

52nd Annual California Bankers Association Legislative Conference

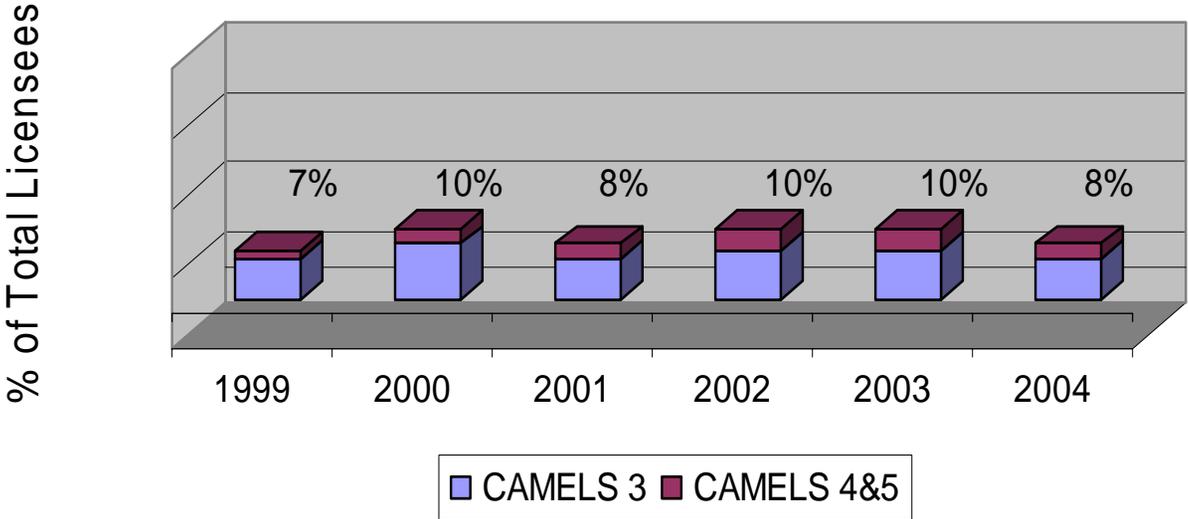
February 23, 2005

Howard Gould, Commissioner
Department of Financial Institutions

Industry Overview

- Bank Health
- New Banks
- Capital
- People

Problem Licensees



New Banks Approved

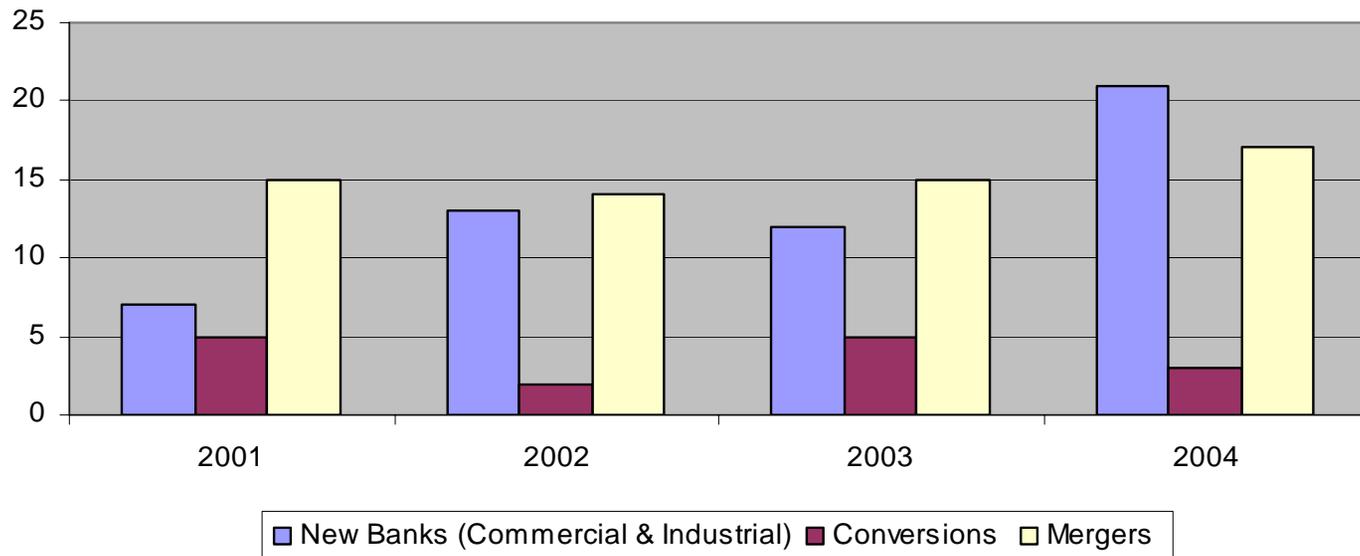
2003

1. Bank of Escondido
2. California Community Bank
3. Diablo Valley Bank
4. Five Star Bank Natomas
5. Golden State Business Bank
6. Redwood Capital Bank
7. San Diego Trust Bank
8. Santa Cruz County Bank
9. The Private Bank of the Peninsula
