

TEAM KENTUCKY®

PUBLIC PROTECTION CABINET

Department of Financial Institutions

ANNUAL REPORT 2021

2021 ANNUAL REPORT

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SUPERVISING KENTUCKY'S FINANCIAL INDUSTRY FOR 109 YEARS.



Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions
500 Mero Street, 2SW19
Frankfort, KY 40601
Phone: (502) 573-3390
KFI@ky.gov

Ray A. Perry
SECRETARY

Charles Vice
COMMISSIONER

Dear Governor Beshear,

The Kentucky Department of Financial Institutions (Department) is pleased to present this year's Annual Report. During 2021, the Kentucky financial services industry effectively managed through the lingering economic impacts of the COVID-19 pandemic, and continues to deal with the devastating impact of the tornados that struck many communities in Western Kentucky in December. Despite these unprecedented events, the financial services industry handled these challenges, implemented innovative solutions, and continued to offer financial services and products to Kentucky residents and customers. During these times of financial difficulties and uncertainty, financial institutions quickly offered assistance to customers in the form of loan modifications, payment extensions, lower interest rates, and reduced fees on services.

Due to changes in technology, financial services companies implemented innovative ways to provide services to customers and to meet the financial needs of Kentucky residents. Financial services continue to be offered through diverse and innovative platforms, and an increasing number of financial transactions are performed electronically or through digital delivery channels. During 2021, the Department continuously sought to implement changes to permit its employees to operate more effectively and efficiently. This allowed the Department to meet all statutory requirements, to keep our employees safe and healthy, and to ensure that Kentucky's financial services industry remained safe and sound.



Commissioner Charles A. Vice

The banking industry continues to experience consolidation, and the number of banks declined from 109 in 2020 to 104 in 2021. The number of credit unions declined from 22 in 2020 to 19 at the end of 2021. Both the banking and credit union industries reported moderate asset growth during 2020, and strong ratios relating to liquidity, profitability, and capital. The complexity of non-depository financial service providers registered or licensed in Kentucky continues to increase as consumers seek financial services from multiple sources. The number of non-depository licenses increased 24% from 2,708 in 2020 to 3,367 in 2021. The Securities Division remains a leader in supervision, and

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 cryptocurrencies. As detailed in this report, the department took bold actions to protect Kentucky investors regarding unregistered securities activities.

The Department continues to effectively supervise a sound financial services industry in Kentucky that is resilient, well-managed, and able to provide customers with needed financial products and services, even during times of stress and uncertainty. The Department's employees continue to perform at a very high level and have successfully implemented effective and efficient regulatory oversight of the financial services industry during 2021.

Sincerely,



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMMISSIONERS 1912-2022

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		*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. (Printed verso 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 Bernard 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



Charles A. Vice
Commissioner
Department of Financial
Institutions

CREDIT UNION INDUSTRY



Karen Conyers Harbin
Frankfort, KY
Commonwealth
Credit Union
Term expires 10/10/2022

CONSUMER FINANCE INDUSTRY



David Martin Stockton
Frankfort, KY
Stockton Mortgage Corp.
Term expires 10/10/2022

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 10/20/2024

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

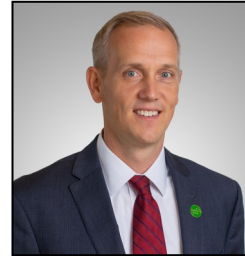
BANKING INDUSTRY



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

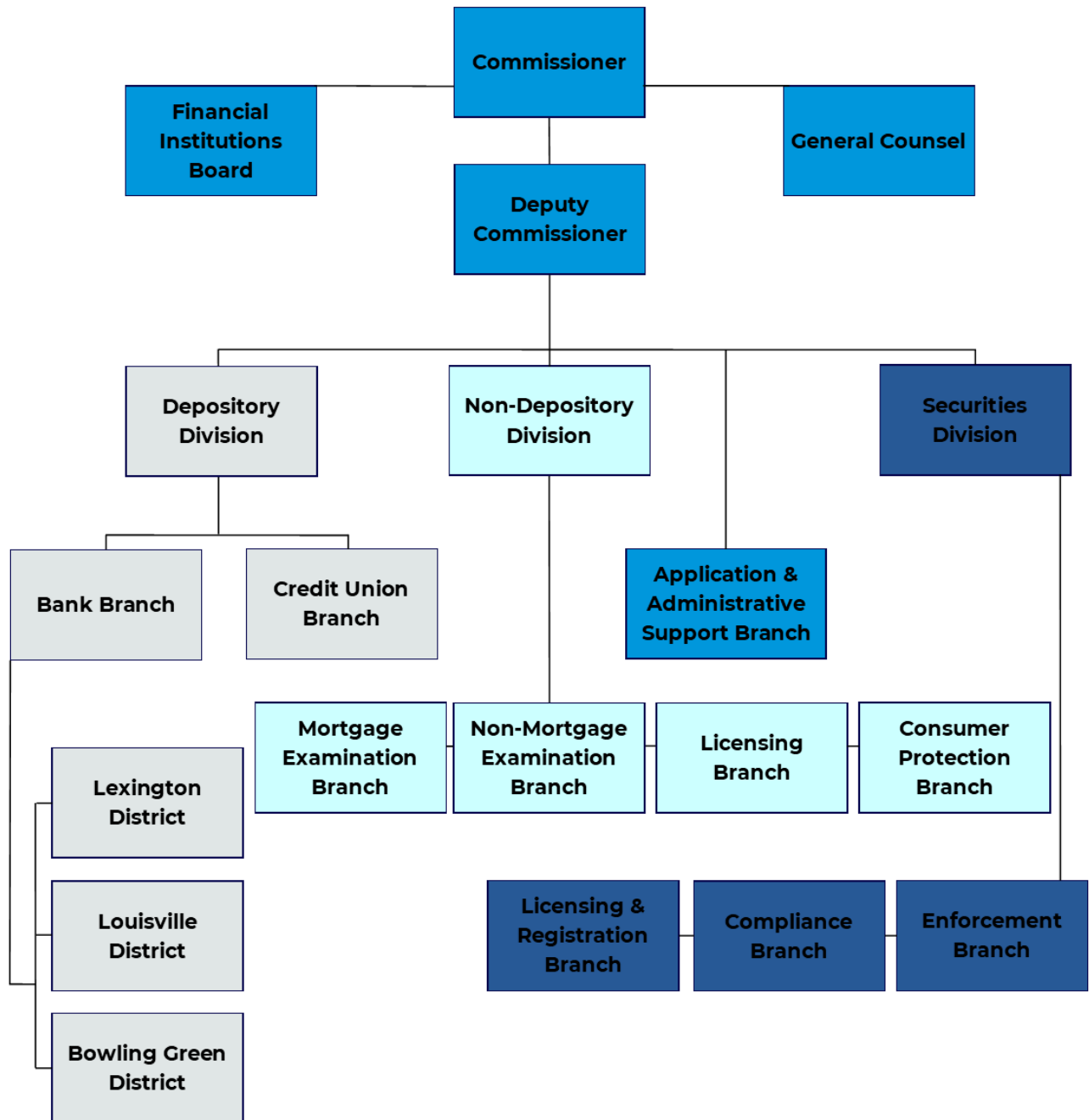
Peggy Williams
Greenville, KY
Retired, Old National Bank
Term expires 10/10/2024



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

DEPARTMENT OF FINANCIAL INSTITUTIONS

ORGANIZATIONAL STRUCTURE



DEPARTMENT OF FINANCIAL INSTITUTIONS

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.



