COMMONWEALTH OF KENTUCKY

OFI | Office of Financial Institutions

1912-2005
Supervising Kentucky's Financial Industry for 92 years

Kentucky
UNBRIDLED SPIRIT

ANNUAL REPORT 2004

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Mission Statement

"The Mission of the Office of Financial Institutions is to serve the public through effective and efficient regulation that promotes consumer confidence and economic development."

Office of Financial Institutions Philosophy

The Agency's philosophy, drawn from its core values, its vision, and its mission, represents the fundamental beliefs that shape the approach to policy and operations and our commitment to those we regulate and the citizens of Kentucky.

- Commitment to High Standards. The Agency is committed to raising the standards of financial services regulation by providing professional, accurate, knowledgeable and courteous service to those we regulate.

- Commitment to Employees. The Agency recognizes that its employees are its greatest asset and they should be encouraged and empowered to use their creativity and working not only individually but as a team to fully satisfy the needs of the financial services industry. Only through teamwork, training and education can our staff ensure adequate response and delivery of unequaled service. We must continue to provide lifelong educational opportunities and the most up-to-date equipment to our employees.

- Commitment to Flexibility and Service. Flexibility is essential in today's rapidly changing world. Those we regulate expect greater efficiency and responsiveness from government. Government expectations of its employees is at a higher level than ever before. We must stand ready to make every effort to keep abreast of emerging trends and be able to make changes within our Agency that result from mapping trends and industry expectations.

- Commitment to Assisting Taxpayers. This Agency will improve its efforts to educate and inform citizens.

- Commitment to Responsiveness. This Agency will continue its efforts to be of service to the citizens. We will, in individual cases, act as an ombudsman to resolve complaints against entities we regulate. We will continue our educational outreach to our citizens in order to ensure their knowledge of their rights and responsibilities.

- Commitment to Fair and Impartial Administration and Enforcement. This Agency is committed to administering the laws of the Commonwealth fairly, equitably and impartially without regard to status, wealth, political affiliation, race, color, creed, or disability.

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Environmental and Public Protection Cabinet
Office of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601
Telephone: (502) 573 - 3390
Fax 502/573-8787

June 30, 2005

The Honorable Ernie Fletcher, Governor
Office of the Governor
The State Capitol
Frankfort, Kentucky 40601

Dear Governor Fletcher:

I am pleased to submit to you the Annual report of the Kentucky Office of Financial Institutions for the year ending Dec. 31, 2004. This report contains statistical and historical information pertaining to the financial services industry regulated by our agency.

As changes occur in the financial services industry we will continue to address them within the context of your vision for improving the quality of life for the citizens of the Commonwealth. The Office of Financial Institutions continues to make strides in its use of technology to meet these changes and carry out your vision.

As proud as I am of the high level of service our staff provides, we constantly seek new avenues to enhance our level of commitment to the Commonwealth and those we serve. Our mission and our strategic plan ensure that we will continue to work diligently to enhance the regulatory duties to meet the challenges of the financial services industry.

Sincerely,

Keith H. Talley, Sr.
Deputy Executive Director

COMMISSIONERS (1912-2004)

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

OFFICE OF FINANCIAL INSTITUTIONS BOARD

The Financial Institutions Board is a statutory body advising the Governor and the Executive Director of the Office of Financial Institutions on Office matters. The Board consists of representatives of all segments of Kentucky's financial industry and the public at large and is chaired by the Executive Director.

Thomas B. Miller
Chairman
Executive Director of OFI
1025 Capital Center Drive,
Suite 200
Frankfort, KY 40601
(502) 573-3390
FAX (502) 573-8787
tom.miller@ky.gov

Sally M. Hopkins
Retail Sales Manager
Union Planters Bank
PO Box 1080
Murray, KY 42071
(270) 762-5213
FAX (270) 753-9968
Consumer Finance & Industrial
Loan Industry Representative
Term Expires: 10/10/06
Sally.hopkins@upbna.com

Mindi F. Whitworth
Vice President & Senior
Trust Administrator
Branch Banking and Trust
6465 Barberry Drive
Paducah, KY 42001
(270) 444-8914
FAX (270) 444-8937
Banking Industry
Representative
Term Expires: 10/10/07
MWHITWORTH@BBandT.com

Gary Wallace
President
Commonwealth Credit Union
PO Box 978
Frankfort, KY 40601
(502) 564-4661
FAX (502) 564-8146
Credit Union Industry
Representative
Term Expires: 10/10/06
gwallace@cwcu.org

Debra S. Stone
Product Marketing Specialist
Computer Services Inc.
3901 Technology Drive
Paducah, KY 42001
(800) 545-4274
Public at Large Representative
Term Expires: 10/10/05
dstone@csiweb.com

Pete Mahurin
Senior Vice President
Hilliard Lyons
PO Box 1837
Bowling Green, KY 42102
(270) 781-1691
FAX (270) 781-1879
Securities Industry
Representative
Term Expires: 10/10/07

John H. Booher
President
Lexington Building & Supply
PO Box 55254
Lexington, KY 40555
(859) 422-2880
(FAX) 859/233-2129
Banking Industry Representative
Term Expires: 10/10/07
jbooher@lbsco.net

Ralph E. Bouvette, Ph. D.
Executive Vice President
American Pharmacy
Services Corporation
203 Manor House Lane
Frankfort, KY 40601
(502) 695-8899
FAX (502) 695-9912
Public at Large Representative
Term Expires: 10/10/05
bouvette@apscnet.com

ADMINISTRATIVE SERVICES BRANCH

ADMINISTRATIVE SERVICES BRANCH

Employees in the Administrative Services Branch provide administrative support to the office in the following areas:

- Facilities management: Frankfort office and field offices in Eddyville, Bowling Green, Louisville and Lexington;
- Fiscal management;
- Operations and quality control;
- Records management;
- Agency publications; and
- Staff development: coordinating Employee Training & Continuing Education and Examiner Certification programs.

A primary agency goal is to hire, train and maintain a highly informed and capable staff. One of the ways the Office seeks to accomplish this goal is through staff development by identifying training needs, developing and delivering agency-specific training, coordinating and/or sharing training and education resources with other state and federal agencies, and assuring equal access to continuing education and training opportunities for all employees.

Through continued innovation and open communication, the Office is hopeful that its past accomplishments will carry forward into the future and will enable this agency to become second to none in terms of staff development through training, continuing education and career development opportunities.

In addition to staff training, the Administrative Services Branch continued to coordinate and support the agency's efforts to inform/educate consumers, legislators and industry representatives. The Administrative Services Branch was also instrumental in developing and publishing several informational brochures and for once again distributing copies of its Annual Report to the state's public libraries and to senior citizens' centers across the Commonwealth.

Staff members from throughout the agency continued to enhance the agency's visibility by participating in public education forums, town meetings and industry association meetings. The Office's presence at career days and job fairs was further increased during 2004 as Administrative Services staff visited high schools and colleges in Kentucky and spoke with students about job opportunities. Administrative Services employees also represented OFI at the annual Governor's Diversity Day, a job fair that draws hundreds of students and teachers from across the state to Frankfort to learn about career opportunities in state government.

As it has for many years, the Office maintains a toll-free telephone number, and consumers and industry representatives wanting to speak with a member of the agency's staff are encouraged to call 1-800-223-2579 with their questions and concerns. Information for consumers, regulated industries and the general public is also available on the Office's Web site at **www.dfi.ky.gov.** Business hours are from 8 a.m. to 4:30 p.m. Eastern time at our central office located at 1025 Capital Center Drive, Suite 200, Frankfort, KY.