10. Torrey Pines Bank

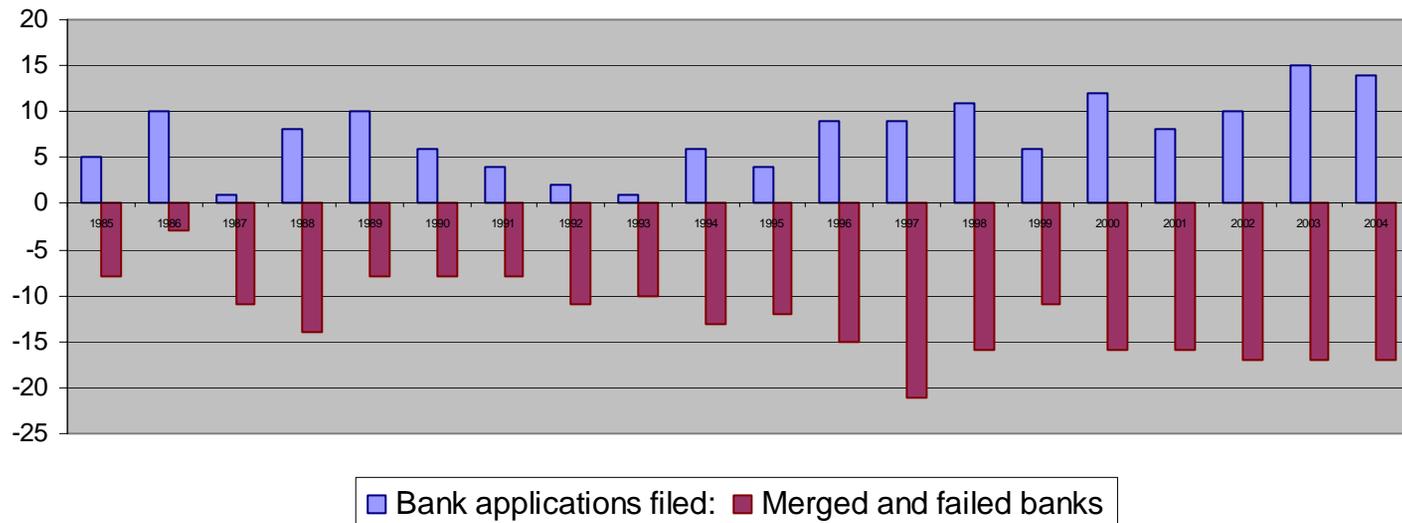
2004

1. Bank of Santa Clarita
2. Bay Commercial Bank
3. Beach Business Bank
4. California United Bank
5. Charter Oak Bank
6. Commonwealth Business Bank
7. Desert Commercial Bank
8. First Community Bank
9. First Vietnamese American Bank
10. Founders Community Bank
11. MetroPacific Bank
12. Mother Lode Bank
13. New YCB Bank
14. Ojai Community Bank
15. Pacific Valley Bank
16. Point Loma Community Bank
17. Security Bank of California
18. Nara Bank, National Association
19. Western Financial Bank

