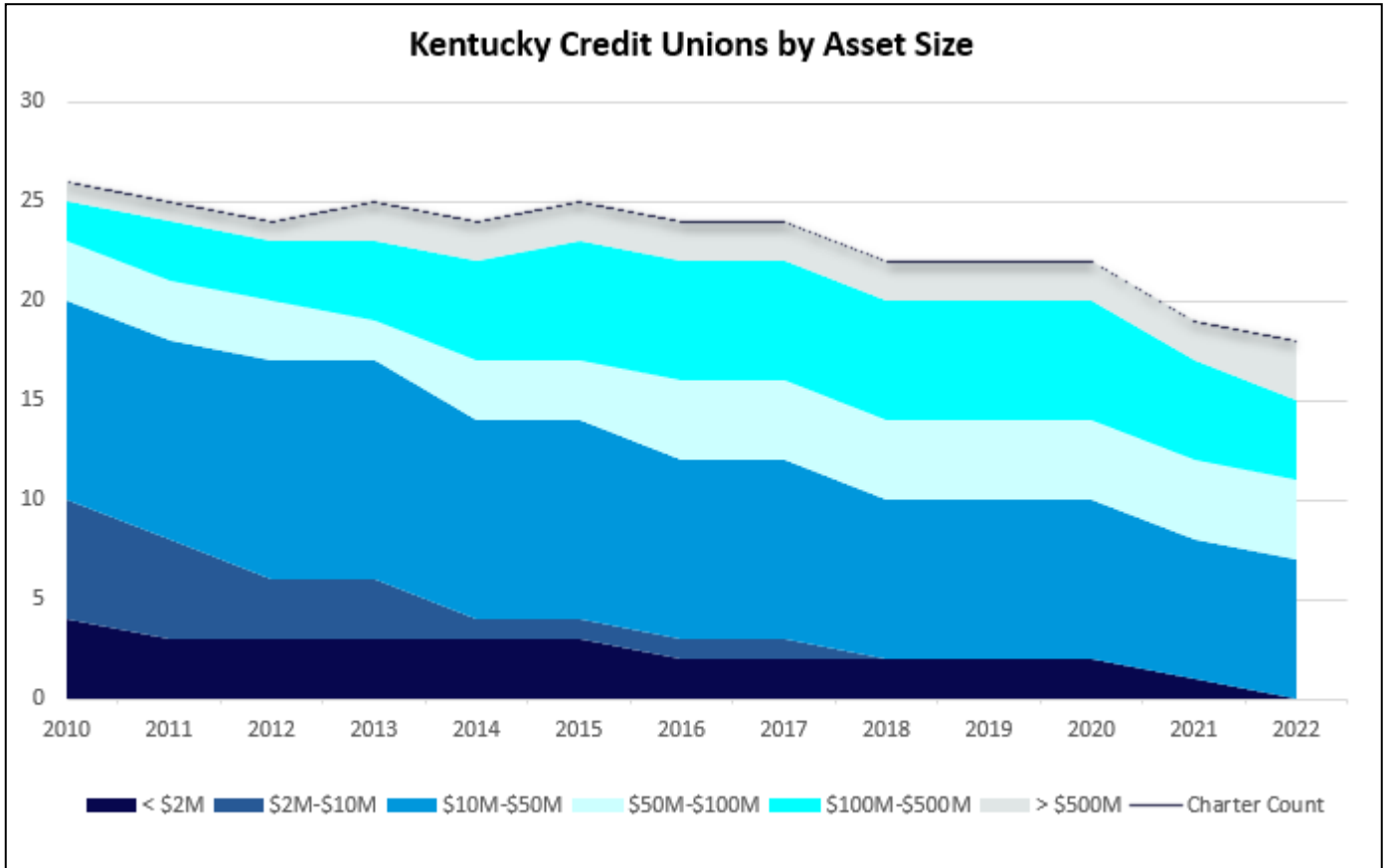
	DEC. 31, 2022	DEC. 31, 2021
Asset/Liability Management		
Net Long-Term Assets/Total Assets	32.46%	32.11%
Regular Shares/Total Shares and Borrowings	47.95%	51.70%
Total Loans/Total Shares	79.08%	71.25%
Total Loans/Total Assets	68.02%	62.22%
Cash + Short-Term Investments/Assets	12.79%	19.14%
Total Shares, Deposits and Borrowings/Earning Assets	94.46%	93.51%
Reg Shares + Share Drafts/Total Shares and Borrowings	59.25%	63.73%
Borrowings/Total Shares and Net Worth	2.64%	0.58%
Productivity		
Members/Potential Members	2.49%	2.47%
Borrowers/Members	57.37%	54.71%
Members/Full-Time Employees	419%	426.39%
Average Shares Per Member	\$11,179	\$11,042
Average Loan Balance	\$15,407	\$14,381
Salary and Benefits/Full-Time Employees	\$84,339	\$82,204
Growth Ratios		
Net Worth Growth	5.78%	-12.25%
Market (Share) Growth	4.33%	-12.99%
Loan Growth	15.78%	-16.61%
Asset Growth	5.91%	-13.23%
Investment Growth	-14.13%	-1.70%
Membership Growth	3.05%	-19.02%