Consumers and industry representatives who want to speak with a member of the agency's staff may call 800-223-2579 toll free with their questions and concerns.

Information for consumers, regulated industries and the public is available online at **KFI.ky.gov**.

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.



DIVISION OF DEPOSITORY INSTITUTIONS

Number Institutions Supervised in 2021

- **104** state-chartered banks,
with assets from **\$22 million** to **\$6.6 billion**
- **19** state-chartered credit unions,
with assets from **\$1 million** to **\$1.9 billion**
- **4** state-chartered non-depository
trust companies, with assets under management of
\$880 million to **\$10.6 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 evaluating the safety and soundness of state-chartered banks, credit unions and independent trust companies. **In 2021, the division transitioned to a hybrid examination posture after everything began to re-open due to declining COVID cases and the release of vaccinations to minimize the effects of the virus. Staff conducted a total of 61 examinations and visitations of chartered entities during the year. Examiners effectively adapted examination procedures to accommodate the new hybrid posture.** The examiners' commitment to maintaining the safety and soundness of Kentucky-chartered financial institutions, coupled with the integral cooperation by financial institution staff, allowed the DFI to meet its examination mandates and fulfill its mission.

109th Annual Banking Report

The Bank Branch supervised 104 Kentucky banks as of year-end 2021. Merger and acquisition activity resulted in the loss of five Kentucky bank charters during the year, with four of the five surviving institutions being out-of-state banks. Despite the reduction in charter count, total assets held by Kentucky banks continued to grow at a rate of nearly 7 percent during 2021 and totaled approximately \$65.5 billion at year-end. Weak loan demand and conservative investment strategies resulted in a nearly 4 percent decline in total loans and leases since year-end 2020, while lower-yielding liquid assets remain at high volumes. Despite the economic hardship and uncertainties caused by the pandemic, the ratio of non-current loans and leases to total loans and leases has declined to the lowest level in more than 25 years at 0.5 percent.

The suppressed interest rate environment, combined with the influx of lower-yielding assets, has led to continued compression in the Net Interest Margin ("NIM"). The average NIM for Kentucky banks fell by 20 basis points in 2021 to 3.38 percent at year-end. Despite the declining NIM, Kentucky bank's reported an average Return on Average Assets ("ROAA") of six basis points higher than year-end 2020 results. The ROAA averaged 1.31 percent at year-end 2021, as earnings were bolstered by reductions in overhead and provision expenses. Kentucky banks continue to report higher capital ratios than surrounding states, despite a decline in 2021 due to continued significant asset growth. The average Tier 1 Leverage Capital ratio totaled 10.48 percent at year-end 2021.

DIVISION OF DEPOSITORY INSTITUTIONS

STATE-CHARTERED BANKS

BANK PERFORMANCE COMPARISON (AS OF 12/31/2021)

State	Number of Banks	Return on Average Assets	Net Interest Margin	Tier 1 Leverage Capital
Kentucky	104	1.31%	3.38%	10.78%
Illinois	258	1.05%	1.96%	8.16%
Indiana	66	1.49%	3.15%	9.69%
Missouri	205	1.38%	3.07%	8.98%
Ohio	95	1.26%	3.33%	10.12%
Tennessee	109	1.36%	3.01%	9.19%
Virginia	47	1.29%	3.22%	10.40%
West Virginia	38	1.35%	3.30%	10.06%
National	3,484	1.30%	2.86%	9.15%

BANK CHANGES

Date	City	Bank
2/19/2021	Inez	Inez Deposit Bank, Inez, KY Merged with and into First State Bank, Winchester, OH
7/1/2021	Paris	Kentucky Bank, Paris, KY Merged with and into Stock Yards Bank Louisville, KY
7/1/2021	Middlesboro	Home Federal Bank, Middlesboro, KY Name changed to Hearthside Bank
7/15/2021	Albany	Peoples Bank & Trust Co., of Clinton Merged with and into Peoples Bank & Trust Co., Pickett County, Byrdstown, TN
9/17/2021	Vanceburg	Citizens Deposit Bank & Trust, Inc., Vanceburg, KY Merged with and into Peoples Bank, Marietta, OH
9/30/2021	Louisville	Hilliard Lyons Trust Co., LLC, Louisville, KY Name changed to Baird Trust Company
11/5/2021	Hawesville	Hancock Bank & Trust Co., Hawesville, KY Merged with and into First Financial Bank, Terre Haute, IN

