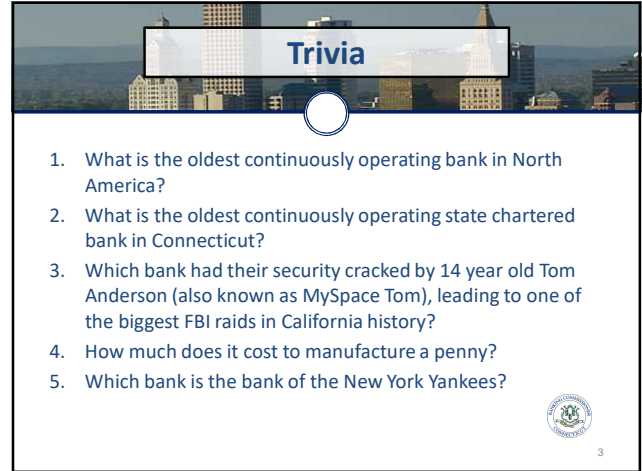


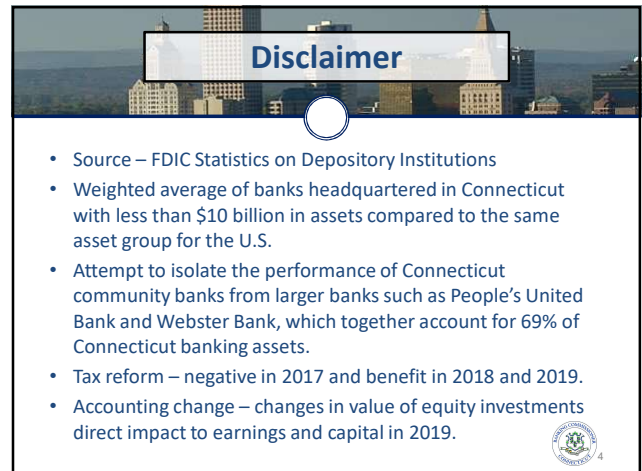
1



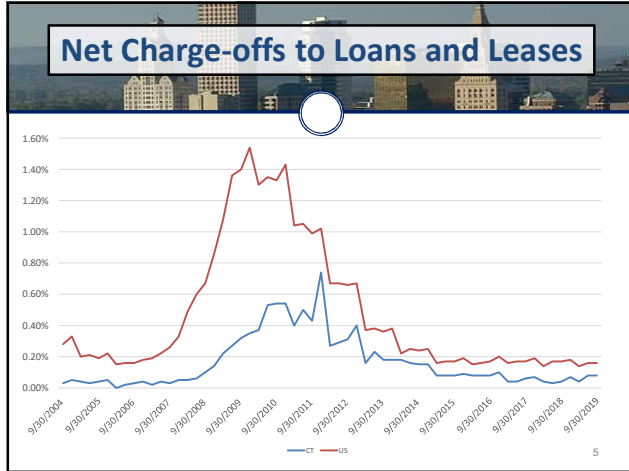
3



2



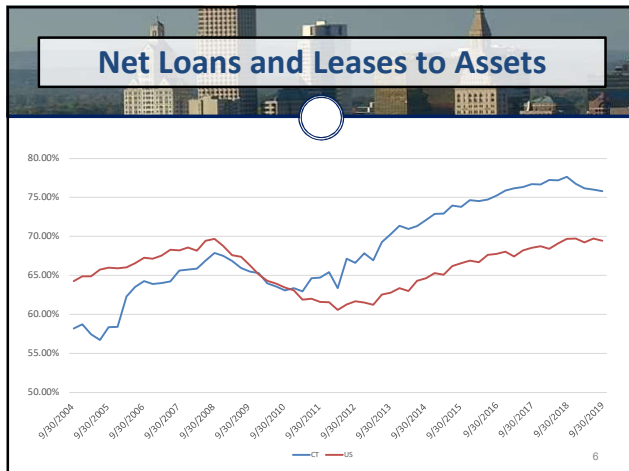
4



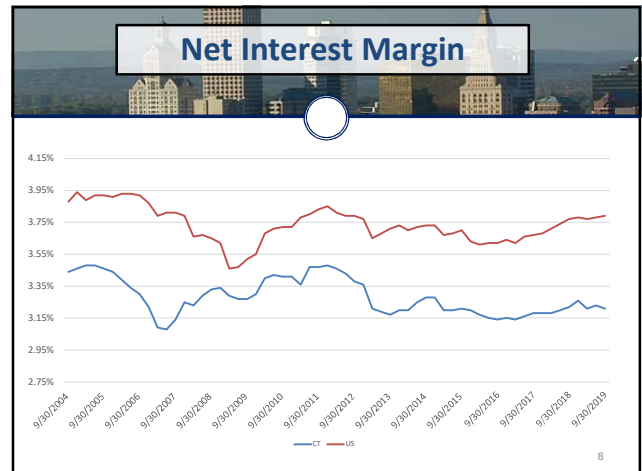
5



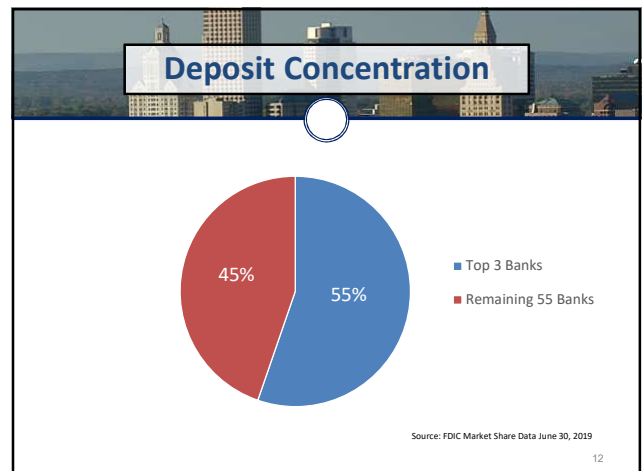
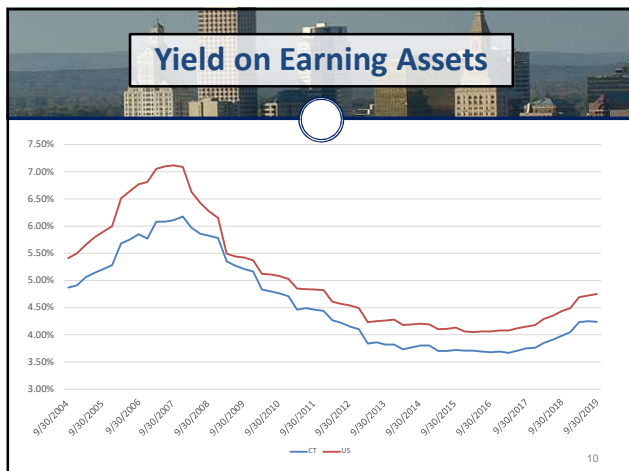
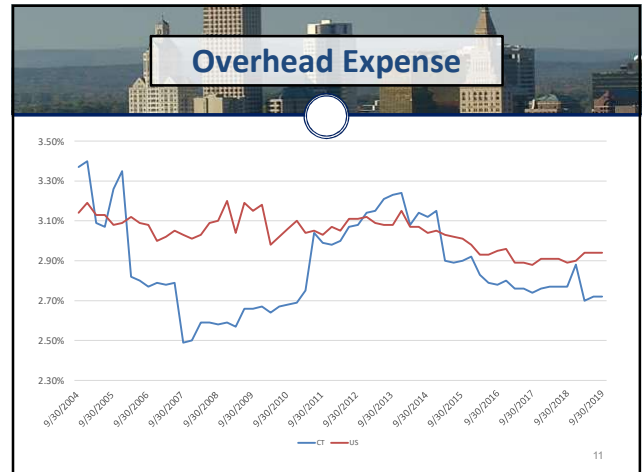
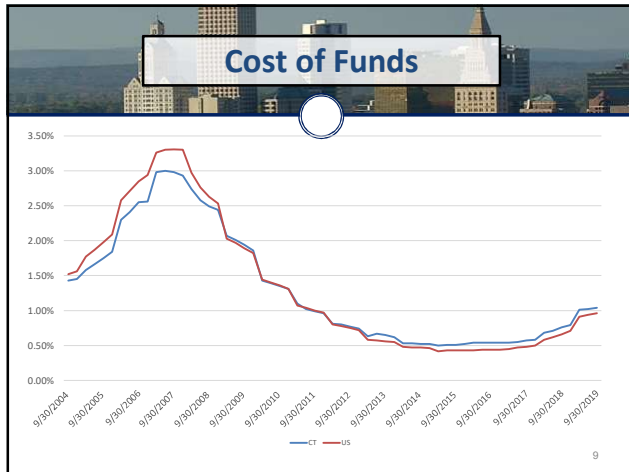
7



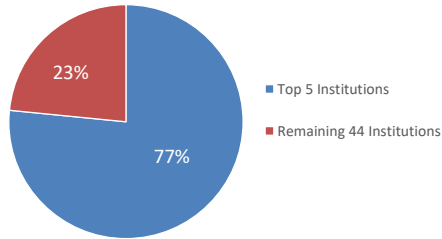
6



8



Municipal Deposit Concentration



13

2019 DOB Top Five Accomplishments – Cont'd

Agency Reaccreditation for our Banking and Credit Union Sectors, and First Time Accreditation for our Mortgage sector by National Accreditation Authorities

The Department successfully completed the reaccreditation process conducted jointly by NASCUS (National Association of State Credit Union Supervisors) and CSBS (Conference of State Bank Supervisors) for Credit Union and Bank Supervision and received initial CSBS accreditation for Mortgage Supervision as well. This process involved an in-depth review of the agency's policies, procedures, and operations to determine that we met the stringent standards set forth by the Performance Standards Committee (PSC) of the accreditation bodies.