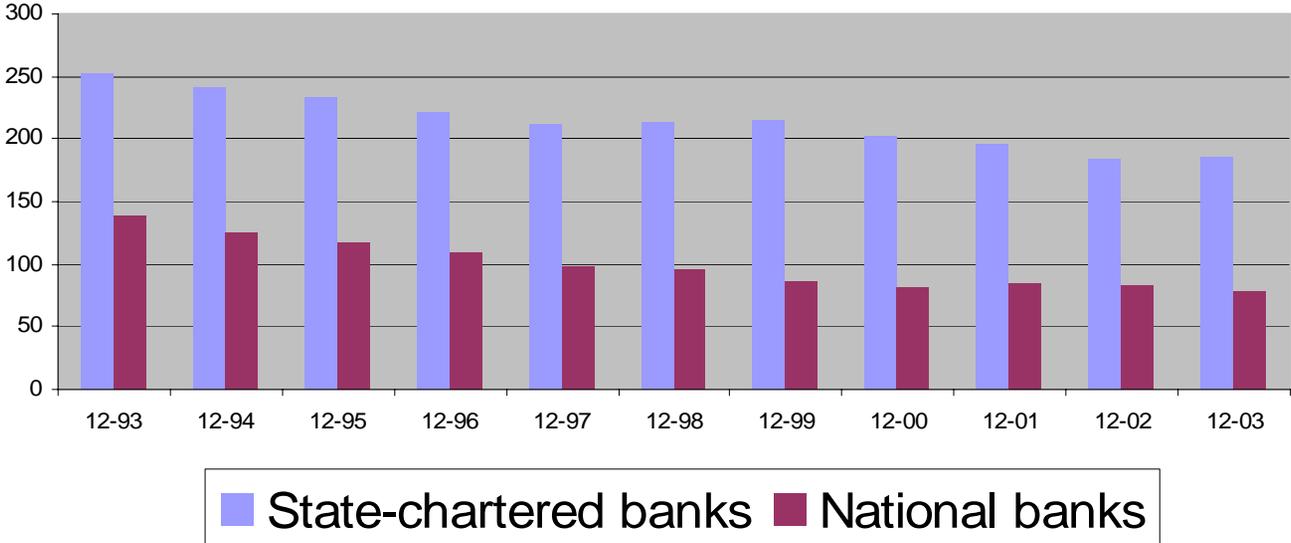
Number of Applications Reaching Decision - Banks



New Banks and Extinct Banks 1985 - YTD 2004 as of September 13, 2004



Number of State Banks and National Banks



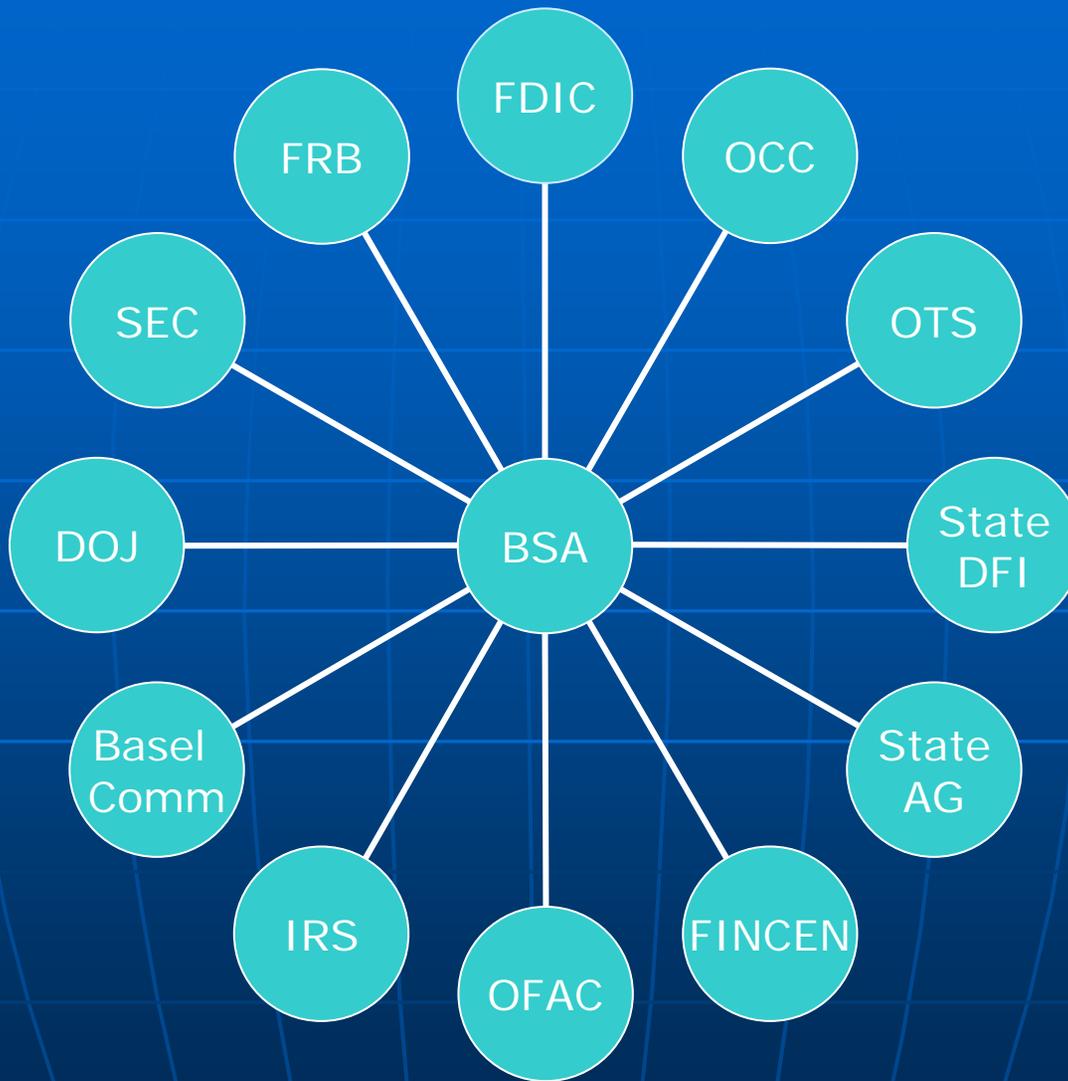
Capital, Capital, Everywhere...