CREDIT UNION CHANGES

DATE	CITY	BANK
11/30/2022	Whitesburg	Letcher County Teachers Credit Union merged into Members Choice Credit Union.

STATE-CHARTERED CREDIT UNIONS

TOTAL ASSETS



STATE-CHARTERED CREDIT UNIONS

TOTAL ASSETS

KENTUCKY CREDIT UNION ASSETS

CREDIT UNION NAME	YEAR ESTABLISHED	CITY	TOTAL ASSETS (IN THOUSANDS)
Ashland	1942	Ashland	\$351,968.15
Autotruck Financial	1965	Louisville	\$196,506.37
Beacon Community	1947	Louisville	\$77,056.07
Brown-Forman Employees	1936	Louisville	\$13,950.19
Commonwealth	1951	Frankfort	\$2,031,410.43
Expree	1938	Frankfort	\$95,581.59
Greater Kentucky	1953	Lexington	\$95,065.79
KEMBA Louisville	1934	Louisville	\$61,617.66
Lexington Postal Community	1928	Lexington	\$28,366.95
Louisville Federal	1924	Louisville	\$34,231.94
Louisville Gas and Electric Co.	1934	Louisville	\$44,453.65
Members Choice	1932	Ashland	\$358,992.35
Members Heritage	1960	Lexington	\$509,066.10
Metro Employees	1940	Lexington	\$45,153.50
Rural Cooperatives	1964	Louisville	\$38,825.27
Service One	1963	Bowling Green	\$282,394.55
Transcend	1960	Louisville	\$510,121.05
Whitesville Community	1962	Whitesville	\$36,467.80
		TOTAL	\$4,808,229.39

DIVISION OF

NON-DEPOSITORY INSTITUTIONS

Supervised in 2022

- **9,148** Mortgage Loan Originators
- **2,177** Mortgage Companies/Mortgage Brokers*
- **320** Check Cashers/Deferred Deposit Companies
- **4** Limited Check Cashers
- **361** Consumer Loan Companies
- **0** Industrial Loan Companies
- **149** Money Transmitters

*Includes companies and branches

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF NON-DEPOSITORY INSTITUTIONS

DFI's Division of Non-Depository Institutions consists of four branches: Licensing, Consumer Protection, Mortgage Examination and Non-Mortgage Examination. The division has four branch managers, who supervise examiners, investigators and licensing staff.

The Division of Non-Depository Institutions is committed to maintaining a well-trained staff. DFI monitors the continual evolution of products, services and changes in laws. The division also provides educational materials and outreach to protect consumers from financial fraud.

10th Annual Non-Depository Licensing Report

The Licensing Branch is responsible for licensing non-bank financial institutions, including mortgage loan companies, mortgage brokers, consumer loan companies, industrial loan companies, check cashers, deferred deposit companies, and money transmitters. Legislation was passed during 2022 giving the Division authority to license student education loan servicers beginning in 2023. The Licensing Branch also registers mortgage loan originators. In 2017, DFI licensed its first limited check casher pursuant to a new tier of license permitted by modifications to 808 KAR 9:050.

