



STATE OF CONNECTICUT
DEPARTMENT OF BANKING

Annual Report
Of the Banking Commissioner

To His Excellency
Dannel P. Malloy, Governor

For the Year Ending December 31, 2015
Hartford, Connecticut
Submitted July 29, 2016



July 29, 2016

To His Excellency, Dannel P. Malloy, Governor

I have the honor to submit for your review, the annual report of this department for the year 2015 pursuant to the requirements of Section 36a-14 of the Connecticut General Statutes.

Respectfully yours,

Jorge L. Perez
Banking Commissioner

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**BANKING COMMISSIONERS
(1900-2015)**

BANKING COMMISSIONERS	FROM	TO
Jorge L. Perez	2015	--
Howard F. Pitkin	2006	2014
John P. Burke	1995	2006
Ralph M. Shulansky	1991	1995
Howard B. Brown Jr.	1985	1991
Brian J. Woolf	1981	1985
David H. Neiditz	1977	1981
Lawrence Connell Jr.	1975	1977
James E. Hagen	1971	1975
Gerald A. Lamb	1970	1971
Philip Hewes	1960	1970
Henry H. Pierce Jr.	1955	1960
Lynwood K. Elmore	1951	1955
Richard Rapport	1943	1951
Walter Perry	1933	1943
George J. Bassett	1931	1933
Lester E. Shippee	1927	1931
John B. Byrne	1922	1927
John K. Bissland	1922	1922
Everett J. Sturges	1915	1922
Fred P. Holt	1911	1915
Norris S. Lippitt	1911	1914
Norris S. Lippitt	1907	1911
Charles H. Noble	1907	1911
George F. Kendall	1900	1906
Charles H. Noble	1900	1906

Note: From 1837 to 1915 two Banking Commissioners served concurrently.

For a more complete history of the Department of Banking please visit:
http://libguides.ctstatelibrary.org/ld.php?content_id=11021267

**DEPUTY BANKING COMMISSIONERS
(1900-2015)**

DEPUTY BANKING COMMISSIONERS	FROM	TO
NONE	2012	--
Alan J. Cicchetti	1999	2011
NONE	1996	1998
Robert B. Titus	1993	1995
Barbara S. McGrath	1991	1993
Paul J. McDonough	1988	1991
NONE	1986	1987
Howard B. Brown Jr.	1982	1985
Linda J. Kelly	1979	1981
Kay V. Bergin	1975	1978
Thomas E. Canfield	1974	1975
Patsy J. Piscopo	1971	1974
Maurice J. Ferland	1970	1971
Reinhard J. Bardeck	1951	1969
Lynwood K. Elmore	1943	1950
Richard Rapport	1938	1942
R. Gordon Baldwin	1928	1937
Lester E. Shippee	1922	1927
John K. Bissland	1917	1921

ADMINISTRATION

Agency Mission

The Department of Banking is the primary state regulator for securities, consumer credit, state chartered banks and credit unions. Its mission is to protect users of financial services from unlawful or improper practices by requiring that regulated entities and individuals adhere to state and federal financial laws. This is accomplished by communicating with the public and other stakeholders, and assuring the safety and soundness of state-chartered banks and credit unions through cost-efficient and effective regulation.

Organization

The Department of Banking is a state agency headed by the Banking Commissioner who reports directly to the Governor. The department regulates and examines financial institutions and various related entities that are chartered, licensed or registered by the state; the Banking Commissioner administers state banking and credit union laws, securities laws, consumer credit laws, and a major portion of the law concerning rental security deposits.

The department is divided into four operational divisions and three support divisions to better accomplish its mission. Specific regulatory functions are assigned to divisions within the department.

The **Consumer Credit Division** is responsible for examination, enforcement, and licensing of mortgage lenders, brokers, servicers and loan originators; small loan companies; sales finance companies; debt adjusters; debt negotiators; consumer collection agencies, including debt buyers; money transmitters; issuers of money orders and travelers checks; check cashing services and effective July 1, 2016 student loan servicers. In addition, Consumer Credit also administers Truth-in-Lending laws and retail installment sales financing laws.

The **Financial Institutions Division** is responsible for the supervision of state-chartered bank and trust companies, savings banks, savings and loan associations and credit unions. The Division also licenses foreign banking organizations that establish and maintain representative offices, agency offices and branch offices in Connecticut, and supervises bank holding companies. It has responsibility for analyzing applications for new bank or credit union charters, acquisitions, mergers, conversions, branches, changes in corporate structure, and credit union field of membership expansions. In addition, the Division licenses business and industrial development corporations and certain non-banking corporations that exercise fiduciary powers, including limited purpose trust companies.