DIVISION OF FINANCIAL INSTITUTIONS

The Division of Financial Institutions was created by Executive Order reorganizing the Department June 12, 1997. The Division is responsible for licensing, chartering and regulating the activities of state-chartered/licensed depository and non-depository financial institutions. The Division's duties are strategically divided among three branches: Bank, Credit Union, and Compliance.

NINETY SECOND ANNUAL BANK AND THRIFT REPORT

The primary duties of the Bank Branch include chartering and regulating 172 state-chartered commercial banks, four independent trust companies, and numerous bank trust departments, bank holding companies, and electronic data processors. As of December 31, 2004, the banks held in aggregate in excess of $32.9 billion in assets.

Banks in general flourished financially in 2004 as the state and national economy continued to improve. No banks failed and the number of problem banks decreased slightly. Problem banks continued to be characterized by weak management, poor underwriting, and lack of effective board oversight. Successful banks continue to be the institutions with the most effective risk management systems. While the Department's examinations focus concentrated more on perceived high-risk areas such as commercial lending, operational risk, and interest rate risk, other areas such as bank secrecy, corporate governance, and compliance with the Patriot Act garnered increased attention.

The condition of Kentucky state banks improved in 2004 in terms of financial performance. Through December 31, 2004, they realized an increase in return on assets (ROA) to 1.17 percent from 1.09 percent in 2003. The cost of funding fell faster than the yield on earning assets, resulting in higher net interest margins. Net charge-offs to loans and leases fell to 0.29 percent from 0.46 percent in 2003. Over 65 percent of the banks reported earnings gains in 2004. The levels of nonperforming loans declined in 2004 indicating improvement in asset quality. At 9.33 percent, the core capital (leverage) ratio remained strong. There were 103 written consumer complaints against state chartered banks in 2004 versus 117 in 2003.

Two de novo banks were established in 2004, while three national banks and one federal savings bank converted to state charter. De novo charter activity is slowly increasing as the economy continues to improve.

The average experience of the Bank Branch field staff is over ten years with the Department, while the Bank Branch office staff has an average tenure of over twenty years with the Department. All Bank Branch personnel are provided with a comprehensive training program that involves at least one week of training each year. Training includes the areas of lending, operations, e-banking, trust, bank secrecy, and asset/liability management. Many of the examiners have completed or are attending one of the graduate schools of banking or trust.

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY STATE BANKS AND THRIFTS

Year	Total Assets
September 4, 1912	$ 110,096,102.83
September 3, 1913	112,556,338.09
September 12, 1914	110,516,100.67
November 10, 1915	110,068,034.26
August 17, 1916	120,217,111.75
September 7, 1917	152,490,422.93
September 5, 1918	175,361,452.29
September 5, 1919	213,365,256.47
September 13, 1920	227,231,768.46
June 30, 1921	220,117,518.15
June 30, 1922	222,284,937.92
June 30, 1923	257,447,342.36
June 30, 1924	260,394,024.52
June 30, 1925	269,730,816.68
June 30, 1926	278,619,057.34
June 30, 1927	308,521,323.67
June 30, 1928	341,300,174.09
June 30, 1929	385,559,868.28
June 30, 1930	364,849,233.33
June 30, 1931	295,881,257.76
June 30, 1932	248,031,078.12
June 30, 1933	231,577,905.49
June 30, 1934	239,624,124.68
June 30, 1935	229,781,437.48
June 30, 1936	250,997,016.66
June 30, 1937	270,699,778.60
June 30, 1939	266,594,369.49
June 30, 1940	273,977,674.22
June 30, 1941	297,360,610.22
June 30, 1942	340,903,872.17
June 30, 1943	477,658,367.10
June 30, 1944	578,775,786.77
June 30, 1945	904,485,435.10
June 30, 1946	941,787,755.13
June 30, 1947	898,858,508.44
June 30, 1948	932,808,480.54
June 30, 1949	933,714,814.70
June 30, 1950	953,843,874.72
June 30, 1951	1,002,285,106.04
June 30, 1952	1,081,217,820.20
June 30, 1953	1,125,336,205.82
June 30, 1954	1,167,432,270.01
June 30, 1955	1,211,811,536.25
June 30, 1956	1,220,534,082.10
June 30, 1957	1,294,391,352.88
June 30, 1958	1,383,757,204.28
June 30, 1959	1,402,074,237.64

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY STATE BANKS AND THRIFTS

Year	Total Assets
June 30, 1960	1,439,285,742.07
June 30, 1961	1,416,812,042.56
June 30, 1962	1,539,385,203.23
June 30, 1963	1,682,807,021.85
June 30, 1964	1,798,326,242.98
June 30, 1965	1,932,620,428.05
June 30, 1966	2,157,183,512.81
June 30, 1967	2,490,156,359.19
June 30, 1968	2,703,101,033.03
June 30, 1969	3,067,136,736.70
June 30, 1970	3,259,015,862.86
June 30, 1971	3,793,329,845.00
June 30, 1972	4,277,132,990.00
June 30, 1973	4,973,878,479.44
June 30, 1974	5,696,240,528.60
June 30, 1975	6,300,190,296.19
June 30, 1976	6,550,032,000.00
June 30, 1977	7,431,081,000.00
June 30, 1978	8,371,752,000.00
June 30, 1979	9,507,372,000.00
June 30, 1980	10,700,084,000.00
June 30, 1981	11,968,250,000.00
June 30, 1982	12,878,728,000.00
June 30, 1983	13,724,157,000.00
June 30, 1984	15,171,523,000.00
June 30, 1985	16,448,822,000.00
June 30, 1986	17,869,731,000.00
June 30, 1987	19,709,513,000.00
June 30, 1988	20,984,582,000.00
December 31, 1988	22,103,771,000.00
December 31, 1989	23,570,033,000.00
December 31, 1990	25,058,852,000.00
December 31, 1991	24,145,642,000.00
December 31, 1992	23,932,903,000.00
December 31, 1993	24,825,281,000.00
December 31, 1994	26,860,360,000.00
December 31, 1995	26,765,509,000.00
December 31, 1996	28,414,146,000.00
December 31, 1997	24,975,052,000.00
December 31, 1998	25,811,929,000.00
December 31, 1999	26,800,458,000.00
December 31, 2000	29,135,528,000.00
December 31, 2001	31,473,451,000.00
December 31, 2002	28,554,384,000.00
December 31, 2003	29,188,172,000.00
December 31, 2004	32,945,550,000.00

CONSOLIDATED CONDITION AND INCOME DATA - KENTUCKY STATE BANKS AND THRIFTS (dollar amounts in millions)

	Dec. 31, 2004	Change	Dec. 31, 2003
NUMBER OF INSTITUTIONS	172		169
Net income	370	20.52%	307
Total assets	32,946	12.88%	29,188
Earning assets	30,396	13.41%	26,802
Total loans and leases	23,383	15.60%	20,228
Other real estate owned	53	2.00%	52
Total deposits	25,769	11.09%	23,197
Equity capital	3,267	13.63%	2,875
PERFORMANCE RATIOS			
Yield on earning assets	5.84		6.04
Cost of funding earning assets	1.76		2.01
Net interest margin	4.07		4.03
Non interest income to average earning assets	1.06		1.18
Non interest expense to average earning assets	3.21		3.22
Net charge-offs to loans and leases	0.29		0.46
Net operating income to average assets	1.16		1.05
Returned earnings to average equity	5.78		2.51
Return on assets	1.17		1.09
Return on equity	11.79		10.90
Percent of unprofitable institutions	5.81		7.69
Percent of institutions with earnings gains	65.12		59.76
CONDITION RATIOS			
Net loans and leases to assets	70.04		68.35
Loss allowance to loans and leases	1.32		1.38
Loss allowance to non current loans and leases	165.02		132.56
Non current loans and leases to total loans and leases	0.80		1.04
Non performing assets to total assets	0.74		0.92
Core deposits to total liabilities	72.60		74.53
Equity capital to total assets	9.92		9.85
Core (leverage) capital ratio	9.33		9.30

TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
First & Farmers Bank, Inc.	Albany	228,781
Citizens Deposit Bank of Arlington, Inc.	Arlington	112,241
Heritage Bank of Ashland, Inc.	Ashland	96,758
Town Square Bank, Inc.	Ashland	132,540
Classic Bank	Ashland	344,208
Auburn Banking Co.	Auburn	53,202
Wilson & Muir Bank & Trust Co.	Bardstown	277,994
Town & Country Bank and Trust Co.	Bardstown	240,070
Kentucky Home Bank	Bardstown	72,335
Bardwell Deposit Bank	Bardwell	56,186
Kentucky Trust Bank	Beaver Dam	102,043
Bedford Loan & Deposit Bank	Bedford	63,217
Bank of Benton	Benton	324,035
Peoples Bank and Trust Co. of Madison County	Berea	226,917
Farmers State Bank	Booneville	39,221
South Central Bank of Bowling Green, Inc.	Bowling Green	172,142
Citizens First Bank, Inc.	Bowling Green	169,511
American Bank & Trust Co., Inc.	Bowling Green	128,447
Meade County Bank	Brandenburg	107,237
Bank of Edmonson County	Brownsville	156,766
Brownsville Deposit Bank	Brownsville	54,461
Bank of Buffalo	Buffalo	50,723
Citizens Bank of Cumberland County, Inc.	Burkesville	88,086
Bank of Cadiz and Trust Co.	Cadiz	92,600
United Citizens Bank & Trust Co.	Campbellsburg	79,371
Citizens Bank & Trust Co.	Campbellsville	136,196
Taylor County Bank	Campbellsville	107,682
Farmers & Traders Bank of Campton	Campton	35,510
Bank of Caneyville	Caneyville	46,292
Pioneer Bank	Canmer	67,105
Deposit Bank of Carlisle	Carlisle	58,617
Kentucky-Farmers Bank of Catlettsburg, Kentucky	Catlettsburg	126,471
The Cecilian Bank	Cecilia	318,692
King Southern Bank	Chaplin	111,286
Bank of Clarkson	Clarkson	99,610
Clinton Bank	Clinton	46,642
First Community Bank of Western Kentucky, Inc.	Clinton	53,718
Breckinridge Bank	Cloverport	30,679
Bank of Columbia	Columbia	122,751
United Citizens Bank of Southern Kentucky	Columbia	20,288

TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
Bank of Corbin	Corbin	77,006
The Bank of Kentucky, Inc.	Crestview Hills	876,858
The Harrison Deposit Bank and Trust Co.	Cynthiana	64,315
Heritage Community Bank	Danville	102,892
Dixon Bank	Dixon	60,597
Bank of Ohio County, Inc.	Dundee	67,904
First Federal Savings Bank of Elizabethtown	Elizabethtown	734,908
First Citizens Bank	Elizabethtown	186,149
Elkton Bank & Trust Co.	Elkton	102,944
Farmers Deposit Bank	Eminence	91,605
Heritage Bank, Inc.	Erlanger	262,634
United Kentucky Bank of Pendleton County, Inc.	Falmouth	31,340
The People's Bank of Fleming County, Kentucky	Flemingsburg	167,086
First Security Trust Bank, Inc.	Florence	75,410
First Bank of Northern Kentucky, Inc.	Fort Mitchell	64,565
The Bankers' Bank of Kentucky, Inc.	Frankfort	38,550
Farmers Bank & Capital Trust Co.	Frankfort	511,764
American Founders Bank, Inc.	Frankfort	235,883
Franklin Bank & Trust Co.	Franklin	203,390
Fredonia Valley Bank	Fredonia	69,602
The Farmers Bank and Trust Co. of Georgetown, Kentucky	Georgetown	291,653
Bank of Germantown	Germantown	22,951
South Central Bank of Barren County, Inc.	Glasgow	266,464
Kentucky Banking Centers, Inc.	Glasgow	138,031
Edmonton State Bank	Glasgow	291,848
Citizens Financial Bank, Inc.	Glasgow	38,152
The Commercial Bank of Grayson	Grayson	154,826
The Central Bank USA, Inc.	Greensburg	235,933
Deposit Bank & Trust Co.	Greensburg	75,338
The Farmers Bank	Hardinsburg	77,120
The Bank of Harlan	Harlan	117,792
State Bank & Trust Co.	Harrodsburg	123,561
Citizens Bank	Hartford	20,418
Commonwealth Community Bank, Inc.	Hartford	164,262
Hancock Bank & Trust Co.	Hawesville	121,079
Peoples Bank & Trust Co. of Hazard	Hazard	247,926
1st Trust Bank, Inc.	Hazard	10,532
The Citizens Bank	Hickman	87,158
Bank of Hindman	Hindman	130,252
United Southern Bank	Hopkinsville	134,003

TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
Planters Bank, Inc.	Hopkinsville	234,018
Hyden Citizens Bank	Hyden	101,042
Inez Deposit Bank	Inez	94,501
First State Bank	Irvington	123,675
First Security Bank & Trust, McLean	Island	24,652
Citizens Bank & Trust Co. of Jackson	Jackson	109,044
Bank of Jamestown	Jamestown	137,116
The Kevil Bank	Kevil	33,086
THE BANK - Oldham County, Inc.	Lagrange	128,309
Century Bank of Kentucky, Inc.	Lawrenceburg	84,251
Peoples Bank	Lebanon	45,169
Leitchfield Deposit Bank & Trust Co.	Leitchfield	86,391
Lewisburg Banking Co.	Lewisburg	60,080
Whitaker Bank	Lexington	1,101,493
First Security Bank of Lexington, Inc.	Lexington	217,256
Central Bank & Trust Co.	Lexington	1,172,397
Bank of the Bluegrass and Trust Co.	Lexington	200,146
The Casey County Bank, Inc.	Liberty	138,438
Peoples Security Bank	Louisa	45,534
The First Capital Bank of Kentucky	Louisville	227,737
Republic Bank & Trust Co.	Louisville	2,445,261
1st Independence Bank	Louisville	297,609
Stock Yards Bank & Trust Co.	Louisville	1,205,227
Ascencia Bank	Louisville	314,536
First Bank, Inc.	Louisville	178,668
Commonwealth Bank and Trust Co.	Louisville	481,622
River City Bank, Inc.	Louisville	209,056
Louisville Community Development Bank	Louisville	35,511
First United Bank of Hopkins County, Inc.	Madisonville	128,594
Magnolia Bank, Inc.	Magnolia	85,682
Farmers Bank & Trust Co., of Marion, Kentucky	Marion	109,913
The Peoples Bank	Marion	24,869
First Guaranty Bank	Martin	54,353
First Kentucky Bank, Inc.	Mayfield	258,302
Security Bank and Trust Co.	Maysville	47,729
Bank of Maysville	Maysville	110,800
Jackson County Bank	Mckee	115,336
Farmers Deposit Bank of Middleburg, Inc.	Middleburg	45,780
Home Federal Bank Corporation	Middlesboro	278,132
The Farmers Bank of Milton	Milton	110,486

TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
The Monticello Banking Co.	Monticello	343,975
The Citizens Bank	Morehead	77,272
Peoples Bank	Morehead	80,954
United Community Bank of West Kentucky, Inc.	Morganfield	79,842
Morgantown Bank & Trust Co., Inc.	Morgantown	124,418
Green River Bank	Morgantown	49,392
Traditional Bank, Inc.	Mount Sterling	599,363
Citizens Bank	Mount Vernon	118,224
The Peoples Bank	Mount Washington	91,305
Hart County Bank and Trust Co.	Munfordville	27,135
Citizens Bank	New Liberty	16,307
Citizens Bank of Northern Kentucky, Inc.	Newport	184,773
The Farmers Bank	Nicholasville	88,910
South Central Bank of Daviess County, Inc.	Owensboro	195,207
Independence Bank of Kentucky	Owensboro	485,242
First Security Bank of Owensboro, Inc.	Owensboro	116,859
First Farmers Bank and Trust Co.	Owenton	69,425
Peoples Bank & Trust Co.	Owenton	59,115
Owingsville Banking Co.	Owingsville	58,668
The Paducah Bank and Trust Co.	Paducah	385,708
Kentucky Bank	Paris	527,551
Community Trust Bank, Inc.	Pikeville	2,698,709
First State Financial, Inc.	Pineville	371,959
The First Commonwealth Bank of Prestonsburg, Inc.	Prestonsburg	160,579
First Bank and Trust Co. of Princeton, Kentucky	Princeton	85,740
Farmers Bank and Trust Co., Princeton, Kentucky	Princeton	91,776
West Point Bank	Radcliff	88,453
Madison Bank	Richmond	129,704
Citizens Guaranty Bank	Richmond	103,991
First & Peoples Bank	Russell	196,603
The Sacramento Deposit Bank	Sacramento	53,911
The Salt Lick Deposit Bank	Salt Lick	61,314
Sebree Deposit Bank	Sebree	20,577
Citizens Union Bank of Shelbyville	Shelbyville	491,352
Bullitt County Bank	Shepherdsville	154,071
The Peoples Bank of Bullitt County	Shepherdsville	168,292
Cumberland Security Bank, Inc.	Somerset	136,953
Springfield State Bank	Springfield	192,578

TOTAL ASSETS - KENTUCKY STATE BANKS AND THRIFTS
(dollar amounts in thousands with 000's omitted)

Bank	City	Total Assets
PBK BANK, INC.	Stanford	95,223
Peoples Exchange Bank	Stanton	222,794
The Peoples Bank	Taylorsville	88,113
South Central Bank of Monroe County	Tompkinsville	105,459
First Community Bank	Vanceburg	30,898
Citizens Deposit Bank & Trust	Vanceburg	90,386
United Bank & Trust Co.	Versailles	175,768
Commercial Bank	West Liberty	119,875
Bank of the Mountains, Inc.	West Liberty	60,127
Bank of McCreary County	Whitley City	117,333
Citizens State Bank of Ballard County	Wickliffe	57,260
Grant County Deposit Bank	Williamstown	92,391
Eagle Bank, Inc.	Williamstown	145,888
Alliance Banking Co.	Winchester	30,695
Total		**$32,945,550**

TRUST ASSETS - KENTUCKY STATE - CHARTERED INDEPENDENT TRUST COMPANIES

Name	City	Assets Under Management
Kentucky Trust Co.	Danville	311,622,000
Community Trust & Investment Co.	Lexington	1,031,808,000
Glenview Trust Co.	Louisville	983,724,000
Louisville Trust Co.	Louisville	78,453,000
Total		**$ 2,405,607,000**

TRUST ASSETS - KENTUCKY STATE BANK TRUST DEPARTMENTS
(dollar amounts in thousands with 000's omitted)

Name	City	Total Trust Assets
Classic Bank	Ashland	118
Town & Country Bank and Trust Co.	Bardstown	216,415
Wilson & Muir Bank & Trust Co.	Bardstown	6,288
Kentucky Trust Bank	Beaver Dam	109,717
Bank of Benton	Benton	3,760
Bank of Cadiz and Trust Co.	Cadiz	7,986
Deposit Bank of Carlisle	Carlisle	367
Kentucky-Farmers Bank of Catlettsburg, Kentucky	Catlettsburg	18,497
Clinton Bank	Clinton	2,542
The Bank of Kentucky, Inc.	Crestview Hills	212,251
The Harrison Deposit Bank and Trust Co.	Cynthiana	3,216
First Citizens Bank	Elizabethtown	111,000
First Federal Savings Bank of Elizabethtown	Elizabethtown	48,787
Elkton Bank & Trust Co.	Elkton	4,091
Farmers Deposit Bank	Eminence	11,766
The People's Bank of Fleming County, Kentucky	Flemingsburg	5,088
Farmers Bank & Capital Trust Co.	Frankfort	274,201
Franklin Bank & Trust Co.	Franklin	24
Deposit Bank & Trust Co.	Greensburg	109
The Central Bank USA, Inc.	Greensburg	1,487
The Bank of Harlan	Harlan	5,808
State Bank & Trust Co.	Harrodsburg	1,569
Commonwealth Community Bank, Inc.	Hartford	600
Hancock Bank & Trust Co.	Hawesville	3,608
Peoples Bank & Trust Co. of Hazard	Hazard	6,421
The Citizens Bank	Hickman	2,681
Planters Bank, Inc.	Hopkinsville	55,743
First Security Bank & Trust, McLean	Island	573
Citizens Bank & Trust Co. of Jackson	Jackson	10,756
Bank of the Bluegrass and Trust Co.	Lexington	49,636
Central Bank & Trust Co.	Lexington	769,944
Whitaker Bank	Lexington	22,309
1st Independence Bank	Louisville	168
Commonwealth Bank and Trust Co.	Louisville	827,719
Republic Bank & Trust Co.	Louisville	219,015
Stock Yards Bank & Trust Co.	Louisville	1,211,270
Farmers Bank & Trust Co., of Marion, Kentucky	Marion	1,497
Bank of Maysville	Maysville	14,346
Security Bank and Trust Co.	Maysville	1,903
The Monticello Banking Co.	Monticello	28,832

TRUST ASSETS - KENTUCKY STATE BANK TRUST DEPARTMENTS
(dollar amounts in thousands with 000's omitted)

Name	City	Total Trust Assets
United Community Bank of West Kentucky, Inc.	Morganfield	266
Morgantown Bank & Trust Co., Inc.	Morgantown	6,730
Hart County Bank and Trust Co.	Munfordville	2,530
Citizens Bank of Northern Kentucky, Inc.	Newport	8,590
Independence Bank of Kentucky	Owensboro	116,794
Peoples Bank & Trust Co.	Owenton	631
The Paducah Bank and Trust Co.	Paducah	56,857
Kentucky Bank	Paris	61,846
Community Trust Bank, Inc.	Pikeville	95,448
Farmers Bank and Trust Co., Princeton, Kentucky	Princeton	9,968
First & Peoples Bank	Russell	77,502
Citizens Union Bank of Shelbyville	Shelbyville	1,259
Cumberland Security Bank, Inc.	Somerset	3,792
Eagle Bank, Inc.	Williamstown	4,958
Grant County Deposit Bank	Williamstown	2,153

BANK CHANGES 2004: New Bank Charters, Bank Conversions, Name Changes, Mergers, and Loan Production Offices

New Charters

12-6-04 United Citizens Bank of Southern Kentucky, Inc, Columbia, Kentucky

12-13-04 1st Trust Bank, Inc, Hazard, Kentucky

Conversions

5-3-04 Whitaker Bank, N.A., Lexington, Kentucky converted to Whitaker Bank, Inc, Lexington, Kentucky.