NUMBER OF LICENSES		
License Type	Dec. 31, 2022	Dec. 31, 2021
Mortgage Companies*	1,927	2,223
Mortgage Brokers*	250	280
Check Cashers/Deferred Deposit Companies	320	325
Limited Check Cashers	4	4
Consumer Loan Companies	361	375
Industrial Loan Companies	0	0
Money Transmitters	149	160
Total	3,011	3,367
NUMBER OF REGISTRATIONS		
Registration Type		
Mortgage Loan Originators	9,148	12,068
Total	9,148	12,068

* Includes companies and branches

DIVISION OF NON-DEPOSITORY INSTITUTIONS

EXAMINATION BRANCHES

10th Annual Mortgage Examination Report

The Mortgage Examination Branch is responsible for the examination and oversight of state-licensed mortgage loan companies, mortgage loan brokers, and mortgage loan originators. Examinations of student education loan servicing activity will begin in 2023. Staff members conduct independent compliance examinations as well as multistate examinations of companies licensed in the Commonwealth to ensure they conduct business in accordance with applicable state and federal laws. While each branch is licensed individually, the examiners review the mortgage company or broker and all its branches at the same time for greater coverage with fewer examinations.

Examination Type	NUMBER OF EXAMS	
	Dec. 31, 2022	Dec. 31, 2021
Mortgage Companies	88	86
Mortgage Brokers	35	38
Total	123	124

10th Annual Non-Mortgage Examination Report

DFI's Non-Mortgage Examination Branch examines consumer loan companies, industrial loan companies, check cashing/deferred deposit companies and money transmitters. The branch examines licensees annually or as otherwise required to ensure they are following the relevant state statutes. We currently do not have any industrial loan companies licensed in Kentucky.

Examination Type	NUMBER OF EXAMS	
	Dec. 31, 2022	Dec. 31, 2021
Check Cashers/Deferred Deposit Cos.	264	251
Limited Check Cashers	4	0
Consumer Loan Companies	231	212
Industrial Loan Companies	0	0
Money Transmitters	17	26
Money Transmitters in lieu	7	3
Total	523	492

DIVISION OF NON-DEPOSITORY INSTITUTIONS

CONSUMER LOAN COMPANIES

CONSOLIDATED REPORT OF CONDITION

	DEC. 31, 2022	DEC. 31, 2021
Number of Licensed Consumer Loan Companies	361	367
Kentucky Consumer Loans Secured by Residential Real Estate > \$15,000	\$1,742,627,307	\$40,193,367
ASSETS		
Cash and Due from Depositor Institutions	\$3,334,894,827	\$3,064,965,390
Total KY Loans Receivable, Net of Unearned Interest and Reserves	\$1,030,804,904	\$932,187,069
Premises and Fixed Assets (Net of Depreciation)	\$371,951,322	\$344,763,146
Deferred Charges and Prepaid Expenses	\$1,136,785,057	\$734,645,430
Other Assets Used in Consumer Loan Business	\$6,827,096,018	\$4,617,014,725
Total Assets Used in Consumer Loan Business	\$12,701,532,128	\$9,693,575,760
LIABILITIES & CAPITAL		
Total Liabilities (Total liabilities minus all other assets)	\$230,812,393	\$(4,909,724,719)
Total Capital	\$12,470,719,735	\$9,673,022,740
Total Liabilities & Capital	\$12,701,532,128	\$4,763,298,021

DIVISION OF NON-DEPOSITORY INSTITUTIONS

CONSUMER PROTECTION BRANCH

14th Annual Consumer Protection Report

The Consumer Protection Branch investigates complaints and suspicious activity related to non-depository institutions. The investigators identify, examine and recommend actions against those companies and individuals who exhibit unethical behavior, perpetrate financial crimes against Kentucky citizens, or otherwise violate state law. Complaints against unlicensed lenders and others not regulated by DFI are a large portion of the complaints received by the Consumer Protection Branch. In addition, the Consumer Protection Branch is responsible for enhancing public protection and consumer education through outreach programs.

NUMBER OF COMPLAINTS		
Non-Depository License Type	Dec. 31, 2022	Dec. 31, 2021
Mortgage Companies/Brokers	35	14
Check Cashers/Deferred Deposit Companies (licensed)	9	8
Consumer Loan Companies	5	9
Industrial Loan Companies	0	0
Money Transmitters	10	13
Total	59	44
Unlicensed Lenders/Other		
Internet Payday/Installment Lenders	12	
Other Complaints	7	2
Total	19	2

Note: Unlicensed internet and installment complaints were not tracked.