STATE-CHARTERED BANKS

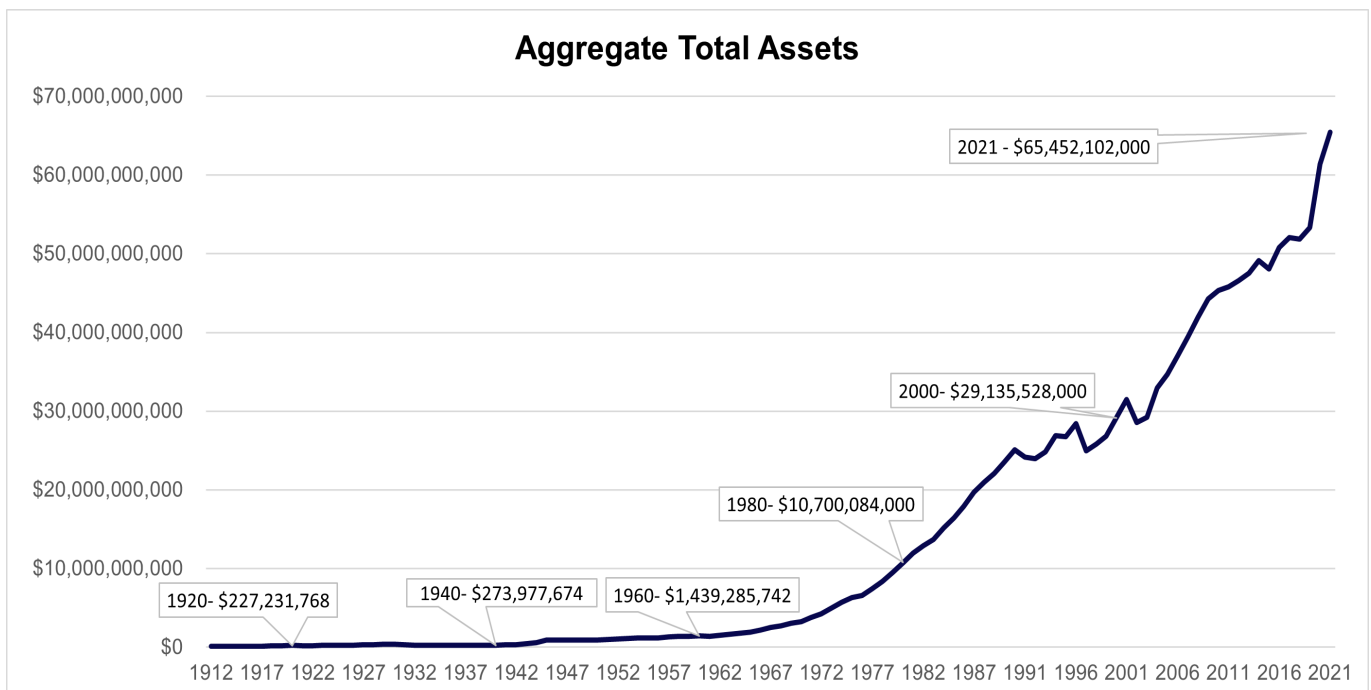
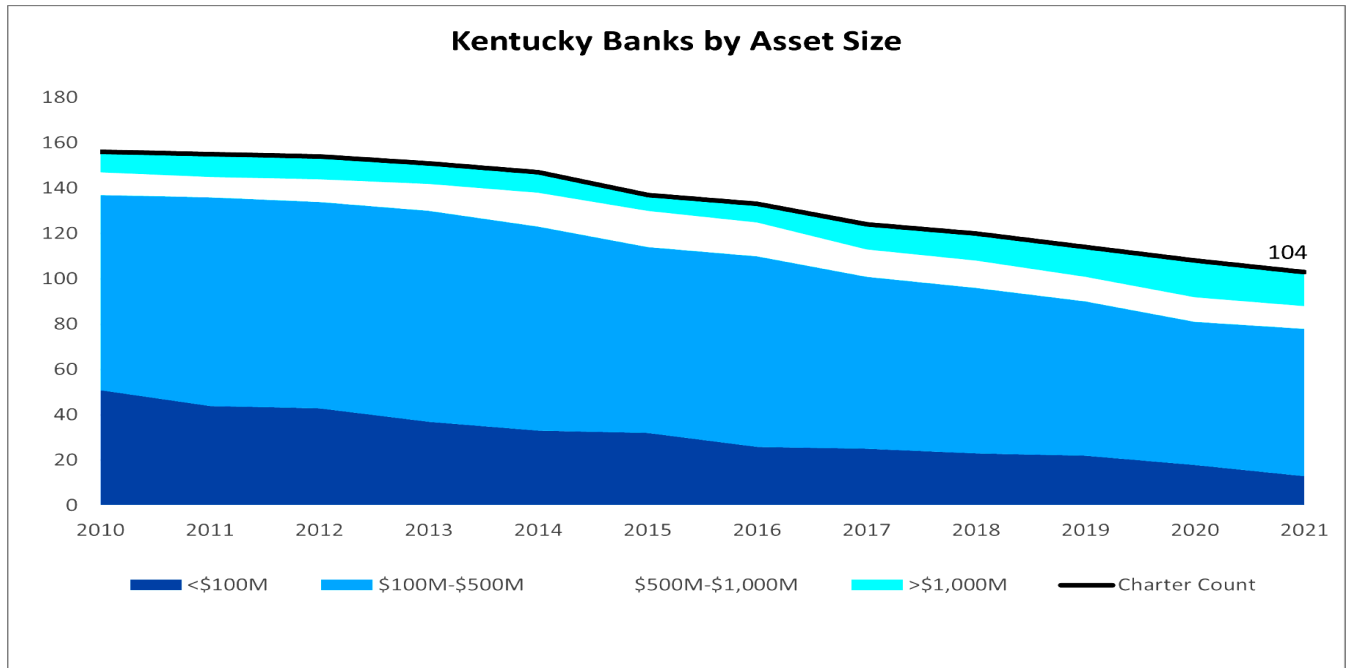
CONSOLIDATED CONDITION & INCOME DATA

KENTUCKY BANK RATIOS

	DEC. 31, 2021	DEC. 31, 2020
Number of Institutions Reporting	104	109
Total Employees (Full-Time Equivalent)	11,023	11,402
AGGREGATE CONDITION AND INCOME DATA	(IN MILLIONS)	
Net Income (Year-to-Date)	\$823	\$719
Total Assets	\$65,452	\$61,359
Earning Assets	\$61,604	\$57,504
Total Loans and Leases	\$39,780	\$41,324
Other Real Estate Owned	\$42	\$52
Total Deposits	\$55,401	\$51,028
Equity Capital	\$7,078	\$6,729
PERFORMANCE RATIOS (YTD, %)		
Yield on Earning Assets	3.69%	4.16%
Cost of Funding Earning Assets	0.31%	0.58%
Net Interest Margin	3.38%	3.58%
Noninterest Income to Average Earning Assets	1.13%	1.3%
Noninterest Expense to Average Earning Assets	2.8%	3.1%
Net Charge-Offs to Loans and Leases	0.09%	0.15%
Credit-Loss Provision to Net Charge-Offs	108.88%	271.21%
Net Operating Income to Average Assets	1.31%	1.23%
Retained Earnings to Average Equity	6.77%	5.83%
Pre-Tax Return on Assets	1.56%	1.41%
Return on Assets	1.31%	1.25%
Return on Equity	12.07%	11.11%
Percent of Unprofitable Institutions	2.88%	0.92%
Percent of Institutions with Earning Gains	79.81%	57.8%
CONDITION RATIOS (%)		
Net Loans and Leases to Assets	59.97%	66.47%
Loss Allowance to:		
Loans and Leases	1.33%	1.3%
Noncurrent Loans and Leases	267.65%	184.25%
Noncurrent Loans and Leases to Total Loans & Leases	0.5%	0.7%
Nonperforming Assets to Assets	0.37%	0.56%
Core Deposits to Total Liabilities	85.62%	81.39%
Equity Capital to Total Assets	10.81%	10.97%
Core Capital (Leverage) Ratio	10.48%	10.54%
Total Capital to Risk-Weighted Assets		
Gross 1-4 Family Mortgages to Gross Assets	18%	19.64%
Gross Real Estate Assets to Gross Assets	55.84%	57.04%