The **Securities and Business Investments Division** is responsible for registering securities and business opportunity offerings sold in or from Connecticut; registering (licensing) broker-dealers, agents, investment advisers and investment adviser agents who transact business in Connecticut; registering branch offices of broker-dealer and investment advisory firms; conducting on-site examinations of broker-dealers, investment advisers and branch office

registrants; and enforcing the Connecticut Uniform Securities Act, the Connecticut Business Opportunity Investment Act and the Connecticut Tender Offer Act.

The **Government Relations and Consumer Affairs Division** assists consumers with issues involving banks, credit unions, mortgage lending and other consumer credit matters, securities and business opportunity investments, and oversees the administration of the rental security deposit laws. The Division also directs the agency's legislative program, manages communications and media relations for the department, coordinates financial and investor education outreach efforts and handles calls to the Foreclosure Assistance Hotline.

There are three support divisions at the Department of Banking: the Business Office, which is responsible for the accounting, budgeting, fiscal, payroll, purchasing and financial reporting functions; Human Resources, which addresses day-to-day employee issues and prepares the agency's affirmative action plan; and the MIS unit that provides information technology and office automation support.

As of December 31, 2015, the agency had 120 full-time budgeted positions with 114 filled.

Equal Opportunity and Affirmative Action

The Department of Banking continues its longstanding commitment to providing equal employment opportunity on the basis of merit, assuring nondiscrimination, and implementing affirmative action and contract compliance programs, as required by law. The department's affirmative action plan, filed with the Commission on Human Rights and Opportunities, reflects the agency's commitment to achieving workforce balance and fairness in all terms and conditions of employment.

The Department of Banking understands that equal employment opportunity means employment individuals without consideration for race, color, religious creed, age sex, gender identity or expression, marital status, national origin, ancestry, mental disability, physical disability, past or present history of mental disability, learning disability, sexual orientation, genetic background information, or criminal record, unless the provisions of Sections 46a-80(b) or 46a-81(b) of the Connecticut General Statutes are controlling or there is a bona fide occupational qualification excluding persons in a protected class. It further recognizes that affirmative action and equal employment opportunity are distinct in definition and that equal employment opportunity is the purpose and goal of affirmative action.

The Department of Banking recognizes the unique hiring difficulties experienced by the physically disabled and by many older persons. The Department will continue to provide equal employment opportunities to such persons and will establish and uphold affirmative action program goals to overcome the effects of discrimination and to achieve balanced utilization in our workforce.

Financial Statement

Receipts, expenditures and adjustments relating to the fiscal year ending June 30, 2015 were as follows:

Receipts
(Banking Fund)

Examination of banks etc. assessed in accordance with Section 36a-65, as amended	\$ 2,877,453
Examination of credit unions, assessed in accordance with Section 36a-65, as amended	190,567
Other license and examination fees	56,500
Registration, filing and transfer fees from securities brokers, etc.	21,095,780
Mortgage recording fees	486,060
License and registration fees: mortgage brokers, loan originators, check cashers, money transmitters, sales finance companies, small loan companies, debt adjusters, debt negotiators, collection agencies	\$ 3,413,575
Sales and miscellaneous receipts	<u>31,086</u>
Total Banking Fund Receipts	\$ 28,151,021

Receipts
(General Fund)

Registration of securities and business opportunities*	\$ 5,432,710
Penalties*	<u>763,387</u>
Total General Fund receipts	\$ 6,196,097

Expenditures
(Operating)

Personnel services	\$ 10,316,701
Fringe benefits	7,614,444
Travel expenses, including motor vehicle rentals, fuel, repairs	290,173
Other expenses	1,104,321
Indirect overhead and equipment	<u>157,238</u>
Total Expenditures	\$ 19,482,729

Expenditures
(Recognized by other Agencies)

Judicial.	\$ 5,647,479
Department of Economic and Community Development	500,000
Department of Labor	<u>1,700,000</u>
Total Expenditures	\$ 7,847,479

Fund Adjustments

Transferred to the General Fund (Deficit Fund Mitigation)	\$ 5,700,000
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*Deposited directly in the General Fund

CONSUMER CREDIT DIVISION

Subject to the general supervision of the Banking Commissioner, the Consumer Credit Division is charged with administering Chapter 668 of the Connecticut General Statutes, Nondepository Financial Institutions, and Chapter 669 of the Connecticut General Statutes, Regulated Activities.