15

2019 DOB Top Five Accomplishments

In line with our Mission Statement, the top five accomplishments for the Department of Banking (DOB) for 2019 are as follows:

E- License Implementation

The Department completed the adoption, customization and implementation of the eLicense system. This platform provides a flexible tool to enhance agency productivity and provides an interface to enhance agency interaction with both regulated entities and the Connecticut citizens we serve.



14

2019 DOB Top Five Accomplishments - Cont'd

Improved Agency Productivity to Enhance Examination Scheduling to better serve consumers and the entities we regulate

Through LEAN and other initiatives, we increased examination productivity, our literacy education efforts and the complaint process. Recovered approximately \$4 million of restitution for Connecticut consumers.

Retirement and Succession Planning

Approximately 40% of the Department staff will qualify to retire with full benefits by July 1, 2022.

In the last two years, partly due to retirements, we have replaced approximately 15% of our staff. Those eligible are currently going through their respective industry schools.



16

2019 DOB Top Five Accomplishments - Cont'd

CyberSecurity Training

Track 2 Update

- **Background:** provides specialized training for financial examiners. It gives them more tools and knowledge to assess security at regulated entities and creates a more robust cybersecurity examination process.
- **Content highlights include:**
Network security basics
Network attacks, computer crime, and hacking
Security risks and threats
Security policies and practices
- Track 2 pilot class completed April 2019. Second class began January 27, 2020



17

17

2020 DOB Priorities

In line with the Governor's non-legislative priorities and our Mission Statement, the top three priorities for the Department of Banking for 2020 are as follows;

Economic Growth

- The Department will focus on developing a strategy supporting innovation and the growth of the Fintech sector in Connecticut through a comprehensive review of license and charter opportunities, the development of sector focused examination protocols and the maximized utility of existing resources to build a bespoke Fintech regulatory environment.



19

19

2019 DOB Top Five Accomplishments - Cont'd

CyberSecurity Training – Cont'd

Track 3 Update

- **Background:** create subject matter experts for each division within the agency. Allows each division the ability to assess more complicated cases at regulated entities.
- **Content highlights include:**
Network troubleshooting
Network communication, security and authentication
Internet and intranet firewalls
Virtual Private Networking (VPN)
Anti-virus practices and tools
Risk Assessment
- Track 3 class scheduled for May 2020



18

18

2020 DOB Priorities – Cont'd

Government Efficiency/Customer Service Improvement through Enhanced Technology

- The DOB will continue to focus on enhancing agency productivity, utilizing LEAN methodologies to improve processes related to efficiencies. The Department will also continue to refine its recently implemented statewide eLicense operating system to enhance agency customer service and productivity. We will also implement the new versions and upgrades of the various federal and related State regulatory partner systems including MERIT (credit unions), ETS (banks), NMLS (non depository) and NEMO(securities).



20

20

2020 DOB Priorities – Cont'd

Climate/Environment

- As part of its lease renewal, the Department will negotiate upgrades to accomplish water and energy efficiency in our facilities. Plans are to upgrade all bathroom facilities and place energy efficient bulbs with motion detectors at no cost to the department. We will also expand recycling efforts, especially as it relates to bottles and cans. The DOB will also continue to act as an information resource for the Connecticut Green Bank, by educating and encouraging our regulated banks and credit unions to come up with innovative lending products that would facilitate access to capital for the "Green" industry. Financial institutions will be enticed to make loan/credit available to renewable energy projects especially in low and moderate income communities in return for a higher point designation when calculating their Community Reinvestment Act score.



21

21

2020 DOB Priorities – Cont'd

LIBOR

- In December 2019, we issued an industry letter on **LIBOR transitioning** which has a planned ending of 2021.
- The letter provided some resources for financial institutions, including a **Ten Steps for LIBOR Transition Guide**.
- Now is the time to ensure your financial institution has a plan to address this critical change.



23

23

2020 DOB Priorities – Cont'd

Assist Regulated Entities with Change

Virtual Board Meetings

- We recently issued an industry letter on Virtual Board Meetings which is an authorized activity, if the BOD wants to allow it.
- The letter included a number of considerations for the banks to address surrounding corporate governance, policies & procedures, IT and physical security, etc.
- Hopefully institutions looking to engage in this activity will find the letter helpful.



22

22

2020 DOB Priorities – Cont'd

Off-Site Monitoring

- CSBS has developed a tool that allows state regulators to apply filters to Call Report and UBPR (Uniform Bank Performance Report) data for use in off-site monitoring. During 2020, the DOB will work to apply our own filters and develop off-site monitoring reports.



24

24

Vendor Management

- Interest in new loan and deposit products
- Perform risk assessment and fully understand
- Perform thorough due diligence on third parties
- Involve legal counsel where necessary
- Avoid reimbursements related to compliance or reputational risk



25

25

Questions

*Questions are
guaranteed in life;
But answers
aren't.*



27

27

System Definitions

- eLicensing
- ETS/MERIT
- NMLS
 - NMLS 2.0
 - SES
- NEMO
- Conference of State Bank Supervisors (CSBS) Analysis Dashboard



26

26