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	\$273,316
Auburn Banking Co.	Auburn	\$107,458
Town & Country Bank and Trust Co.	Bardstown	\$435,008
Wilson & Muir Bank & Trust Co.	Bardstown	\$699,135
Bedford Loan & Deposit Bank	Bedford	\$119,974
Community Financial Services Bank	Benton	\$1,448,748
Farmers State Bank	Booneville	\$65,214
American Bank & Trust Company Inc.	Bowling Green	\$614,390
Meade County Bank	Brandenburg	\$288,987
Bank Of Edmonson County	Brownsville	\$254,613
Bank Of Buffalo	Buffalo	\$74,748
Citizens Bank Of Cumberland County Inc.	Burkesville	\$89,262
Bank of Cadiz and Trust Co.	Cadiz	\$144,034
United Citizens Bank & Trust Co.	Campbellsburg	\$156,505
Citizens Bank & Trust Company	Campbellsville	\$307,296
Taylor County Bank	Campbellsville	\$224,078
Farmers & Traders Bank of Campton	Campton	\$64,396
Kentucky Farmers Bank Corp.	Catlettsburg	\$270,868
The Cecilian Bank	Cecilia	\$1,384,857
Bank of Clarkson	Clarkson	\$155,742
Clinton Bank	Clinton	\$65,136
First Community Bank of The Heartland Inc.	Clinton	\$356,983
Bank of Columbia	Columbia	\$209,113
United Citizens Bank of Southern Kentucky	Columbia	\$188,103
Hometown Bank of Corbin Inc.	Corbin	\$264,742
Dixon Bank	Dixon	\$83,120
Elkton Bank & Trust Co.	Elkton	\$168,980
Heritage Bank Inc.	Erlanger	\$1,463,835
Peoples Bank of Kentucky Inc.	Flemingsburg	\$381,369
The Bankers' Bank of Kentucky Inc.	Frankfort	\$124,252
Franklin Bank & Trust Co.	Franklin	\$707,754
Fredonia Valley Bank	Fredonia	\$102,529
Edmonton State Bank	Glasgow	\$732,216
South Central Bank Inc.	Glasgow	\$1,591,396
The Commercial Bank of Grayson	Grayson	\$220,307
Commonwealth Community Bank Inc.	Hartford	\$162,663

STATE-CHARTERED BANKS

TOTAL ASSETS

KENTUCKY BANK ASSETS (CONTINUED)

Institution Name	City	Total Assets (in Millions)
1st Trust Bank Inc.	Hazard	\$262,138
Peoples Bank & Trust Company of Hazard	Hazard	\$254,855
Field & Main Bank	Henderson	\$588,403
The Citizens Bank	Hickman	\$186,994
Bank Of Hindman	Hindman	\$282,027
Planters Bank Inc.	Hopkinsville	\$1,416,938
United Southern Bank	Hopkinsville	\$280,977
Hyden Citizens Bank	Hyden	\$144,995
First State Bank	Irvington	\$251,073
Citizens Bank & Trust Co. of Jackson	Jackson	\$171,688
Bank of Jamestown	Jamestown	\$237,710
Century Bank of Kentucky Inc.	Lawrenceburg	\$161,438
Peoples Bank	Lebanon	\$99,464
Lewisburg Banking Co.	Lewisburg	\$171,463
Bank Of Lexington Inc.	Lexington	\$286,948
Bank of the Bluegrass and Trust Co.	Lexington	\$321,353
Central Bank & Trust Co.	Lexington	\$3,890,954
Whitaker Bank	Lexington	\$2,063,401
The Casey County Bank Inc.	Liberty	\$310,697
Commonwealth Bank And Trust Co.	Louisville	\$1,299,520
Eclipse Bank Inc.	Louisville	\$292,541
Limestone Bank Inc.	Louisville	\$1,407,879
Republic Bank & Trust Co.	Louisville	\$6,088,408
River City Bank Inc.	Louisville	\$375,552
Stock Yards Bank & Trust Co.	Louisville	\$6,639,234
First United Bank and Trust Co.	Madisonville	\$490,494
Magnolia Bank Incorporated	Magnolia	\$456,669
Farmers Bank And Trust Co.	Marion	\$497,372
The Peoples Bank	Marion	\$108,509
First Kentucky Bank Inc.	Mayfield	\$535,168
FNB Bank Inc.	Mayfield	\$608,908
Bank Of Maysville	Maysville	\$159,309
Security Bank And Trust Co.	Maysville	\$66,137
Jackson County Bank	Mc Kee	\$177,405
First State Bank of the Southeast Inc.	Middlesboro	\$361,414
Hearthside Bank Corporation	Middlesboro	\$463,379
The Farmers Bank of Milton	Milton	\$312,585

STATE-CHARTERED BANKS

TOTAL ASSETS

KENTUCKY BANK ASSETS (CONTINUED)

Institution Name	City	Total Assets (in Millions)
The Monticello Banking Company	Monticello	\$1,006,405
The Citizens Bank	Morehead	\$196,644
United Community Bank of West Kentucky Inc.	Morganfield	\$386,830
Morgantown Bank & Trust Company Inc.	Morgantown	\$257,667
Traditional Bank Inc.	Mount Sterling	\$2,250,887
Citizens Bank	Mount Vernon	\$167,928
The Peoples Bank	Mount Washington	\$111,427
Hart County Bank and Trust Co.	Munfordville	\$32,188
The Farmers Bank	Nicholasville	\$220,246
Independence Bank of Kentucky	Owensboro	\$3,237,305
Owingsville Banking Company	Owingsville	\$81,026
The Paducah Bank and Trust Co.	Paducah	\$822,330
Citizens Bank of Kentucky Inc.	Paintsville	\$772,910
Community Trust Bank Inc.	Pikeville	\$5,384,484
Farmers Bank And Trust Company	Princeton	\$194,936
West Point Bank	Radcliff	\$341,539
Citizens Guaranty Bank	Richmond	\$248,211
First & Peoples Bank and Trust Co.	Russell	\$249,127
The Sacramento Deposit Bank	Sacramento	\$133,794
Sebree Deposit Bank	Sebree	\$22,219
Citizens Union Bank of Shelbyville	Shelbyville	\$1,105,283
Cumberland Security Bank Inc.	Somersets	\$280,615
Springfield State Bank	Springfield	\$389,237
PBK Bank Inc.	Stanford	\$157,585
The Peoples Bank	Taylorsville	\$142,228
Pinnacle Bank Inc.	Vanceburg	\$53,304
Citizens Commerce Bank	Versailles	\$313,856
Bank Of The Mountains Inc.	West Liberty	\$87,152
Commercial Bank	West Liberty	\$194,934
United Cumberland Bank	Whitley City	\$379,079
Peoples Exchange Bank	Winchester	\$505,600
	Total	\$65,452,102