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Year	New Banks	Min. Capital Approved	Actual Capital
2003	15	\$164.5	\$207
2004	10	\$107.7	\$123.6
2005 YTD	2	\$30.4	\$33.3
	27	\$302.6	\$363.9

Capital, Capital, Everywhere...

... Where's the talent to be found?



Administration Overview

- CPR
 - Operational
 - Performance
 - Organization

California Performance Review

“...we will make California the first true 21st century government in America, a government that is as innovative and dynamic as the state itself.”

-Governor Arnold Schwarzenegger

1. Executive Branch Reorganization;
 - *“Efficient and effective leadership”*
2. Program Performance Assessment and Budgeting;
 - *“True costs and benefits”*
3. Improved Services and Productivity; and
 - *“Customer focused transformation”*
4. Acquisition Reform
 - *“Desperate need of complete overhaul”*

DFI Overview

- Goals
- CAMELS
- Charter

Pyramid of Progress



DFI – CAMELS

C – Competent

A – Advisory

M – Meaningful

E – Efficient

L – Listening

S – Strong

2004 CAMELS

CAMELS 1& 2

100%

C – Competent	100%
A – Advisory	94.12%
M – Meaningful	100%
E – Efficient	94.12%
L – Listening	100%
S – Strong Leadership	100%

2005 Focus

C AMELS

C ONTINUOUS IMPROVEMENT

S ERVICE

W HY?

T IME IS MONEY!

