



DEPARTMENT OF
FINANCIAL PROTECTION
& INNOVATION

CCBN Annual Top Banker Meeting

What is DFPI focused on?

Aaron Prospero, Deputy Commissioner of Banking
October 30, 2024

PROTECTING CONSUMERS
FOSTERING TRUST & INNOVATION
www.DFPI.ca.gov

DFPI Examination Focus

- Liquidity
 - Volatile and High-Cost Funding
 - Coverage of uninsured deposits in times of stress
 - Deposit competition and increased use of brokered deposits
- Earnings
 - NIM compression

DFPI Examination Focus

- Sensitivity to Market Risk
 - Model/deposit behavior
 - Impact of rate environment on securities and capital
 - Long term balance sheets and hedging
- Asset Quality
 - ACL
 - Credit administration
 - Commercial real estate

DFPI Examination Focus

- Information Technology
 - Future exam scoping changes
 - Resiliency
 - Cybersecurity/ransomware
 - Third-party vendor management
- BSA Compliance
 - Risk assessments
 - Staffing issues and experience
 - Due diligence