STATE-CHARTERED BANKS

TRUST ASSETS

TRUST ASSETS IN KENTUCKY BANKS

Institution Name	City	Total Trust Assets (in millions)
Town & Country Bank and Trust Co.	Bardstown	\$283,283
Wilson & Muir Bank & Trust Co.	Bardstown	\$224
Bank of Cadiz and Trust Co.	Cadiz	\$8,598
Kentucky Farmers Bank Corp.	Catlettsburg	\$205,544
Clinton Bank	Clinton	\$1,885
Elkton Bank & Trust Co.	Elkton	\$10,477
Peoples Bank of Kentucky Inc.	Flemingsburg	\$5,755
Franklin Bank & Trust Co.	Franklin	\$260,640
Commonwealth Community Bank Inc.	Hartford	\$17,025
Peoples Bank & Trust Company of Hazard	Hazard	\$60,177
Field & Main Bank	Henderson	\$547,740
The Citizens Bank	Hickman	\$9,004
Planters Bank Inc.	Hopkinsville	\$269,389
Citizens Bank & Trust Co. of Jackson	Jackson	\$16,625
Bank of the Bluegrass and Trust Co.	Lexington	\$356,015
Central Bank & Trust Co.	Lexington	\$2,060,617
Whitaker Bank	Lexington	\$737,406
Stock Yards Bank & Trust Co.	Louisville	\$4,672,653
First United Bank and Trust Co.	Madisonville	\$42,802
Bank of Maysville	Maysville	\$30,770
United Community Bank of West Kentucky Inc.	Morganfield	\$10,177
Morgantown Bank & Trust Company Inc.	Morgantown	\$4,602
Hart County Bank and Trust Co.	Munfordville	\$2,016
Independence Bank of Kentucky	Owensboro	\$845,762
The Paducah Bank and Trust Co.	Paducah	\$342,566
Community Trust Bank Inc.	Pikeville	\$692
Farmers Bank and Trust Co.	Princeton	\$15,929
First & Peoples Bank and Trust Co.	Russell	\$46,196
Cumberland Security Bank Inc.	Somerset	\$30,968
	Total	\$10,895,537

STATE-CHARTERED TRUSTS

INDEPENDENT TRUST COMPANIES

Institution Name	City	Total Trust Assets Under Management (in Millions)
Community Trust & Investment Company	Lexington	\$3,574,885
First Kentucky Trust	Louisville	\$880,468
Glenview Trust Company	Louisville	\$10,091,501
Baird Trust Company	Louisville	\$10,583,100
	Total	\$25,129,964

DIVISION OF DEPOSITORY INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

86th Annual Credit Union Report

The Credit Union Branch supervised 19 credit unions with aggregate assets in excess of \$4.5 billion as of year-end 2021, a decline from the 22 credit unions with aggregate assets of \$5.2 billion in year-end 2020. During 2020, credit union assets increased by nearly \$700 million, representing the largest annual increase in aggregate assets in the Branch's history. Significant increases in share balances generated from pandemic-related economic stimulus payments precipitated the record level of asset growth and bolstered balance sheet liquidity levels. However, in 2021 two credit unions merged into federal charters due to lack of succession and the 2nd largest credit union converted

back to a federal charter to expand its field of membership.

Earnings performance improved from year-end 2020 and remains satisfactory, despite the excess liquidity on the balance sheet and low-rate environment. The Return on Average Assets and Net Interest Margin at year-end 2021 were 0.73 percent and 2.36 percent, respectively. Net worth remained strong at 11.47 percent of total assets as of year-end 2021. Loan delinquency and charge-off levels remain historically low, in large part due to credit unions' continued efforts to serve their members and assist members impacted by the COVID-19 pandemic.

CREDIT UNION PERFORMANCE COMPARISON (AS OF 12/31/2021)

State	Number of State-Chartered Credit Unions	Return on Average Assets	Net Interest Margin	Net Worth to Total Assets
Kentucky	19	0.73%	2.36%	11.47%
Illinois	153	1.19%	2.65%	9.96%
Indiana	24	0.93%	2.60%	9.80%
Missouri	91	0.85%	2.53%	9.45%
Ohio	60	1.20%	2.66%	10.65%
Tennessee	75	1.22%	2.65%	11.50%
Virginia	23	0.75%	2.69%	9.75%
West Virginia	3	0.72%	2.85%	14.19%
National	1,842	1.02%	2.50%	10.08%

STATE-CHARTERED CREDIT UNIONS
CONSOLIDATED CONDITION & INCOME DATA
 CONDITION, INCOME & PERFORMANCE DATA

	Dec. 31, 2021	Dec. 31, 2020
Number of Institutions Reporting	19	22
AGGREGATE CONDITION AND INCOME DATA (in thousands)		
Loans	\$2,824,673	\$3,387,189
Assets	\$4,539,923	\$5,232,260
Liabilities	\$73,923	\$111,218
Shares and Deposits	\$3,964,393	\$4,556,005
Equity	\$501,607	\$565,038
Net Income	\$35,910	\$24,164
PERFORMANCE RATIOS AND AVERAGES		
Capital Adequacy		
Net Worth/Total Assets	11.47%	11.34%
Total Delinquent Loans/Net Worth	1.68%	2.34%
Solvency Evaluation (Estimated)	112.65%	112.56%
Classified Assets (Estimated)/Net Worth	3.75%	4.4%
Asset Quality		
Delinquent Loans/Total Loans	0.31%	0.41%
Net Charge-Offs/Average Loans	0.16%	0.38%
Held-to-Maturity Investment Fair Value/Book Value	100.09%	101.4%
Accumulated Unrealized Gain/Loss on Available-for-Sale Investments/Cost of Available-for-Sale Investments	-0.57%	1.61%
Delinquent Loans/Assets	0.19%	0.27%
Earnings		
Return On Average Assets	0.73%	0.49%
Gross Income/Average Assets	4.01%	5.05%
Yield on Average Loans	3.96%	4.95%
Yield on Average Investments	0.86%	1.40%
Fee and Other Operating Income/Average Assets	1.24%	1.36%
Cost of Funds/Average Assets	0.43%	0.74%
Net Margin/Average Assets	3.59%	4.31%
Operating Expense/Average Assets	2.88%	3.54%
Provision For Loan and Lease Losses/Average Assets	0.09%	0.34%
Net Interest Margin/Average Assets	2.34%	2.95%
Operating Expense/Gross Income	71.66%	70.22%
Fixed Assets & Foreclosed & Repossessed Assets/ Total Assets	2.31%	2.56%
Net Operating Expense/Average Assets	2.29%	2.91%

STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED CONDITION & INCOME DATA

CONDITION, INCOME & PERFORMANCE DATA (CONTINUED)