DIVISION OF SECURITIES

Registered at Year-End 2022:

- **1,425** broker-dealer firms
- **163** state-registered investment adviser firms
- **166,999** securities professionals

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF SECURITIES

The Securities Division achieves balanced regulation through robust examination, enforcement and registration programs. The Compliance Branch continued oversight into increasingly-complex investment adviser and broker-dealer firms by conducting 52 examinations. Five administrative orders or agreements were entered based upon examination findings.

New broker-dealer registrations increased in 2022, raising the number of registered firms in the state. In comparison, the number of state-registered investment adviser firms decreased slightly compared to the previous year; however, total firm registrations remained about the same. Individual registrations increased dramatically from 2021 by almost ten percent, which continues the growth pattern of the last several years.

Likewise, investment activity continued to flourish in Kentucky, with over 6,500 company filings, including initial, renewal, notice filings and claims

of exemption. In 2022, the Registration Branch processed over 200,000 registrations, notice filings, renewals, and withdrawals of firms, financial professionals and securities.

Throughout the year, administrative and settlement actions resulted in over one million dollars in fines and contributions. The Enforcement Branch assisted with numerous criminal investigations, which resulted in 168 months of ordered imprisonment or probation. The branch continues to work jointly with other agencies and law enforcement authorities to ensure compliance with state and federal securities laws and regulations.

Securities Division staff is focused on investor education and protection. During 2022, employees from the division shared their expertise by participating as presenters in several virtual and in-person events to promote investor protection and education in securities.

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF SECURITIES

COMPLIANCE BRANCH REPORT

Examiners in the Compliance Branch perform examinations of broker - dealers and investment advisers, as well as their respective agents and representatives, to determine compliance with Kentucky securities laws. Examiners also assist DFI legal staff with administrative and civil actions the department may pursue against violators of the Securities Act.

COMPLIANCE BRANCH EXAMINATIONS	DEC. 31, 2022	DEC. 31, 2021
Broker-Dealer Examinations	2	2
Investment Advisory Examinations	50	55
Total Examinations	52	57
Orders/Agreements Entered as a Result of Examination	5	7

Licensing & Registration Branch

Employees in the Licensing and Registration Branch process applications for the registration of broker-dealers, investment advisers (IAs), IA representatives and agents. The registration staff ensures applications from firms and individuals meet Kentucky securities law requirements. Staff members also respond to inquiries from the public concerning investment adviser or broker registration status and disciplinary history.

BROKER-DEALERS HEADQUARTERED IN KENTUCKY

NAME	CITY
Alexander Investment Services Co.	Louisville
Churchill Financial LLC	Louisville
Dupree & Company Inc.	Lexington
EF Legacy	Louisville
First Kentucky Securities Corp.	Louisville
Nancy Barron and Associates Inc.	Lexington
Private Client Services LLC	Louisville

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY

PRIMARY BUSINESS NAME	MAIN CITY
Acuity Wealth Management Advisors	Lexington
Arnett Financial Group	Morganfield
Avant-Garde Wealth LLC	Bowling Green
Bahe Farnsley LLC	Louisville
Beacon Asset Management LLC	Owensboro
Best Investment Options LLC	Louisville
Blacksummit Financial Group Inc	Nicholasville
Blue Castle Wealth	Lexington
Bluegrass Financial Planning LLC	Louisville
Burl Investment Management LLC	Lexington
Canopus Wealth Management	Louisville
Capital Investment Management Inc	Leitchfield
Cashel Financial Advisors LLC	Louisville
Churchill Financial LLC	Louisville
Clark Financial Planning LLC	Louisville
Clear Trace LLC	Pewee Valley
Clearleaf	Louisville
Coats Financial Planning	Louisville
Context Financial LLC	Lexington
Corley Capital LLC	Brandenburg
Cox Planning Services PLLC	Paducah
Crane Investment Group	Lexington
Crimson Oak Wealth Management LLC	Lexington
Dean Dorton Wealth Management LLC	Lexington
Different By Design Financial Planning	Louisville
DMLO Wealth Planning LLC	Louisville
Doyle Asset Management LLC	Cadiz
E2 Financial Services LLC	Southgate
Entrypoint Wealth Management	Florence
Federal Hill Capital Management	Bardstown
Focus on Success LLC	Fort Mitchell
Foster Investment Services	Lexington
Fox & Company Wealth Management	Mayfield
G J Kohler Investment Advisors LLC	Prospect
Graeter Wealth Advisors LLC	Louisville
Greenwell Capital Management LLC	Owensboro
Griggs Capital LLC	Lexington