The Division is responsible for the licensing and examination of the following nondepository financial institutions: mortgage lenders, brokers and originators; mortgage servicers; loan processors and underwriters; sales finance companies; small loan lenders; check cashing services; payment instrument providers; money transmitters; debt adjusters; debt negotiators; and consumer collection agencies. The Division is also responsible for the enforcement of the state's banking laws related to these entities and for regulating certain activities regarding: collection practices of creditors; interest and finance charge rebates; consumer credit reporting; mortgage processing; mortgage servicing; mortgage insurance; Connecticut abusive home loan lending practices; other mortgage and loan practices; retail installment sales financing; and the Truth-in-Lending Act.

Activities

During 2015, the Consumer Credit Division undertook the enormous task of moving away from paper licensing to system-based licensure on the Nationwide Multi-State Licensing System and Registry (NMLS) for all of the financial services industries subject to licensing under the Commissioner's jurisdiction. In addition to licensing mortgage lenders, correspondent lenders, brokers, mortgage servicers, loan originators, loan processors and underwriters, NMLS functionality enabled the Division to start transitioning licenses on the system for money transmitters, consumer collection agencies, check cashing services, debt adjusters, debt negotiation, sales finance companies and small loan companies. Of these financial services industries, the Consumer Collection Agency Licensees were by far the largest group to transition onto NMLS. By year-end, the Division issued licenses to a total of 640 consumer collection agency main office locations, with an additional 345 branch locations.

The Division noted significant strides by the mortgage industry to comply with the timely and accurate filing of mortgage call reports and the required filing of thirty day advance change notices. The Division has now begun turning its attention to mortgage servicing. The newly required licensure for mortgage servicers grew from twenty-four in the previous year to the issuance of seventy-four main office locations, with an additional forty-three licensed branch locations. Collectively, the total licenses issued for mortgage lenders, correspondent lenders and mortgage brokers for 2015 was 543 main office locations, with an additional 596 licensed branch locations.

The New England Regional Mortgage Committee was formed in 2015 to initiate coordinated examinations of mortgage lenders, mortgage correspondent lenders, mortgage brokers and mortgage loan servicers. The Department of Banking led the efforts in the first of these joint examinations of licensees headquartered in New England and licensed in more than one of the participating states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode

Island or Vermont were intended to reduce regulatory burden and minimize the imposition of duplicate efforts on regulated entities.

For the calendar year 2015, Consumer Credit Division intervention resulted in restitution and rescission offers to the public totaling \$742,813. An additional \$175,435 was returned to Connecticut Consumers as a result of the issuance of Orders for the Repayment of Fees. A total of 56 administrative actions were issued across all license types, resulting in the imposition of \$3,206,139 in fines for violations of the state's banking laws.

In addition to leading multi-state examinations, members of the Division were actively involved in national and multi-state initiatives by participating in various task forces or work groups involving the Conference of State Bank Supervisors, the Consumer Financial Protection Bureau, the Federal Financial Institutions Examination Council, the North American Collection Agency Regulatory Association, and the American Association of Residential Mortgage Regulators.

**Enforcement Activities
Consumer Credit Division**

	2015
Investigations Opened	171
Investigations Closed	166
Investigations in Progress	53
Subpoenas Issued	30
Consent Orders	52
Settlement Agreements	2
Notices of Intent to Refuse to Renew (Licensing)	8
Refusing to Renew Orders (Licensing)	4
Notices of Intent to Revoke (Licensing)	15
Denial Orders (Licensing)	2
Summary Suspension Orders (Licensing)	2
Automatic Suspension Orders (Licensing)	11
Revocation Orders (Licensing)	12
Notices of Intent to Impose Civil Penalty	29
Orders Imposing Civil Penalty	56
Notices of Intent to Issue Cease and Desist Orders	41
Temporary Cease and Desist Orders	26
Cease and Desist Orders	24
Findings of Fact Conclusions of Law and Order	1
Activity Restrictions/Bars	1
Repayment of Fees Ordered	\$175,435
Monetary Sanctions Imposed	\$3,206,139
Restitution/Rescission offers	\$742,813
Law enforcement actions taken through cooperation with DOB	4
Referrals to Connecticut Attorney General	0
Other Agency Referrals	11

**Examinations / Investigations
Consumer Credit Division**

	Examinations/Investigations 2015
Mortgage Brokers, Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Servicers, Loan Processors/Underwriters and Mortgage Loan Originators	71
Money Transmitters	12
Check Cashers	3
Consumer Collection Agencies, including Debt Buyers	75
Debt Adjusters	0
Debt Negotiators	0
Small Loan Companies	0
Sales Finance Companies	0