5-3-04 Morehead National Bank, Morehead, Kentucky converted to Morehead Bank, Inc, Morehead, Kentucky.

5-3-04 Mount Sterling National Bank, Mt. Sterling, Kentucky converted to Mount Sterling Bank, Inc., Mt. Sterling, Kentucky

5-14-04 First Security Trust Bank, FSB, Florence, Kentucky converted to First Security Trust Bank, Florence, Kentucky.

Name Changes

1-5-04 Citizens Bank of Albany, changed its name to First & Farmers Bank, Inc.

7-9-04 I-Bank, Louisville, Kentucky changed its name to 1st Independence Bank

12-15-04 The Winchester Bank, Inc., Winchester changed its name to Alliance Bank.

Mergers

7-9-04 Independence Bank, New Albany, Indiana merged into I-Bank, Louisville, Kentucky.

7-9-04 First Financial Bank of Harrodsburg, Kentucky merged into 1st Independence Bank, Louisville, Kentucky.

7-31-04 United Community Bank, Glascow, Kentucky merged into The Central Bank USA, Inc., Greensburg, Kentucky.

8-21-04 Morehead Bank, Inc., Morehead, Kentucky merged into Whitaker Bank, Inc., Lexington, Kentucky

8-21-04 Mount Sterling Bank, Inc., Morehead, Kentucky merged into Whitaker Bank, Inc., Lexington, Kentucky

10-24-04 Citizens Bank, Georgetown, Kentucky merged into Farmers Bank, Georgetown, Kentucky

12-31-04 Breckinridge Bank of Cloverport merged into Hancock Bank & Trust Co., Hawesville, Kentucky.

Loan Production Offices

4-16-04 The Central Bank, USA, Greensburg, Kentucky to establish a Loan Production Office at 2500 East Point Parkway, Louisville, Kentucky.

5-12-04 The Bank of Cadiz & Trust Company, Cadiz, Kentucky to establish a Loan Production Office at 2703 Fort Campbell Boulevard, Hopkinsville, Kentucky.

6-1-04 The First Capital Bank of Kentucky, Louisville, Kentucky to establish a Loan Production Office at 4615 Dixie Highway, Louisville, Kentucky.

CREDIT UNION DIVISION
SEVENTY FIRST ANNUAL CREDIT UNION REPORT

The Credit Union Branch supervises the activities of 33 Kentucky state-chartered credit unions, ranging in size from $221,785 to $615,513,779. Total asset growth of state-chartered credit unions was moderate at 2.13 percent. This increased the total assets under supervision by the Credit Union Branch to $1,273,167,962.

The Credit Union Branch experienced the loss of two employees during the year with the retirement of Certified Examiner, Tom Zierer, and the resignation of Certified Examiner, Jeff Roberts.

As a whole, Kentucky state-chartered credit unions favored well during the year. Net worth growth was favorable at 6.26 percent. Loan growth was positive at 4.96 percent and outpaced share growth.

The Office of Financial Institutions did not receive any applications for merger or liquidation in 2004.

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY STATE - CHARTERED CREDIT UNIONS

Year	Total Assets
June 30, 1934	391,943
June 30, 1935	725,535
June 30, 1936	1,249,342
June 30, 1937	1,660,520
June 30, 1938	1,696,127
June 30, 1939	2,057,015
June 30, 1941	3,146,257
June 30, 1942	3,251,825
June 30, 1943	2,982,267
June 30, 1944	3,088,248
June 30, 1945	3,505,257
June 30, 1946	4,144,653
June 30, 1947	4,995,675
June 30, 1948	6,083,221
June 30, 1949	7,107,044
June 30, 1950	8,334,194
June 30, 1951	8,179,622
June 30, 1952	10,516,625
June 30, 1953	12,623,784
June 30, 1954	14,781,357
June 30, 1955	16,702,656
June 30, 1956	19,107,017
June 30, 1957	21,437,514
June 30, 1958	23,623,385
June 30, 1959	26,447,334
June 30, 1960	27,979,449
June 30, 1961	29,357,256
June 30, 1962	31,739,280
June 30, 1963	34,501,791
June 30, 1964	39,301,082
June 30, 1965	43,391,089
June 30, 1966	46,430,845
June 30, 1967	50,065,518
June 30, 1968	53,669,699
June 30, 1969	58,409,409
June 30, 1970	64,297,546
June 30, 1971	71,728,169
June 30, 1972	81,246,995
June 30, 1973	91,221,819
June 30, 1974	100,937,750

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY STATE - CHARTERED CREDIT UNIONS

Year	Total Assets
June 30, 1975	113,438,105
June 30, 1976	129,079,696
June 30, 1977	147,094,455
June 30, 1978	169,281,627
June 30, 1979	176,261,333
June 30, 1980	170,888,349
June 30, 1981	198,916,832
June 30, 1982	190,721,775
June 30, 1983	226,257,290
June 30, 1984	270,077,766
June 30, 1985	324,359,567
June 30, 1986	465,930,836
June 30, 1987	534,721,314
June 30, 1988	522,854,417
December 31, 1988	486,976,000
December 31, 1989	482,857,000
December 31, 1990	509,758,691
December 31, 1991	554,628,084
December 31, 1992	610,893,902
December 31, 1993	643,540,808
December 31, 1994	670,077,079
December 31, 1995	697,585,006
December 31, 1996	726,727,477
December 31, 1997	782,580,308
December 31, 1998	855,559,615
December 31, 1999	897,712,452
December 31, 2000	957,584,922
December 31, 2001	1,081,872,980
December 31, 2002	1,157,171,468
December 31, 2003	1,246,654,450
December 31, 2004	**$1,273,167,962**

SELECTED COMPOSITE OPERATING RATIOS - KENTUCKY STATE - CHARTERED CREDIT UNIONS

	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04
Ratio Description:					
Capital Adequacy:					
NetWorth/Total Assets	15.34	14.48	14.49	14.34	14.92
Total Delinquent Loans/NetWorth	4.33	5.05	4.50	4.27	4.65
Solvency Evaluation (Estimated)	118.29	117.15	117.14	116.90	117.64
Classified Assets (Est)/NetWorth	4.78	4.86	4.69	4.52	3.83
Asset Quality:					
Delinquent Loans/Total Loans	0.93	1.11	1.01	0.99	1.09
Net Charge-Offs/Avg Loans	0.47	0.51	0.61	0.77	0.70
Fair (Market) Value/Book Value (HTM invests)	100.71	100.82	100.42	100.23	99.24
Accum Unreal G-L On AFS/CST of Invest AFS	0.76	2.16	2.55	0.89	-1.07
Delinquent Loans/Assets	0.66	0.73	0.65	0.61	0.69
Earnings:					
Return on Average Assets	1.01	0.98	1.06	0.93	0.89
Gross Income/Average Assets	8.70	8.43	7.40	6.57	6.13
Yield On Average Loans	8.98	8.89	8.31	7.58	6.97
Yield On Average Investments	6.20	5.12	3.40	2.52	2.33
Cost of Funds/Avg Assets	3.90	3.65	2.47	1.80	1.48
Net Margin/Avg Assets	4.80	4.78	4.93	4.77	4.65
Operating Exp/Avg Assets	3.41	3.41	3.45	3.34	3.42
Provision For Loan & Lease Losses/Avg Assets	0.39	0.40	0.41	0.50	0.38
Net Interest Margin/Avg Assets	3.89	3.81	3.98	3.81	3.65
Operating Exp/Gross Income	39.13	40.41	46.65	50.82	55.72
Fixed Assets Including FRAs/Total Assets \1	2.65	3.01	2.64	2.58	2.47
Net Operation Exp/Avg Assets	2.89	2.84	2.85	2.74	2.79
Asset/Liability Management:					
Net Long-Term Assets/Total Assets	12.98	15.29	14.31	15.29	15.64
Reg Shares/Total Shares & Borrowings	51.31	54.41	57.82	59.94	58.18
Total Loans/Total Shares	85.09	77.67	76.08	72.72	75.34
Total Loans/Total Assets	71.46	65.88	64.63	61.86	63.57
Cash + Short-Term Investments/Assets	16.78	19.18	16.50	18.10	16.56
Total Share, Dep. and Borrows/Earning Assets	87.78	89.11	89.14	89.11	88.88
Reg Shares+Share Drafts/Total Shares & Borrowings	59.53	62.19	65.67	68.34	67.08
Borrowings/Total Shares & NetWorth	0.02	0.00	0.00	0.07	0.26
Productivity:					
Members/Potential Members	39.10	38.53	39.13	38.53	17.58
Borrowers/Members	64.51	63.28	61.70	59.43	59.38
Members/Full-Time Employees	449	436	422	408	407
AVG. Shares Per Members	4,010	4,443	4,645	4,949	4,961
AVG. Loan Balance	5,290	5,453	5,727	6,056	6,294
Salary and Benefits/Full-Time Employee	37,355	38,307	39,609	41,908	45,317
Other Ratios:					
NetWorth Growth	6.49	6.70	6.99	6.67	6.26
Market (Share) Growth	6.63	14.10	7.14	7.86	1.31
Loan Growth	10.29	4.15	4.94	3.10	4.96
Asset Growth	6.67	12.98	6.96	7.73	2.13
Investment Growth	9.90	36.63	11.97	18.26	-3.98