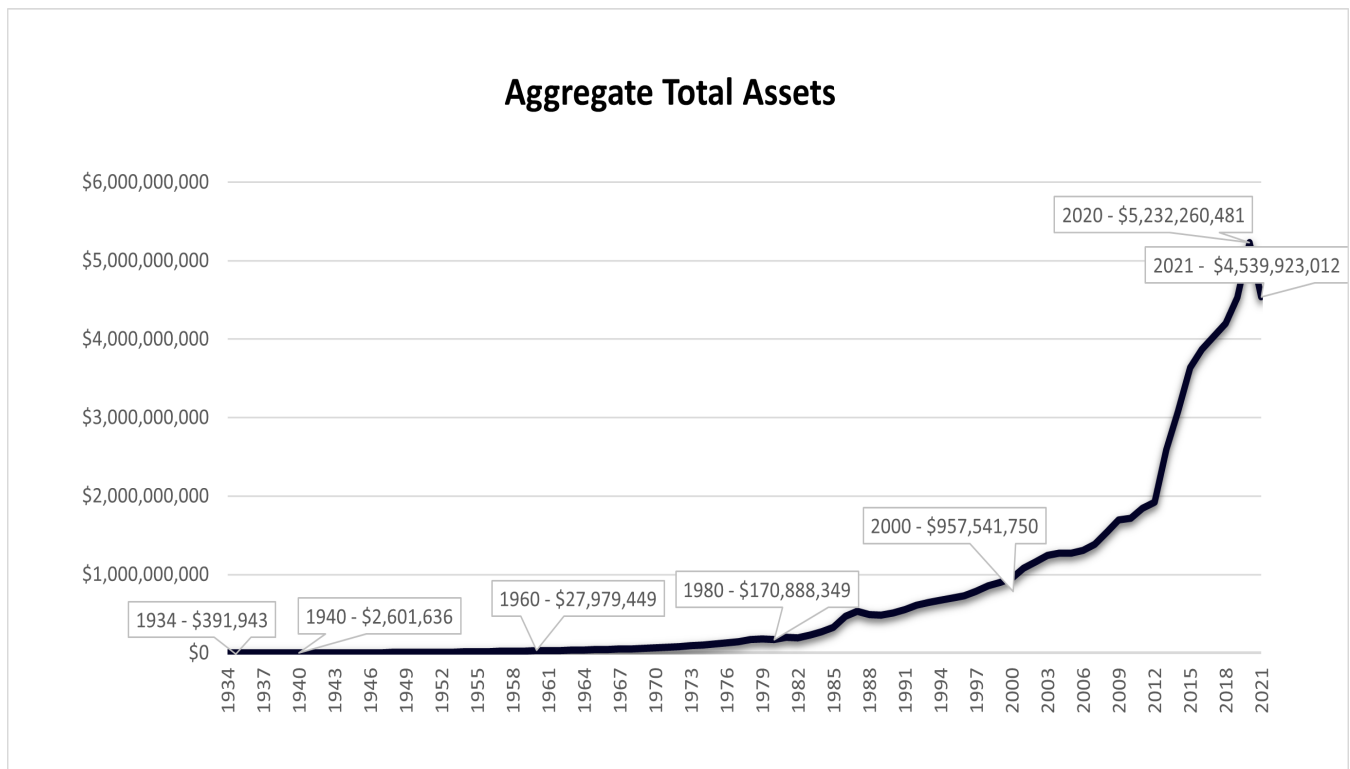
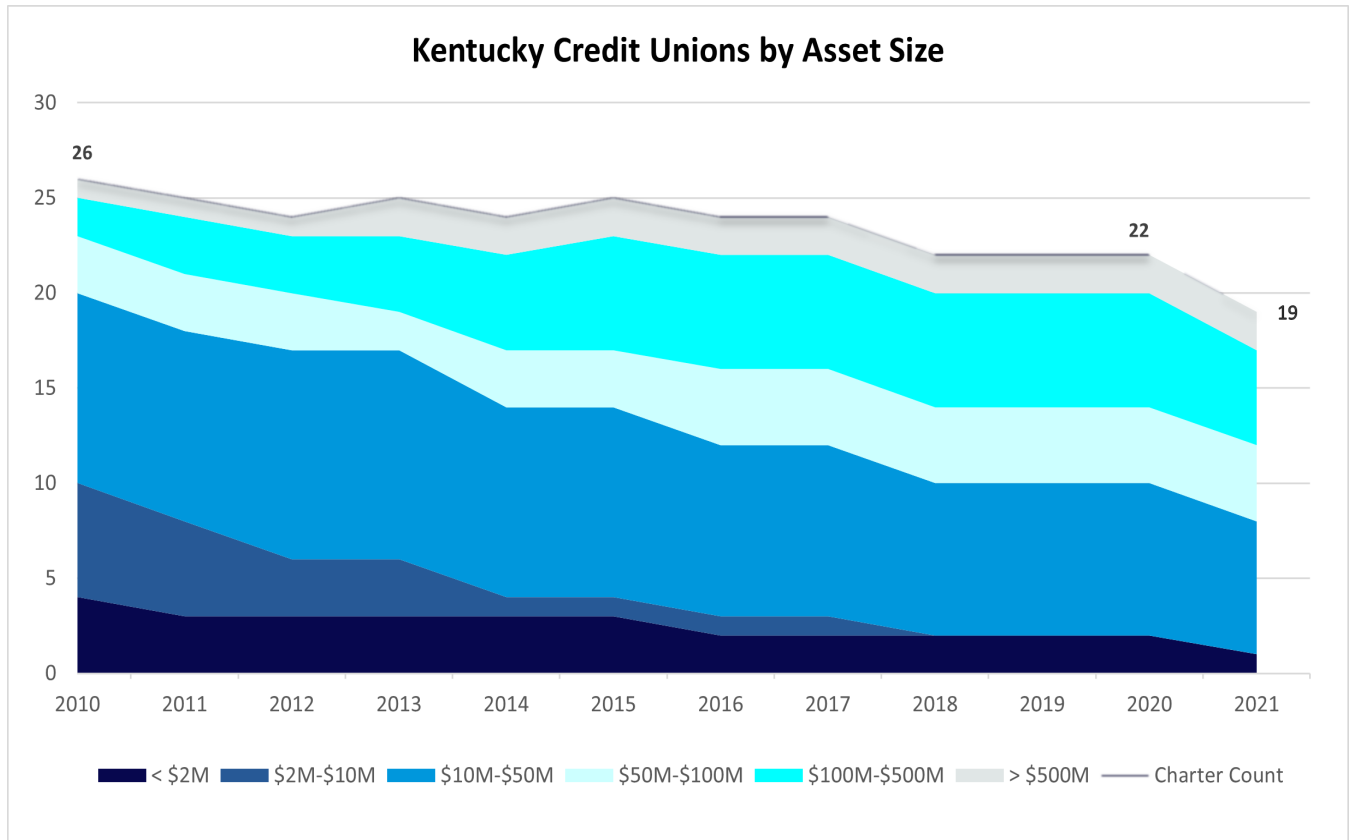
	Dec. 31, 2021	Dec. 31, 2020
Asset/Liability Management		
Net Long-Term Assets/Total Assets	31.9%	32.18%
Regular Shares/Total Shares and Borrowings	51.7%	44.34%
Total Loans/Total Shares	71.25%	74.35%
Total Loans/Total Assets	62.22%	64.74%
Cash + Short-Term Investments/Assets	19.14%	18.86%
Total Shares, Deposits and Borrowings/Earning Assets	93.51%	94.88%
Reg Shares + Share Drafts/Total Shares and Borrowings	63.73%	59.12%
Borrowings/Total Shares and Net Worth	0.58%	0.98%
Productivity		
Members/Potential Members	2.47%	2.69%
Borrowers/Members	54.71%	52.65%
Members/Full-Time Employees	426.39%	397.99%
Average Shares Per Member	\$11,042	\$10,276
Average Loan Balance	\$14,381	\$14,510
Salary and Benefits/Full-Time Employees	\$82,204	\$78,822
Growth Ratios		
Net Worth Growth	-12.25%	5.26%
Market (Share) Growth	-12.99%	17.99%
Loan Growth	-16.61%	6.67%
Asset Growth	-13.23%	15.41%
Investment Growth	-1.70%	41.11%
Membership Growth	-19.02%	0.29%

