



Commonwealth of Kentucky  
Public Protection Cabinet  
Department of Financial Institutions

Andy Beshear, Governor

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

FOR IMMEDIATE RELEASE

Contact: Laura Clewett  
Office: 502-782-9031  
Cell: 502-871-2995  
Laura.Clewett@ky.gov

**KENTUCKY FINANCIAL SERVICES INDUSTRY NAVIGATED  
TURBULENCE IN 2020**

***DEPARTMENT OF FINANCIAL INSTITUTIONS ISSUES ANNUAL REPORT***

**FRANKFORT, Ky. (July 21, 2021)** – The Kentucky Department of Financial Institutions (DFI) released its 2020 annual report today at <https://kfi.ky.gov/Documents/KDFI2020AnnualReportWeb.pdf>. The report summarizes the status of state-chartered banks, credit unions, trust companies, lenders and securities firms and professionals operating in Kentucky during calendar year 2020. 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.

“During 2020, the COVID-19 pandemic had a significant impact on the economy,” Commissioner Charles A. Vice said. “However, Kentucky’s financial services industry was able to navigate the uncertainties associated with the pandemic, while also providing essential financial services and assistance to Kentuckians.”

Banks, credit unions and other lenders delivered much-needed economic relief through the federal Paycheck Protection Program (PPP), with approximately 50,655 PPP loans totaling nearly \$5.3 billion approved in the commonwealth. In addition, financial institutions assisted customers through loan modifications, payment extensions, lower interest rates and reduced fees on services. The industry accomplished all of this while adjusting operations to

meet the requirements of Gov. Andy Beshear's executive orders and U.S. Centers for Disease Control and Prevention guidance.

"The department also made significant changes to our operations in 2020 to protect Kentuckians and save lives," Vice said. "We conducted required supervisory activities, such as periodic examinations, 100% off-site. This allowed us to meet all statutory requirements, keep our employees safe and healthy, and ensure that Kentucky's financial services industry remained safe and sound."

Highlights from the 2020 report include the following:

- DFI's Securities Division worked closely with local and federal prosecutors to address investor harm when identified, which resulted in \$1.4 million in fines and more than \$4 million ordered in restitution to harmed investors. Notable actions included a settlement agreement with JPMorgan Securities, which imposed a \$325,000 fine on the company.
- Investment activity continued to flourish in Kentucky, with almost 6,000 company filings, including initial filings, renewals, notice filings and claims of exemption.
- The banking industry continues to experience consolidation. The number of state-chartered banks decreased by 4.4%, from 114 in 2019 to 109 in 2020. The number of state charters has fallen by 33.3% since 2010, when Kentucky had 156 state-chartered banks. The number of state-chartered credit unions, 22, did not change in 2020.
- The banking and credit union industries reported strong asset growth in 2020, and liquidity, profitability and capital ratios remain strong.
- Assets held by Kentucky banks increased 15% last year, fueled largely by economic stimulus funds kept in insured deposit accounts. Individual banks' assets ranged from \$21.7 million to nearly \$6.2 billion. Collectively, Kentucky banks had almost \$61.4 billion in assets.
- Kentucky credit unions' assets grew by more than 15% last year, ranging from \$843,000 to nearly \$1.7 billion. Together, state-chartered credit unions held aggregate assets of more than \$5.2 billion at the year's end.

- The complexity of non-depository financial service providers registered or licensed in Kentucky continues to increase, as consumers seek financial services from multiple sources. In 2020, DFI's Non-Depository Division supervised:
  - 9,662 mortgage loan originators.
  - 1,820 mortgage companies and brokers.
  - 389 check cashers/deferred deposit companies.
  - 128 money transmitters.

###

*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 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.*