REPORT OF CONDITION - KENTUCKY STATE - CHARTERED CREDIT UNIONS

Name	City	Total Assets
Newport Postal	Newport	221,785
Ferry Morse (Fulton)	Fulton	343,125
Kenesco	Ashland	662,876
Muhlenberg Community Hospital	Greenville	759,731
Letcher County Teachers	Whitesburg	1,027,909
Kentucky Conference	Lexington	1,086,309
Berea	Berea	1,734,389
Covington City Employees	Covington	2,173,797
Alcan Employees	Louisville	2,452,034
Paducah City Employees	Paducah	2,627,108
Tarcana	Louisville	2,768,119
Louisville District US Engineer Employees	Louisville	3,669,468
Members One Credit Union, Inc.	Louisville	3,852,592
Kitco Employees	Louisville	4,231,608
Courier Journal	Louisville	5,304,135
B. C. B. S.	Louisville	5,906,120
Brown-Forman Employees	Louisville	7,304,773
Fancy Farm	Fancy Farm	9,056,527
Metro Employees	Lexington	9,457,075
Louisville Police Officers	Louisville	11,301,499
C&O United	Edgewood	12,211,713
Whitesville Community	Whitesville	12,824,135
Lexington Postal	Lexington	16,689,787
Louisville Gas & Electric Company	Louisville	19,148,612
Louisville Federal	Louisville	29,182,032
Beacon Community	Louisville	30,423,529
Rural Cooperatives	Louisville	33,007,888
Kemba Louisville	Louisville	34,439,537
Kentucky Employees	Frankfort	44,135,036
Gtky	Lexington	56,042,574
Service One	Bowling Green	77,074,072
Members Choice	Ashland	96,147,428
Ashland Inc. Employees	Ashland	120,386,861
Commonwealth	Frankfort	615,513,779
Total		**$1,273,167,962**

EIGHTH ANNUAL COMPLIANCE BRANCH REPORT

The Compliance Branch licenses and regulates mortgage brokers and companies, check cashers, consumer and industrial loan companies, and sale of checks. As of December 31, 2004, this branch supervised 1,511 licensees.

The number and type of licenses regulated by the Office are displayed below:

License Type	Number of Licensees December 31, 2003	Number of Licensees December 31, 2004
Mortgage Companies	84	118
Mortgage Brokers	333	315
Check Cashers	544	641
Consumer Loan Companies	346	336
Industrial Loan Companies	65	65
Sale of Checks	32	36
TOTAL	**1,404**	**1,511**

There were 316 Compliance Branch written consumer complaints received by the Office during 2004. The breakdown is as follows:

	Number of Written Complaints
Mortgage Companies	111
Mortgage Brokers	131
Check Cashers	18
Consumer Loan Companies	54
Industrial Loan Companies	0
Sale of Checks	2
TOTAL	**316**

During 2004, the number of examinations conducted by the Compliance Branch is as follows:

	Number of Examinations
Mortgage Companies	12
Mortgage Brokers	137
Check Cashers	543
Consumer Loan Companies	342
Industrial Loan Companies	65
TOTAL	**1,099**

In 2004, a total of $38,000 in fines were assessed against various mortgage companies and mortgage brokers.

The Compliance Branch is staffed with 10 examiners. Three are assigned to consumer loan companies and industrial loan companies, four to check cashers, and three to mortgage companies and mortgage brokers. These examiners collectively have in excess of 100 years experience and are highly trained in their respective areas. They are located in Bowling Green, Louisville, Lexington, Nicholasville, Versailles, and Union.

Check casher, consumer loan company, and industrial loan company licensees are examined annually as required by statute. Mortgage company and mortgage broker examination frequency are not set by statute, however, licensees are examined every 18 to 24 months. Each examiner has his/her own portfolio of licensees. Every effort is made by the Office to keep an examiners portfolio in a geographic area close to their residence in order to keep travel to a minimum. Field offices located in Eddyville, Bowling Green, Louisville, and Lexington are used by examiners for administrative purposes.

During calendar year 2004, the Compliance Branch examination staff attended several schools and conferences that provided continuing education in their respective fields. The American Association of Residential Mortgage Regulators (AARMR) provides a five-day examiner school annually in Washington, D.C. All three of the mortgage examiners attend each year. The topics covered vary from year to year, but most importantly this particular school keeps the mortgage staff current in changes to federal laws and regulations. Every two years AARMR offers a three-day fraud school in addition to the examiner school and the entire mortgage staff attends. Consumer loan company, industrial loan company and check casher examiners attend the National Association of Consumer Credit Administrators (NACCA) annual five-day examiner school that is held in various locations throughout the United States. As with the AARMR examiner school, this school provides for continuing education and updates on the changes in federal laws and regulations.

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY CONSUMER LOAN COMPANIES (dollar amounts in millions with 000's omitted)

Year	Total Assets
December 31, 1970	215,167,905
December 31, 1971	226,157,998
December 31, 1972	239,477,617
December 31, 1973	245,215,588
December 31, 1974	229,683,167
December 31, 1975	208,570,020
December 31, 1976	211,463,297
December 31, 1977	239,296,246
December 31, 1978	268,373,094
December 31, 1979	293,273,325
December 31, 1980	259,294,136
December 31, 1981	211,028,452
December 31, 1982	232,543,585
December 31, 1983	321,540,852
December 31, 1984	382,601,061
December 31, 1985	421,405,340
December 31, 1986	493,127,698
December 31, 1987	566,180,285
December 31, 1988	640,725,342
December 31, 1989	667,957,592
December 31, 1990	696,270,222
December 31, 1991	730,091,564
December 31, 1992	761,442,628
December 31, 1993	822,215,474
December 31, 1994	852,349,610
December 31, 1995	842,469,339
December 31, 1996	892,877,819
December 31, 1997	690,503,783
December 31, 1998	675,952,908
December 31, 1999	728,313,360
December 31, 2000	715,191,067
December 31, 2001	587,058,850
December 31, 2002	641,252,164
December 31, 2003	684,177,846
December 31, 2004	**$739,568,188**