CREDIT UNION CHANGES

DATE	CITY	BANK
1/31/2021	Florence	C&O United Credit Union merged into Northern Kentucky Federal Credit Union
2/28/2021	Greenville	Muhlenberg Community Hospital Credit Union merged into Green River Area Federal Credit Union
3/1/2021	Russell	Greenup County Federal Credit Union merged into Members Choice Credit Union
11/1/2021	Louisville	Park Community Credit Union converted to a federal charter

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	\$339,651.43
Autotruck Financial	1965	Louisville	\$195,604.66
Beacon Community	1947	Louisville	\$83,269.84
Brown-Forman Employees	1936	Louisville	\$14,561.89
Commonwealth	1951	Frankfort	\$1,895,918.60
Expree	1938	Frankfort	\$92,438.72
Greater Kentucky	1953	Lexington	\$88,942.00
KEMBA Louisville	1934	Louisville	\$62,322.57
Letcher County Teachers	1964	Whitesburg	\$1,170.76
Lexington Postal Community	1928	Lexington	\$28,945.54
Louisville Federal	1924	Louisville	\$34,960.86
Louisville Gas and Electric Co.	1934	Louisville	\$45,678.84
Members Choice	1932	Ashland	\$332,356.62
Members Heritage	1960	Lexington	\$502,008.74
Metro Employees	1940	Lexington	\$43,838.33
Rural Cooperatives	1964	Louisville	\$40,338.86
Service One	1963	Bowling Green	\$216,310.46
Transcend	1960	Louisville	\$487,024.18
Whitesville Community	1962	Whitesville	\$34,580.12
		TOTAL	\$4,539,923

DIVISION OF NON-DEPOSITORY INSTITUTIONS

Number of Institutions Supervised in 2021

- **12,068** Mortgage Loan Originators
- **2,503** Mortgage Companies/Mortgage Brokers*
- **325** Check Cashers/Deferred Deposit Companies
- **4** Limited Check Cashers
- **375** Consumer Loan Companies
- **0** Industrial Loan Companies
- **160** 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 and services as well as changes in laws. The division also provides educational materials and outreach to protect consumers from financial fraud.

9th 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. 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, 2021	Dec. 31, 2020
Mortgage Companies*	2,223	1,606
Mortgage Brokers*	280	214
Check Cashers/Deferred Deposit Companies	325	389
Limited Check Cashers	4	4
Consumer Loan Companies	375	367
Industrial Loan Companies	0	0
Money Transmitters	160	128
Total	3,367	2,708
NUMBER OF REGISTRATIONS		
Registration Type		
Mortgage Loan Originators	12,068	9,662
Total	12,068	9,662

* Includes companies and branches

DIVISION OF NON-DEPOSITORY INSTITUTIONS

EXAMINATION BRANCHES

9th 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. 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, 2021	Dec. 31, 2020
Mortgage Companies	86	123
Mortgage Brokers	38	34
Total	124	157

9th 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, 2021	Dec. 31, 2020
Check Cashers/Deferred Deposit Cos.	251	296
Limited Check Cashers	0	0
Consumer Loan Companies	212	160
Industrial Loan Companies	0	0
Money Transmitters	26	22
Money Transmitters in lieu	3	26
Total	492	504

DIVISION OF NON-DEPOSITORY INSTITUTIONS

CONSUMER LOAN COMPANIES

CONSOLIDATED REPORT OF CONDITION

	Dec. 31, 2021	Dec. 31, 2020
Number of Licensed Consumer Loan Companies	367	362
Kentucky Consumer Loans Secured by Residential Real Estate > \$15,000	\$40,193,367	\$32,088,398
ASSETS		
Cash and Due from Depositor Institutions	\$3,064,965,390	\$2,505,227,175
Total KY Loans Receivable, Net of Unearned Interest and Reserves	\$932,187,069	\$915,000,790
Premises and Fixed Assets (Net of Depreciation)	\$344,763,146	\$346,865,591
Deferred Charges and Prepaid Expenses	\$734,645,430	\$757,603,348
Other Assets Used in Consumer Loan Business	\$4,617,014,725	\$4,522,584,874
Total Assets Used in Consumer Loan Business	\$9,693,575,760	\$9,047,281,778
LIABILITIES & CAPITAL		
Total Liabilities (Total liabilities minus all other assets)	\$(4,909,724,719)	\$(380,832,633)
Total Capital	\$9,673,022,740	\$9,376,042,679
Total Liabilities & Capital	\$49,420,019,923	\$8,995,210,046

DIVISION OF NON-DEPOSITORY INSTITUTIONS

CONSUMER PROTECTION BRANCH

13th 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, 2021	Dec. 31, 2020
Mortgage Companies/Brokers	14	15
Check Cashers/Deferred Deposit Companies (licensed)	8	7
Consumer Loan Companies	9	1
Industrial Loan Companies	0	0
Money Transmitters	13	10
Total	44	33
Unlicensed Lenders/Other		
Internet Payday/Installment Lenders		12
Other Complaints	2	5
Total	2	17

DIVISION OF SECURITIES

Registered at Year-End 2021:

- **1,405** broker-dealer firms
- **170** state-registered investment adviser firms
- **151,511** securities professionals

DIVISION OF SECURITIES

The Securities Division achieves balanced regulation through robust examination, enforcement and registration programs. Despite the continued challenges of the pandemic that extended into 2021, the Compliance Branch examined 57 state-registered investment advisers and broker-dealers, utilizing hybrid examination methods. Seven administrative orders or agreements were entered based upon examination findings. New broker-dealer registrations increased in 2021, 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 from 2020, which continues the pattern of the last several periods. Investment activity continued to flourish in Kentucky, with almost 6,500 company filings, including initial, renewal, notice filings and claims of exemption; the number reflects an increase of over 600 filings. During 2021, the Registration Branch processed over 160,000 registrations of firms, financial professionals and securities. Throughout the year, administrative actions resulted in \$187,750 in fines and almost \$17 million in ordered restitution. The Enforcement Branch assisted with numerous criminal investigations, which resulted in 120 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 holds events throughout the state. During 2021, 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.

