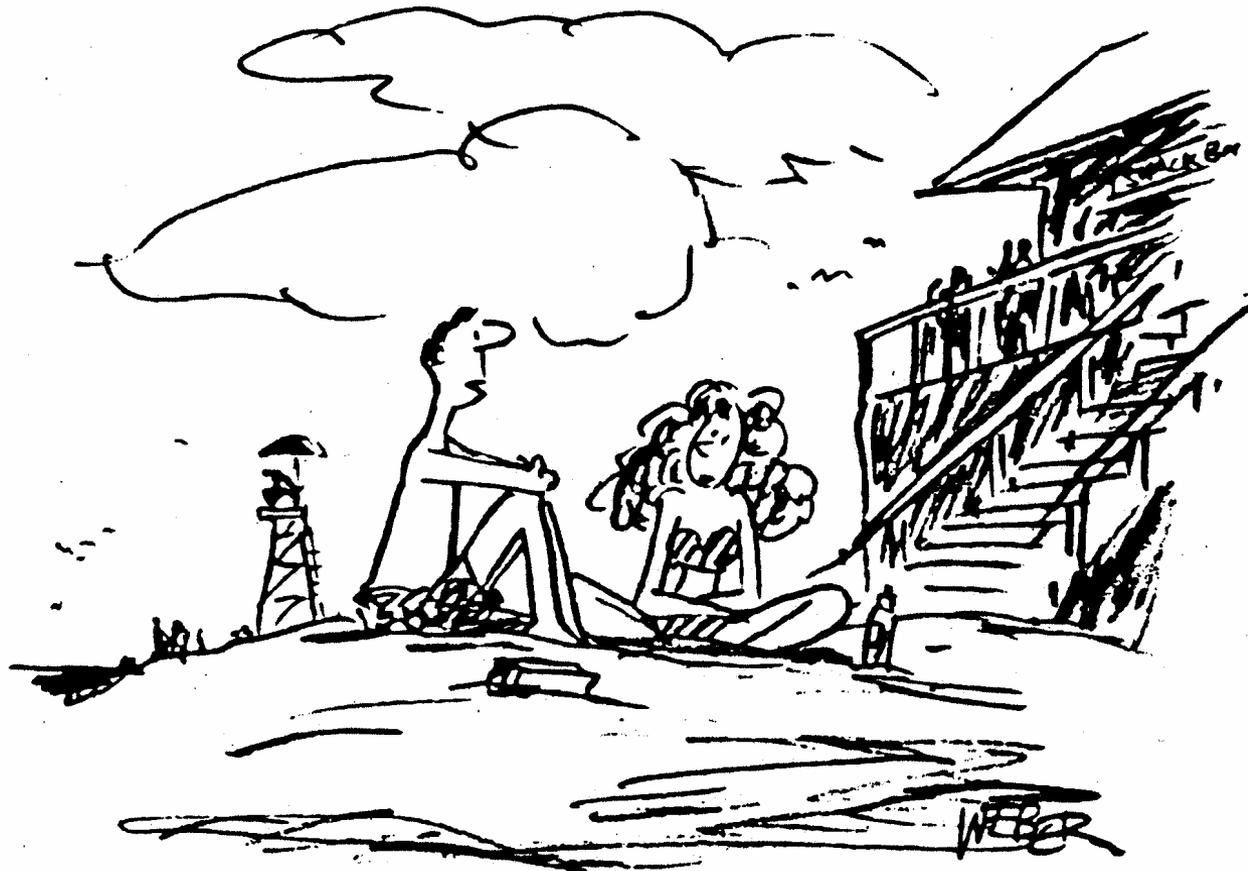




Korean American Chamber of Commerce
July 9, 2003
World Trade Club
San Francisco, California

Presentation by
Donald R. Meyer, Commissioner
Department of Financial Institutions



"I see myself going into some form of public service, like banking."