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (CONT.)

PRIMARY BUSINESS NAME	MAIN CITY
Hannegan Wealth Management LLC	Edgewood
High Knoll Wealth Advisors LLC	Lexington
Highland Capital Advisors LLC	Louisville
HPC Financial Services LLC	Louisville
Inspire Private Wealth Management	Louisville
Investment Answers	Louisville
Jesse Investment Advisors Inc	Louisville
Journey Financial Management LLC	Bowling Green
JS Financial LLC	Louisville
Keepsake Management Inc	Lexington
Key Financial Advisors LLC	Owensboro
KWMA	Florence
Lach Financial	Louisville
Lead Point Wealth Management LLC	Louisville
Leif Clarke Wealth Management Inc	Ashland
Lexington Wealth Management Inc	Lexington
Life Advisors Financial Planning and Wealth Management LLC	Munfordville
Lifetime Wealth Design LLC	Louisville
Lightpath Wealth & Tax Advisors	Prospect
Linker Capital Management Inc	Prospect
Mackhouse Capital	Louisville
Magnolia Wealth Management LLC	Bowling Green
Mann Capital Management LLC	Florence
MC Financial Services Inc	Louisville
Money Scientific LLC	Hebron
Moneylife Partners Inc	Louisville
Moneywise Inc	Lexington
Moon Lasso Asset Management LLC	Newport
New Millennium Asset Management Inc	Richmond
Page Financial Services LLC	Louisville
Palmer Capital Management Inc	Verona
Pivot Point Wealth Planning	Brandenburg
Plentiful Wealth LLC	Ashland
Poplar Ventures LLC	Louisville
Prevett Financial	Berea
Principled Wealth Advisors LLC	Covington
Proactive Advisors LLC	Lexington

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (CONT.)

PRIMARY BUSINESS NAME	MAIN CITY
Proactive Wealth Management	Lexington
Prosperity Asset Management LLC	Louisville
Q2 Wealth Management	Lexington
Regional Investment Advisors Inc	Louisville
Reliable Municipal Advisors LLC	Betsy Lane
Remington Wealth Management LLC	Louisville
Revolutionary Wealth Management Corp	Louisville
Richard S. Park RIA Limited Liability Company	Louisville
Rivercities Asset Management LLC	Owensboro
Riverstone Asset Management LLC	Louisville
Robert M. Walker & Associates	Taylorsville
Sapphire Fiduciary Advisors LLC	Louisville
Shepherd Wealth Management	Florence
Springhouse Financial LLC	Louisville
The Wright Legacy Group LLC	Elizabethtown
Thompson Investment Advisors	Louisville
TKM Financial Services LLC	Louisville
Townsend Financial Planning	Mt. Sterling
Trella Wealth	Bowling Green
Triple Crown Wealth Management	Lexington
Trophy Point Financial Planning LLC	Stamping Ground
Trust Alliance Wealth Partners LLC	Owensboro
Vermillion Private Wealth	Lexington
Vistafront Partners Inc	Frankfort
Warren Wealth Management & Tax Planning Inc	Louisville
Wealth Management of Kentucky Inc	Lexington
WH Wealth Management LLC	Berea
Your Best Move Inc	Bardstown

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

BROKER-DEALER REGISTRATIONS

	DEC. 31, 2022	DEC. 31, 2021
Renewed	1,402	1,377
Approved	85	74
Withdrawals (Form BDW)	62	46
Total Registered (Year-End)	1,425	1,405