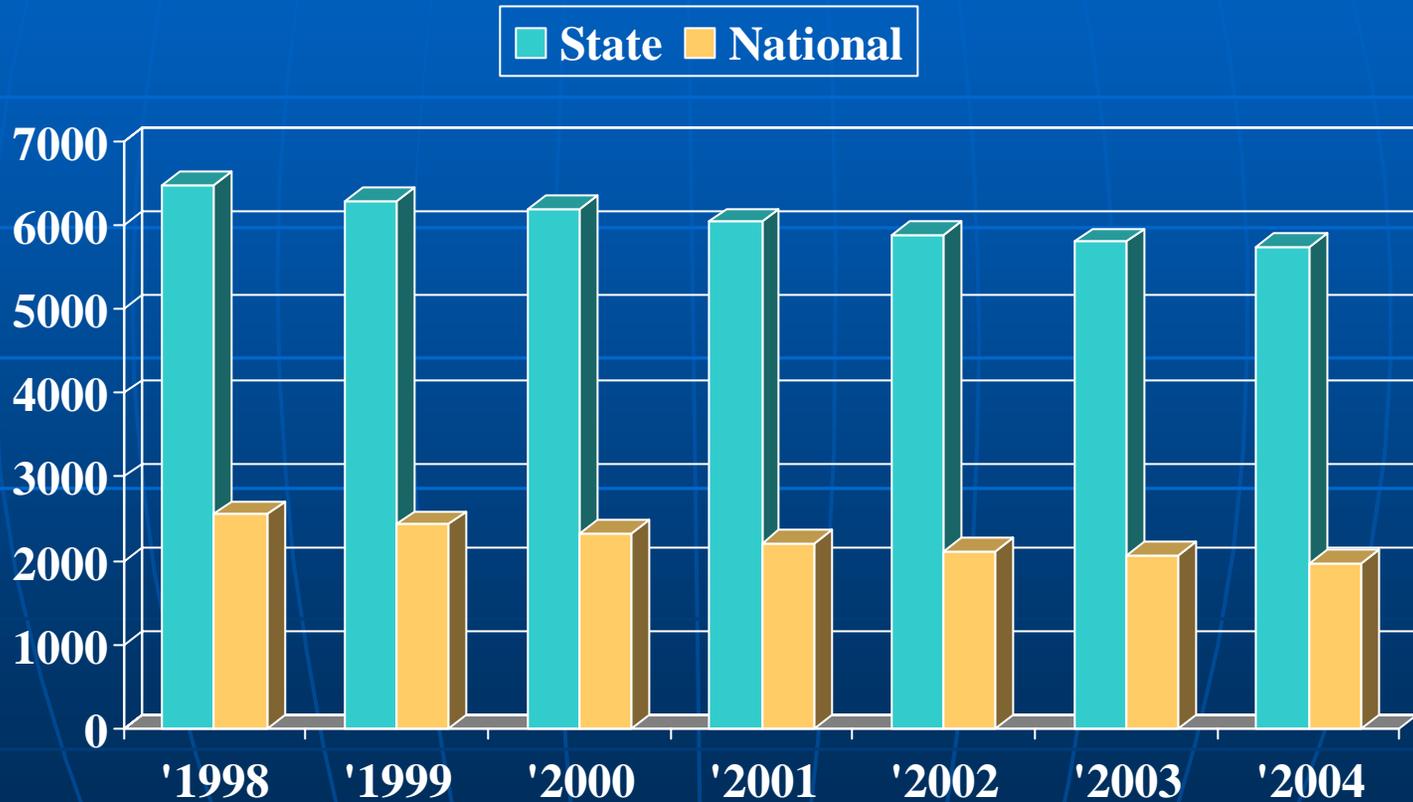
Golden Charter

- Pre-emption
- Interstate
- Efficiency

Number of Commercial Banks by Charter

Comparison of March Data by year

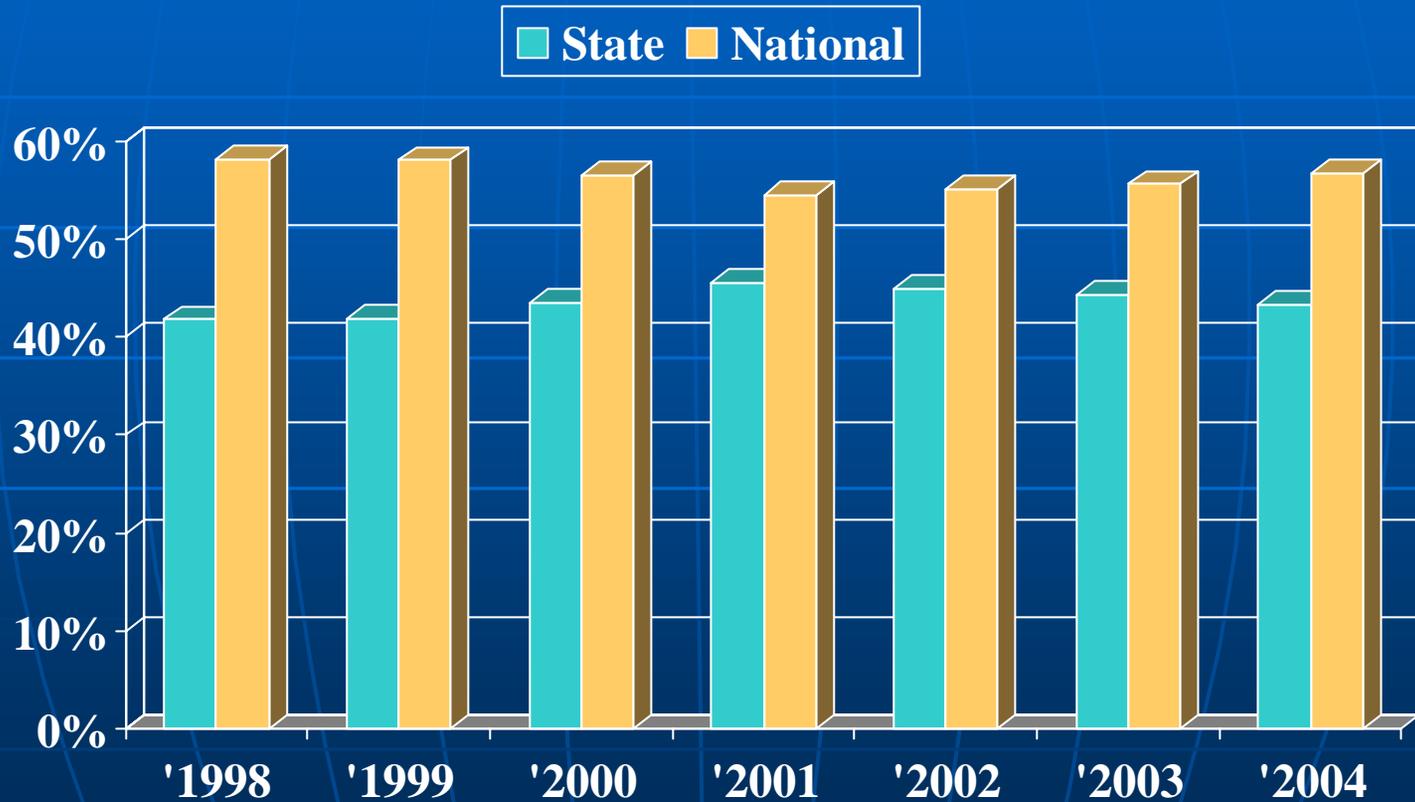
Source: FDIC



Assets of Commercial Banks by Charter

Comparison of March Data by year

Source: FDIC



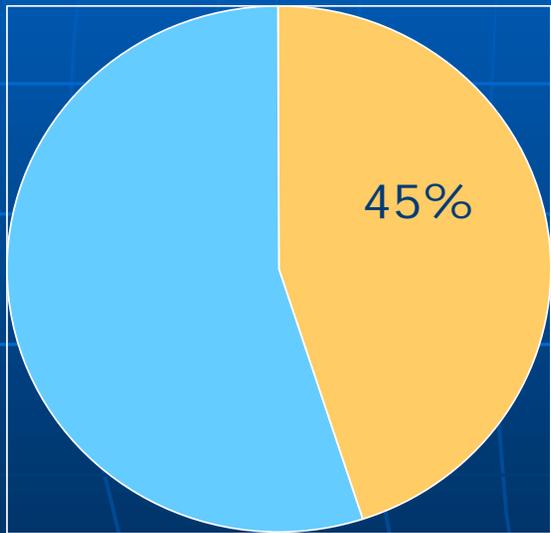
Assets of Largest Banks