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Financial Institution Overview— 2000 to YTD 2003

I. Number of Institutions at YTD 2003

Commercial banks	12/31/01	12/31/02	3/31/03
State-chartered banks at yearend	196	185	181
De novo state banks opened during the year	8	5	1
Conversions to state banks during the year	1	1	-
National banks at yearend	84	83	82
De novo national banks opened during the year	8	5	-
Conversions to national banks at yearend	-	-	-
Credit unions			
State-chartered credit unions at yearend	218	223	221
Conversions to state charter	7	9	1
Federal credit unions at yearend	418	387	383
Conversions to federal charter	-	-	-
Industrial banks			
Industrial banks at yearend	21	19	17
New industrial banks opened	-	-	-
Trust companies			
Trust companies at yearend	14	12	12
New trust companies opened	-	-	-
Savings and loan associations			
Savings and loan associations at yearend	1	1	1
New savings and loan associations opened	-	-	-

Financial Institution Overview— 2000 to YTD 2003

I. Number of Institutions at YTD 2003

Foreign (other nation) bank agencies/branches			
Foreign banks with state agencies/branches at yearend	49	43	42
New agencies/branches opened	-	1	-
Foreign banks with federal agencies/branches	8	7	8
New agencies/branches opened	-	-	1
Foreign (other nation) bank representative offices			
Foreign banks with representative offices at yearend	20	19	15
New representative offices opened	-	3	1
Foreign (other state) bank facilities offices			
Foreign (other state) banks with facilities at yearend	36	33	35
New facility offices opened	3	3	2
Premium finance companies			
Premium finance companies at yearend	68	67	69
New premium finance companies opened	3	6	5

Financial Institution Overview— 2000 to YTD 2003

I. Number of Institutions at YTD 2003

Transmitters of money abroad	12/31/01	12/31/02	3/31/03
Transmitters of money abroad at yearend	55	55	56
New transmitters of money abroad opened	3	3	2
Issuers of payment instruments			
Issuers of payment instruments at yearend	10	10	10
New issuers of payment instruments opened	-	-	-
Issuers of travelers checks			
Travelers check issuers at yearend	5	5	5
New issuer of travelers checks opened	-	-	-
Business and Industrial Development Corporations (BIDCOs)			
BIDCOs	2	2	2
New BIDCOs opened during the year	1	-	-

Financial Institution Overview— 2000 to 2003

II. Total Assets (In millions of dollars)

Type of Institution	12/31/01	12/31/02	3/31/03
Commercial banks			
State-chartered banks	\$134,521.9	\$148,669.8	\$149,967.7
National banks	214,228.7	267,468.0	267,322.0
Credit unions			
State-chartered credit unions	43,740.2	50,534.1	53,079.1
Federal credit unions	33,264.4	36,497.7	38,329.8
Industrial banks	11,529.2	12,606.9	10,281.3
Savings and loan associations	305.6	337.6	341.9
Foreign Banks			
State-chartered agencies and branches of foreign banks	19,669.1	16,777.6	16,153.0
Federal agencies and branches of foreign banks	NA	NA	NA
Trust companies	651.6	574.7	578.7
Premium finance companies	\$298.3	\$322.1	NA

NA= Not Available

May 30, 2003

About our budget...

- The following represents the proposed budget (in thousands) prior to final budget decisions by the Legislature:

DFI 2003-04 Budget	\$20,521,000
Financial Institution Fund	\$16,891,000
Credit Union Fund	\$3,294,000
Local Agency Deposit Security Fund	\$336,000



DFI Mission

To ensure the integrity and stability of California's financial services system through the regulation and supervision of state licensed financial institutions.

Our Vision

- To advance the California state financial services system through efficient and fair regulation that engenders public confidence and trust. We will use training and technology to maintain and enhance a professional staff that is responsive and adaptable to the changing environment in which we operate so that we are one of the preeminent financial services regulators in the United States.

Our Values

- We value a highly skilled, professional, and diverse workforce.
- We value and promote open and honest communication.
- We value the variety of financial services available to the citizens of California.
- We value the dual chartering system.
- We value our ability to regulate and supervise our licensees in the most appropriate manner.
- We value our ability to deliver quality services with integrity and professionalism.
- We value teamwork.

A few words about us...

- The Department oversees the safe and sound operation of California's state chartered financial institutions to maintain public confidence and facilitate a strong financial services system while serving the convenience and needs of the public. This is accomplished by promoting the observance of sound financial services practices, licensing new financial institutions, promoting financial literacy as well as performing financial institution examinations.

- We supervise over 650 state-chartered financial institutions, including banks, credit unions, savings associations, industrial banks, offices of foreign banks, trust companies, business and industrial development corporations, issuers of travelers checks and payment instruments (money orders), and transmitters of money abroad.
- Assets of these institutions total over \$230 billion.
- The Department's programs are supported by assessment of licensees, license and application fees and charges for various other services.
- Almost 70 percent of the Department's 217 full-time employees are examiners.