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, 2021	DEC. 31, 2020
Broker-Dealer Examinations	2	2
Investment Advisory Examinations	55	49
Total Examinations	57	51
Orders/Agreements Entered as a Result of Examination	7	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
Investment Bank Services Inc.	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
80/20 Wealth Management LLC	Crestwood
Accredited Wealth Management LLC	Louisville
Acuity Wealth Management Advisors	Lexington
Advantage Investment Management	Louisville
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
Bluegrass Capital Advisors LLC	Louisville
Bluegrass Financial Planning LLC	Louisville
BLVD Private Wealth LLC	Prospect
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
Commonwealth Financial Advisors LLC	Louisville
Context Financial LLC	Lexington
Corley Capital LLC	Brandenburg
Cox Planning Services PLLC	Paducah
Crimson Oak Wealth Management LLC	Lexington
Dean Dorton Wealth Management LLC	Lexington
Different By Design Financial Planning	Louisville
Doyle Asset Management LLC	Cadiz
E2 Financial Services LLC	Southgate
Entrypoint Wealth Management	Edgewood
Federal Hill Capital Management	Bardstown
Financial Architects Inc.	Louisville
Financial Grit LLC	Bowling Green
Finom LLC	Louisville
Focus on Success LLC	Fort Mitchell
Foster Investment Services	Lexington

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (CONT.)

Primary Business Name	Main City
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
Hannegan Wealth Management, LLC	Edgewood
High Knoll Wealth Advisors LLC	Lexington
Highland Capital Advisors LLC	Louisville
HPC Financial Services LLC	Louisville
Independent Capital LLC	Lexington
Inspire Private Wealth Management	Louisville
Invest Inc.	Lexington
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
Lach Financial	Louisville
Lead Point Wealth Management LLC	Louisville
Legacy Advisory Services	Louisville
Leif Clarke Wealth Management Inc.	Ashland
Life Advisors Financial Planning and Wealth Management LLC	Munfordville
Lifetime Wealth Design LLC	Louisville
Linker Capital Management Inc.	Prospect
Magnolia Wealth Management LLC	Bowling Green
Mann Capital Management LLC	Florence
MC Financial Services Inc.	Louisville
Moneylife Partners Inc.	Louisville
Moneywise Inc.	Lexington
Multi Fund Management Inc.	Louisville
New Millennium Asset Management Inc.	Richmond
Page Financial Services LLC	Louisville
Palmer Capital Management Inc.	Verona
Pierce Financial Planning	Lexington
Pivot Point Wealth Planning	Brandenburg

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (CONT.)

Primary Business Name	Main City
Plentiful Wealth LLC	Ashland
Poplar Ventures LLC	Louisville
Principled Wealth Advisors LLC	Covington
Proactive Advisors LLC	Lexington
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
Rite Financial Group LLC	Lexington
Rivercities Asset Management LLC	Owensboro
Riverstone Asset Management LLC	Louisville
Robert M. Walker & Associates	Taylorsville
Safe Lock Advisors LLC	Berea
Sapphire Fiduciary Advisors LLC	Louisville
Shepherd Wealth Management	Florence
Springhouse Financial LLC	Louisville
The Prosperity People	Bellevue
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
Vermillion Private Wealth	Lexington
Vistafront Partners Inc.	Frankfort
Warren Wealth Management and Tax Planning Inc.	Louisville
Wealth Management of Kentucky Inc.	Lexington
Wealth Management of the Bluegrass Inc.	Lexington
WH Wealth Management	Berea
Wrenne Financial Planning LLC	Lexington
Your Best Move Inc.	Bardstown

DIVISION OF SECURITIES

LICENSING & REGISTRATION BRANCH

BROKER-DEALER REGISTRATIONS

	Dec. 31, 2021	Dec. 31, 2020
Renewed	1,377	1,407
Approved	74	61
Withdrawals (Form BDW)	46	86
Total Registered (Year-End)	1,405	1,382

BROKER-DEALER AGENT REGISTRATIONS

	Dec. 31, 2021	Dec. 31, 2020
Renewed	134,372	129,446
Approved	37,225	27,610
Terminated	26,506	22,226
Total Registered (Year-End)	145,091	134,830

ISSUER AGENT REGISTRATIONS

	Dec. 31, 2021	Dec. 31, 2020
Renewed	4	5
Approved	0	1
Terminated	1	2
Total Registered (Year-End)	3	4

DIVISION OF SECURITIES
LICENSING & REGISTRATION BRANCH

STATE-REGISTERED INVESTMENT ADVISERS

	Dec. 31, 2022	Dec. 31, 2020
Renewed	171	174
Approved	18	15
Terminated	19	13
Total Registered (Year-End)	170	176

FEDERAL COVERED INVESTMENT ADVISERS

	Dec. 31, 2021	Dec. 31, 2020
Renewed	1,200	1,165
Total Effective Notice Filings (Year-End)*	1,262*	1,210*

INVESTMENT ADVISER REPRESENTATIVES

	Dec. 31, 2021	Dec. 31, 2020
Renewed	6,062*	5,886*
Total State and Federal IARs (Year-End)*	6,420*	6,109*

* 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, 2021	Dec. 31, 2020
Private Placement Securities Offerings	33	41
Notice Filings		
Investment Companies—New	270	288
Investment Companies—Renewals	3,512	3,650
Unit Investment Trusts	1,013	933
Regulation D, Rule 506 Offerings	1,464	858
Exemptions		
Claims of Exemption Requested	53	46
Regulation A, Tier 2 Offerings	80	58
Total Filings	6,425	5,874

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, 2021	Dec. 31, 2020
Investigations		
Referrals/Assistance to Outside Agencies	6	6
Referrals from Outside Agencies	33	14
Investigations Opened	29	18
Investigations Closed	19	18
Investigations Pending	45	35
Enforcement Actions		
Administrative Orders	22	21
Civil Orders	0	0
Fines	\$187,750	\$1,485,791
Restitution to Clients/Investors Ordered	\$16,934,773	\$4,185,786
Criminal Actions		
Criminal Referrals	6	1
Criminal Indictments	6	0
Investigations with Federal/State Law Enforcement Authorities	5	5

CRIMINAL SENTENCINGS IN 2021

William Evans was sentenced to 120 months in prison.

ENFORCEMENT ACTIONS

During 2021, the Department entered two emergency actions against virtual currency companies offering unregistered securities. **BlockFi Lending LLC and Celsius Network LLC 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.

WILLIAM EVANS SENTENCING

The Kentucky Department of Financial Institutions worked with the United States Attorney's Office as well as the United States Secret Service to investigate a case involving securities fraud. William Evans convinced investors to turn over savings and liquidate their retirement accounts, promising substantial gains, low-risks, and coverage for any tax penalties. He reported back to his investors that there were substantial gains on their investments, paid out distributions upon request, and continuously solicited more investments. However, in reality, Evans lost nearly all the funds he invested on the commodity futures market, paid people distributions out of other people's investments, and spent some of the investment funds on personal expenditures. **Mr. Evans was sentenced to 120 months in prison and ordered to pay over \$16 million in restitution to harmed investors.**

TEAM 
KENTUCKY®

PUBLIC PROTECTION
CABINET

Department of Financial Institutions

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