



Commonwealth of Kentucky Public Protection Cabinet

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DFI Issues 100th Annual Report *Kentucky Banks, Credit Unions, Lenders, Securities* *Weather Past and Current Economic Storms*

FRANKFORT, Ky. – (July 8, 2013) – The Kentucky Department of Financial Institutions (DFI) today released its 2012 annual report, which celebrates 100 years of supervising Kentucky’s financial industry.

“The successes we enjoy today are based on the hard work and dedication of former commissioners, current and former employees, and sound management teams that operate the companies and industries we regulate,” said DFI Commissioner Charles Vice. “During the past 100 years, national events have changed the financial landscape, such as the Great Depression, the savings and loan crisis and the recent Great Recession. However, Kentucky state-chartered financial institutions continue to weather these storms and emerge from these challenges even stronger.”

DFI supervises 154 state-chartered banks with total assets of \$46.6 billion and 24 state-charted credit unions with total assets of \$1.9 billion. During 2012, credit quality has strengthened, and financial measures have stabilized and improved in the state-chartered banks and credit unions headquartered in Kentucky.

The Securities Division conducted 142 examinations in 2012. The Division’s 80 investigations led to 19 administrative orders and one civil order. Recent years have seen the increase of new and complex financial products in the market. Transparency

regarding these products will be critical to deter fraud and to ensure investors understand the level of risks so they can make a sound investment decision. In addition to working closely with law enforcement agencies to address regulatory concerns, DFI also provides investor education to help Kentucky residents save, spend and invest wisely.

The Nondepository Division provides effective oversight of non-bank financial institutions, including mortgage lenders and brokers, consumer loan companies, check cashers and money transmitters. The Division issued 3,519 individual registrations for mortgage loan originators and processors and 1,785 non-bank entity licenses in 2012, and conducted 1,319 examinations of those entities. The Nondepository Division has worked diligently to protect consumers and provide oversight as the industry has experienced rapid and dynamic changes in information technology, payments systems and alternative lending.

The DFI annual report contains statistical and historical information regarding the financial services industry in Kentucky. For more information, or to view or download the entire report, visit <http://kfi.ky.gov/publications/Pages/annualreports.aspx>.

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

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