Safety & Soundness

Accredited

Education

Consumer Services

DFI is Safety and Soundness

This is accomplished by supervision; encouraging observance of sound banking and business practices as well as by performing financial examinations of licensees

DFI maintains a comprehensive program of on-site examinations of licensees to verify financial condition and monitor methods of operation.

Off-site review is accomplished through the filing and analysis of comprehensive financial and operational reports.

DFI coordinates examinations with the federal regulatory agencies.

DFI is Goal Driven

Propose changes to the laws and regulations.

- ♦ Research and propose changes which will enhance the California state charter
- ♦ Revisit and improve examination and application procedures
- ♦ Maintain a pool of well-trained examiners
- ♦ Maintain our accreditation with CSBS and NASCUS



Professional

Quality

Excellence

DFI is Excellence

- The annual Quality Assurance Survey is part of DFI's ongoing effort to ensure excellence. The needs of our licensees are important to us - we aim to meet their needs. Survey responses and comments are used to evaluate and improve the examination process.
- Four internal task forces were established to focus on issues related to the Internet/Online Services, International Banking, Trust Companies, Transmitters of Money Abroad, and Consumer Information.

DFI is Professional

Our staff is committed to providing quality customer service -- to the industries we regulate and the consumers of financial services. We look for every opportunity to be more effective and efficient.

The Department expanded on our 2001 theme, "Looking to the Future" with the 2002 theme of "One Future, One Department." We continue to emphasize training and the professional development of our examiners and staff as we prepare for the future of the financial services industry.

In January, we held two staff training conferences, one for Northern California, and the other for Southern California. The conference's theme was "One Future, One Department."

DFI is Quality

Training is a high priority for the Department of Financial Institutions. In 2002, the Department significantly increased the training budget to provide our staff with both the core and non-core training they need to provide the best service possible.

Training sponsors and providers included the Conference of State Bank Supervisors (CSBS), the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank (FRB), the National Credit Union Association (NCUA), the California CPA Education Foundation, the California Credit Union League (CCUL), the National Association of State Credit Union Supervisors (NASCUS), the California State Training Center (STC), and Health and Human Services Data Center (HSDC.)

Shaping policy

Vision

Credit Union Advisory Committee

Streamlining regulations

Customer Service

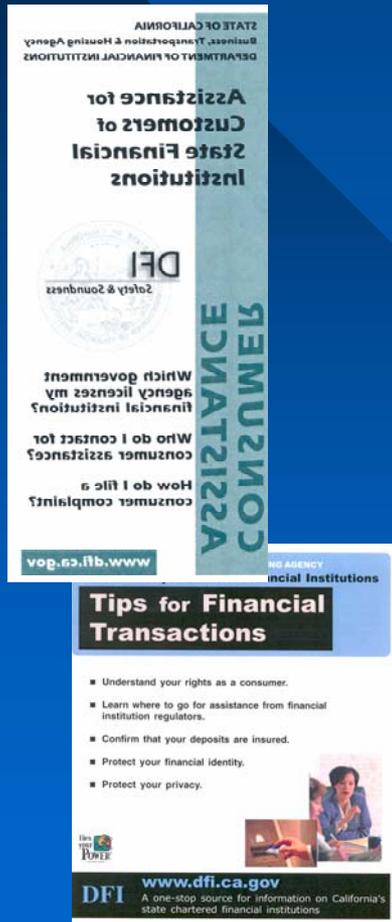


Technology



Community

DFI is Customer Service



DFI continues to strengthen the delivery of educational information to consumers. In 2002, we published *Transmitting Money Abroad* currently available in English and Spanish.

With the support of Governor Gray Davis, we continue to emphasize the importance of financial literacy. The Governor proclaimed the first “California Financial Literacy Month” in April, 2002.

DFI *is* Technology

The Department continues to enhance its Internet and Intranet as a means of compiling, managing and sharing information and data. We use the Internet to receive quality survey results from our licensees.

The Department of Financial Institutions introduced a redesigned Web site in December to better serve our customers. The site content has been substantially expanded, and has been designed to facilitate its use by our licensees, consumers and the general public. We are using technology to improve customer service and access to information and services:

- DFI forms are available on our Web site
- Directories of all DFI licensees
- Consumer Information

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State of California
Business, Transportation and Housing Agency