CONSOLIDATED REPORT OF CONDITION - KENTUCKY CONSUMER LOAN COMPANIES

TOTALS FOR STATE	336 Consumer. Loan Companies Dec. 31, 2004	Change	345 Consumer Loan Companies Dec. 31, 2003
ASSETS			
Cash and Due from Depositor Institutions	5,949,438	20.12%	4,953,088
Total Loans Receivable, Net of Unearned Interest and Reserves	712,172,387	7.35%	663,439,753
Premises and Fixed Assets (Net of Depreciation)	4,513,584	6.16%	4,251,755
Deferred Charges and Prepaid Expenses	2,255,640	-27.28%	3,101,934
Other Assets Used in Consumer Loan Business	14,677,139	74.08%	8,431,316
Total Assets Used in Consumer Loan Business	**739,568,188**	**8.10%**	**684,177,846**
LIABILITIES and CAPITAL or NET WORTH			
Total Liabilities	601,043,249	8.31%	554,915,091
Total Capital	138,524,939	7.17%	129,262,755
Total Liabilities and Capital or Net Worth	**739,568,188**	**8.10%**	**684,177,846**
LOANS MADE IN 2004 CLASSIFIED BY COLLATERAL KENTUCKY CONSUMER LOAN COMPANIES			
Collateral			
Personal Items/Household Goods	341,650,854	5.17%	324,869,314
Motor Vehicles	62,943,787	-14.61%	73,711,012
Motor Vehicles and Personal Items	121,211,601	-21.77%	154,940,704
Real Estate	23,194,131	-7.00%	24,941,193
Unsecured Notes	134,197,884	6.02%	126,574,883
Endorsed and/or Co-Maker Notes	7,672,871	9.60%	7,001,023
Other Considerations	4,536,759	-38.22%	7,343,581
Total	**695,407,887**	**-3.33%**	**719,381,710**

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY INDUSTRIAL LOAN COMPANIES

Year	Total Assets
June 29, 1946	432,786
June 30, 1947	843,587
June 30, 1948	1,207,448
June 30, 1949	998,520
June 30, 1950	725,995
June 30, 1951	1,002,486
June 30, 1952	1,260,935
June 30, 1953	1,197,125
June 30, 1954	1,145,154
June 30, 1955	1,337,078
June 30, 1956	3,351,255
June 29, 1957	6,674,101
June 30, 1958	7,624,233
June 30, 1959	12,027,595
June 30, 1960	25,016,928
June 30, 1961	29,533,306
June 30, 1962	38,986,576
June 29, 1963	47,926,026
June 30, 1964	62,498,295
June 30, 1965	74,443,666
June 30, 1966	83,269,104
June 30, 1967	92,253,814
June 30, 1968	106,979,831
June 30, 1969	118,607,417
June 30, 1970	128,303,693
June 30, 1971	130,666,763
June 30, 1972	144,585,041
June 30, 1973	182,173,895
June 30, 1974	212,063,191
June 30, 1975	203,572,673
June 30, 1976	208,046,246
June 30, 1977	224,959,496
June 30, 1978	238,484,239
June 30, 1979	268,877,377
June 30, 1980	254,058,175
June 30, 1981	255,953,218
June 30, 1982	165,942,225
June 30, 1983	69,058,748
June 30, 1984	45,051,556
June 30, 1985	61,357,110

ANNUAL CONSOLIDATED STATEMENT OF ASSETS - KENTUCKY INDUSTRIAL LOAN COMPANIES

Year	Total Assets
June 30, 1986	47,118,841
June 30, 1987	19,930,854
June 30, 1988	3,579,048
December 31, 1988	33,707,258
December 31, 1989	66,185,013
December 31, 1990	60,216,163
December 31, 1991	93,265,336
December 31, 1992	70,626,327
December 31, 1993	36,242,155
December 31, 1994	17,161,759
December 31, 1995	13,559,113
December 31, 1996	13,841,777
December 31, 1997	13,346,139
December 31, 1998	8,854,581
December 31, 1999	3,184,487
December 31, 2000	12,700,424
December 31, 2001	12,013,001
December 31, 2002	16,861,557
December 31, 2003	7,106,807
December 31, 2004	**$7,727,195**

CONSOLIDATED REPORT OF CONDITION - INDUSTRIAL LOAN COMPANIES

	65 Industrial Loan Companies Dec. 31, 2004	Change	65 Industrial Loan Companies Dec. 31, 2003
ASSETS			
Cash on Hand	0	0.00%	0
Cash in Depository Institutions	219,512	111.64%	103,718
Investments	0	0.00%	0
Industrial Loans	5,595,059	-21.06%	7,087,930
Conditional Sales Contracts	0	0.00%	0
Other Loans	162,326	-1.00%	163,958
Total Loans	5,757,385	-20.61%	7,251,888
Less: Unearned Interest	51,403	-48.99%	100,770
Reserve for Loan Loss	263,115	-26.99%	360,398
Loans, Net of Unearned Interest and Reserves	5,442,867	-19.85%	6,790,720
Premises and Fixed Assets	0	0.00%	0
Other Assets	2,064,816	872.28%	212,369
TOTAL ASSETS	7,727,195	8.73%	7,106,807
LIABILITIES			
Certificates of Investment	0	0.00%	0
Other Borrowed Money	5,805,862	3.10%	5,631,558
Other Liabilities	94,560	16.64%	81,072
TOTAL LIABILITIES	5,900,422	3.29%	5,712,630
EQUITY CAPITAL			
Capital Stock	500,000	0.00%	500,000
Surplus and Undivided Profits	1,710,692	137.43%	720,509
Current Earnings	-383,919	-321.06%	173,668
TOTAL EQUITY CAPITAL	1,826,773	31.03%	1,394,177
TOTAL LIABILITIES and EQUITY CAPITAL	**7,727,195**	**8.73%**	**7,106,807**

DIVISION OF SECURITIES

Nineteenth Annual Securities Report

The mission of the Division of Securities is to 1) protect Kentucky investors by preventing and remedying, whenever possible, investment fraud and related illegal conduct, 2) educate the investing public on how to make informed investment decisions, and 3) assist companies in their legitimate attempts to raise capital and transact securities business in Kentucky.

To fulfill its mission, the Division of Securities performs the various functions set forth below. Each of these activities is intended to provide protection to the citizens of the Commonwealth by helping to ensure that securities transactions are effected in compliance with the Securities Act and that investors have thorough and accurate information available to them when they are evaluating an investment in a security or contemplating doing business with a securities professional.

- Licensing – Licensing staff assist in the registration of, or determination to deny registration to, broker-dealers, investment advisers and their employees. Another service provided by Licensing staff is to provide information to the public concerning a broker's disciplinary history.

- Compliance – Examiners in the Compliance Branch perform routine (but often unannounced) examinations of broker-dealers, investment advisers and their employees in the Commonwealth in order to determine that they are complying with the securities laws.

- Enforcement – Investigators in the Enforcement Branch investigate allegations of securities fraud or other illegal conduct. In coordination with Office Legal staff, the investigators assist in the administrative actions the Office may pursue against alleged violators of the Securities Act. Further, the Division may refer cases to criminal authorities to prosecute the most serious occurrences of securities fraud.

- Corporation Finance – Corporation Finance staff assist in the registration or exemption from registration of entities that issue securities in the Commonwealth. The staff in this area also process notice filings by issuers of federally covered securities such as mutual funds. The Corporation Finance staff also answer questions from the general public about the requirements for offerings of securities in Kentucky.