BROKER-DEALER AGENT REGISTRATIONS

	DEC. 31, 2022	DEC. 31, 2021
Renewed	144,074	134,372
Approved	45,331	37,225
Terminated	28,873	26,506
Total Registered (Year-End)	160,532	145,091

ISSUER AGENT REGISTRATIONS

	DEC. 31, 2022	DEC. 31, 2021
Renewed	3	4
Approved	0	0
Terminated	1	1
Total Registered (Year-End)	2	3

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

STATE-REGISTERED INVESTMENT ADVISERS

	DEC. 31, 2022	DEC. 31, 2021
Renewed	167	171
Approved	17	18
Terminated	21	19
Total Registered (Year-End)	163	170

FEDERAL COVERED INVESTMENT ADVISERS

	DEC. 31, 2022	DEC. 31, 2021
Renewed	1,255	1,200
Total Effective Notice Filings (Year-End)*	1,338*	1,262*

INVESTMENT ADVISER REPRESENTATIVES

	DEC. 31, 2022	DEC. 31, 2021
Renewed	6,159*	6,062*
Total State and Federal IARs (Year-End)*	6,465*	6,420*

* The difference between the number of renewals and end-of-year totals is due to new, withdrawn, failed-to-renew, and terminated individuals and entities during the calendar year.

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

Corporation Finance

The Licensing and Registration Branch includes Corporation Finance staff who process applications for the registration or exemption from registration of securities to be offered and sold in Kentucky. The staff in this area also process notice filings by issuers of federally covered securities, such as mutual funds. In addition, the staff answers questions from the public about the requirements for selling securities in Kentucky.

	DEC. 31, 2022	DEC. 31, 2021
Private Placement Securities Offerings	47	33
NOTICE FILINGS		
Investment Companies—New	227	270
Investment Companies—Renewals	3,543	3,512
Unit Investment Trusts	935	1,013
Regulation D, Rule 506 Offerings	1,470	1,464
EXEMPTIONS		
Claims of Exemption Requested	54	53
Regulation A, Tier 2 Offerings	232	80
TOTAL FILINGS	6,508	6,425

DIVISION OF SECURITIES

ENFORCEMENT BRANCH

Enforcement Branch Report

The Enforcement Branch investigates allegations of securities fraud and related illegal conduct. Division investigators work closely with DFI legal staff to pursue administrative and civil actions against alleged violators of the Securities Act. In addition, division investigators routinely assist outside law enforcement agencies and collaborate with securities investigators from other states. The division refers cases to state and federal authorities for criminal prosecution.

	DEC. 31, 2022	DEC. 31, 2021
INVESTIGATIONS		
Referrals/Assistance to Outside Agencies	4	6
Referrals from Outside Agencies	19	33
Investigations Opened	28	29
Investigations Closed	27	19
Investigations Pending	46	45
ENFORCEMENT ACTIONS		
Administrative Orders	20	22
Civil Orders	0	0
Fines	\$1,005,896	\$187,750
Restitution to Clients/Investors Ordered	\$0	\$16,934,773
CRIMINAL ACTIONS		
Criminal Referrals	0	6
Criminal Indictments	0	6
Investigations with Federal/State Law	1	5

CRIMINAL SENTENCINGS IN 2022

Richard Maike was sentenced to 120 months in prison.

Doyce Barnes was sentenced to 48 months in prison.

DIVISION OF SECURITIES

ENFORCEMENT BRANCH

ENFORCEMENT ACTIONS

During 2022, the Department entered two emergency actions against virtual currency companies offering unregistered securities. Voyager Digital, Ltd. and Nexo, Inc. were issued emergency cease and desist orders for offering and soliciting unregistered securities to citizens of the Commonwealth of Kentucky. These entities offered high rates of return on risky, unregistered products that exhibited extreme price volatility. The accounts opened were not insured by any regulatory or government entity. The lack of oversight and level of risk resulted in an unregulated market that represented an unprecedented risk to consumers.

The Department also issued three emergency actions against companies offering unregistered NFTs and/or other digital assets. Sand Vegas Casino Club, Flamingo Casino Club, and Slotie NFT were issued emergency cease and desist orders for offering and soliciting unregistered securities to citizens of the Commonwealth of Kentucky. These multi-state actions are the first actions in this emerging and risky space.

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Department of Financial Institutions