As % of Total Commercial Bank Assets

Source: FDIC

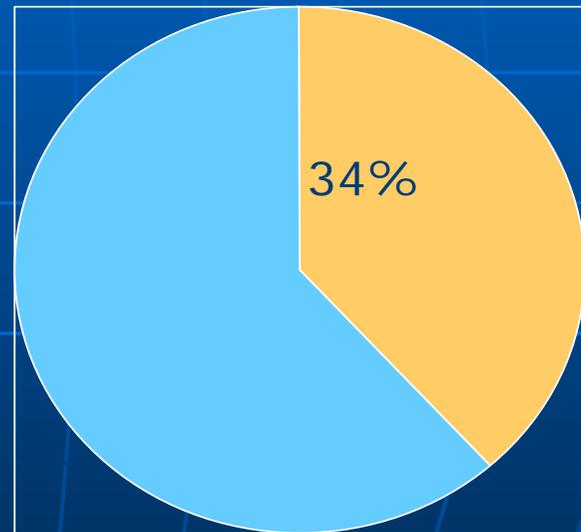
March 2004 Data and Ranking

■ Top 10 Banks ■ Others



Current Assets Top 10

■ Top 5 Banks ■ Others



Current Assets Top 5

Largest Banks have influence in DC

Efficiency

- Banks

expenses/revenues = e

- Bank Charter

restrictions/authority = e

Pyramid of Progress