In addition, Division staff distribute informational brochures to Kentuckians through public libraries, county cooperative extension agencies, and regularly speak to high school students and community groups about saving and investing.

REPORT OF THE DIVISION OF SECURITIES YEAR-END 2004

LICENSING BRANCH

Broker-Dealer Registrations	Year End 2004
New Applications (Form BD)	127
Total Registered	1,636
Broker-Dealer Agent Registrations	
New Applications (U-4)	2,171
Total Registered	69,793
Issuer Agent Registrations	
New Applications	40
Total Registered	158
State Investment Advisers	
New Applications (ADV)	17
Total Registered	114
Federal Covered Investment Advisers	
Total Effective Notice Filings	680
Investment Adviser Representatives	
New Applications (U-4)	939
Total Registered	2,083

ENFORCEMENT BRANCH

2004	YTD
Referrals To Outside Agency/Entity	2
Referrals From Outside Agency/Entity	5
Investigations Opened	28
Investigations Closed	26
Investigations Pending	35

CORPORATION FINANCE

2004	Effective	Pending
Registrations		
By Coordination	39	42
By Qualification	0	0
By Notification	0	0
Notice Filings		
Investment Companies – New	320	74
Investment Companies – Renewals	2,837	2
Unit Investment Trusts	417	154
Reg. D, Rule 506 Offerings	473	79
Exemptions		
Claims of Exemption Requested	75	1
Total	4,161	352

COMPLIANCE BRANCH

2004	YTD Exams
Broker Dealer	**125**
Main Office	3
Branch Office	68
Non-Branch Office	54
Investment Adviser	**51**
Issuer Agent	**2**
Total	**178**

2004 KENTUCKY HEADQUARTERED - BROKER DEALER COMPANIES

Name	Address	City
Alexander Investment Services	12700 Shelbyville Road	Louisville
Churchill Financial, LLC	1406 Browns Lane, Suite 200	Louisville
Dupree & Company, Inc.	125 South Mill Street	Lexington
First Advantage Securities Corporation	1109 Lovers Lane, Suite 2-C	Bowling Green
First Kentucky Securities Corporation	305 Ann Street, Suite 400	Frankfort
Interactive Planning Corp.	131 Prosperous Place, Suite 17	Lexington
Investment Bank Services, Inc.	6200 Dutchman's Lane	Louisville
Inviva Securities Corporation	9920 Corporate Campus Drive, Suite 1000	Louisville
J.J.B. Hilliard, W.L. Lyons, Inc.	Hilliard Lyons Center	Louisville
Lexington Investment Company, Inc.	2365 Harrodsburg Rd, Suite B375	Lexington
Maxxtrade, Inc.	880 Corporate Drive, Suite 410	Lexington
Merchanthouse Securities, Inc.	9960 Corporate Campus Drive, Suite 1400	Louisville
Nancy Barron & Associates, Inc.	150 Grand Boulevard	Lexington
NGAS Securities, Inc.	120 Prosperous Place, Suite 201	Lexington
Rise, Inc.	8913 Stone Green Way, Suite 200	Louisville
Sachs Company	1346 South Third Street	Louisville
Tradepipe BD, LLC	108 South Madison Avenue	Louisville
Winebrenner Capital Partners, LLC	2300 Greene Way, Suite 200	Louisville

2004 KENTUCKY HEADQUARTERED REGISTERED INVESTMENT ADVISERS

Name	City
Advisory Team, LLC	Covington
Alleghan Investment Management, Inc.	Lexington
Argus Investment Management	Louisville
Beck Financial, LLC	Villa Hills
Bryon N. Milby, CPA	Campbellsville
Capital Advisors Group, Inc.	Lexington
Capital Asset Management Corp.	Louisville
Capital Investment Management, Inc.	Leitchfield
Carroll D. Sponcil	Louisville
Christina Vittitow O'Bryan, CFP	Owensboro
Churchill Financial, LLC	Louisville
Civello Investment Advisory	Louisville
Coats Financial Planning	Louisville
Cole Management, Inc.	Shelbyville
Commonwealth Financial Advisors LLC	Louisville
Cotton and Allen Financial Group, LLC	Louisville
Crossroads Financial Planning, Inc.	Louisville
Dynamic Management Systems	Henderson
Elkhorn Investment Management, LLC	Midway
Equity Advisors of Kentucky, Inc.	Louisville
Equity Resources, LLC	Louisville
Family Wealth Counseling, Inc.	Louisville
Financial Architects, Inc.	Louisville
Financial Services Advisory, Inc.	Louisville
Flynn Capital Advisors	Prospect
Focus on Success	Ft. Mitchell
Goldenrod Capital Advisers, Inc.	Fisherville
Goodman Associates, LLC	Louisville
Hatfield and Company	Crestview Hills
Heritage Financial Group, Inc.	Paducah
Highland Financial Management, Inc.	Louisville
Horizon Financial Services, Inc.	Paducah
Independent Advisory Services	Lexington
Invest, Inc.	Lexington
Investment Research Advisory Corp.	Louisville
Investment Strategies Inc.	Louisville
Jesse Investment Advisors	Louisville
John C. Muir & Co.	Mayfield
John Patrick Anderson	Lexington
Keepsake Management	Lexington

2004 KENTUCKY HEADQUARTERED REGISTERED INVESTMENT ADVISERS

Name	City
Key Market Research, LLC	Louisville
KFG Private Client Services, LLC	Louisville
Landmark Financial Advisors, LLC	Bowling Green
Lawrence J. Botzman CFP	Somerset
Leonard Joseph Schneck, Ph.D.	Lexington
LifeCourse Advisors LLC	Princeton
Marshall Capital Management Group	Louisville
MC Financial Services, Inc.	Louisville
Millson/Walker Financial Group, Ltd.	Florence
Money Matters, Inc.	Morehead
Moneywise, Inc.	Lexington
Morgan Money Management, Inc.	Paducah
Nina M. Wyatt & Associates, LLC	Owensboro
PainterFinancial	Greenville
Palmer Capital Management, Inc.	Florence
Pierce Financial Planning, Inc.	Lexington
Pillar Financial Advisors, LLC	Louisville
Regional Investment Advisors, Inc.	Louisville
Resource Design, Inc.	Edgewood
RiverCities Asset Management, LLC	Owensboro
Robert Eugene Matthews III	Louisville
Robert M. Walker & Associates, Inc.	Louisville
Ron Beaton's Money Matters	Paducah
Scearce Services, Inc.	Lexington
Spectrum Financial Alliance	Nicholasville
Stivers Consulting, Inc	Lexington
Sullivan, Morris, Sullivan and Hart, P.S.C.	Lexington
Thomas E. Hatton, Private Asset Management	Henderson
Thomas M. Zalla, CFP / PhD	Ft. Wright
Thompson Investment Advisors, Inc.	Louisville
Thurn Financial Planning, LLC	Lexington
Wealth Investment Network, Inc.	Edgewood
Wealth Management Inc.	Bowling Green
William E. Sawyer dba Conservative Asset Management	Louisville
William W. Cox, Jr.	Paducah
Wilson Financial Services Inc.	Williamstown
Winebrenner Investment Advisors LLC	Louisville
Your CFO LLC	Lawrenceburg

The financial information in this report is based upon unverified figures furnished in Dec. 31, 2004, call reports.

Subsequent amendments to call reports are not reflected.

PAID FOR WITH STATE FUNDS

Office of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601

502-573-3390
Fax: 502-573-8787
1-800-223-2579
www.dfi.ky.gov