**Consumer Credit Licensees
As of Year End**

Total Licenses	2015	New Licenses	New Licenses Issued	Number Not Renewed
Licensed Mortgage Companies	543	Licensed Mortgage Companies	70	32
- Licensed Mortgage Branches	596	Licensed Mortgage Branches	282	40
Mortgage Loan Originators	7,137	Mortgage Loan Originators	2681	1024
Loan Processor/Underwriter	161	Loan Processor/Underwriter	92	30
Mortgage Servicer	74	Mortgage Servicer	51	1
- Servicer Branches	43	Servicer Branches	24	2
Money Transmitters	93			
Check Cashers	61			
- Check Casher Branches	145			
Consumer Collection Agencies	640			
- Collection Agency Branches	345			
Debt Adjusters	33			
- Debt Adjuster Branches	15			
Debt Negotiators	6			
- Debt Negotiator Branches	1			
Small Loan Companies	5			
- Small Loan Company Branches	2			
Sales Finance Companies	118			
- Sales Finance Company Branches	49			

FINANCIAL INSTITUTIONS DIVISION

Subject to the general supervision of the Banking Commissioner, the Financial Institutions Division is charged with administering Chapter 664a of the Connecticut General Statutes, Administration and Enforcement, Chapter 664b of the Connecticut General Statutes, Corporate Organization and Administration of Connecticut Banks, Chapter 664c of the Connecticut General Statutes, Fundamental Changes Involving Banks, Branches, Automated Teller Machines, Home Banking and Bank Holding Companies, Chapter 665 of the Connecticut General Statutes, Powers, Loans and Investments, Chapter 665a of the Connecticut General Statutes, Deposits, Chapter 665b of the Connecticut General Statutes, Fiduciary Powers, Chapter 666 of the Connecticut General Statutes, Out-of-State Banks, Chapter 666a of the Connecticut General Statutes, Out-of-State Trust Companies, Chapter 667 of the Connecticut General Statutes, Credit Unions, and parts of Chapter 668 of the Connecticut General Statutes, Nondepository Financial Institutions.

The Financial Institutions Division is responsible for the supervision and regulation of Connecticut-chartered commercial banks, savings banks, savings and loan associations, trust banks and credit unions. The Division also regulates one Connecticut-chartered bankers' bank, as well as one uninsured bank which does not accept retail deposits. In addition, the Division supervises the activities of state-licensed foreign banking organizations with branches, agencies, and representative offices located in Connecticut.

Through a combination of continuous off-site reviews and periodic on-site examinations, the Division monitors these institutions for compliance with Connecticut banking law, as well as applicable rules and regulations of the institutions' respective federal regulators. The Division is also responsible for processing applications for new banks and credit unions, branches, acquisitions, mergers and consolidations, conversions, bank holding company formations, and requests for credit union field of membership expansions. The Division also licenses business and industrial development corporations and certain non-banking corporations exercising fiduciary powers in the State.

Connecticut-Chartered Banks' Consolidated Financial Condition & Operating Results

As of December 31, 2015, there were eight Connecticut-chartered commercial banks (including one bankers' bank), twenty-four Connecticut-chartered savings banks and two trust banks. There were no Connecticut-chartered savings & loan associations. All Connecticut-chartered commercial banks and savings institutions are insured by the Federal Deposit Insurance Corporation ("FDIC").

Connecticut-chartered commercial banks and savings institutions, collectively, reported total assets of \$33.2 billion as of December 31, 2015, a 7.0% increase from December 31, 2014. Total loans and total deposits for year-end 2015 were \$25.2 billion and \$25.3 billion, respectively. The values represent an 8.8% increase in total loans and a 7.0% increase in total deposits from year-end 2014. Total equity capital was \$3.7 billion as of December 31, 2015, a 5.1% increase from the prior year-end. Overall, Connecticut-chartered commercial banks and savings institutions, collectively, remained well capitalized with a combined Equity Capital to

Total Assets Ratio of 11.11% as of December 31, 2015, compared to 11.32% as of December 31, 2014.

Despite year-over-year compression of the net-interest-margin (“NIM”) from 3.32% to 3.21%, aggregate earnings performance for Connecticut-chartered commercial and savings banks for the year ended December 31, 2015 improved from the prior year levels. The return on average assets (“ROA”) increased slightly to 0.61% for 2015 from 0.49% for 2014; while return on average equity (“ROE”) increased significantly to 5.43% for 2015 from 4.29% for 2014.

**Number of Connecticut-Chartered Institutions
(As of December 31, 2014 & December 31, 2015)**

Institution Type	Institutions 12/31/2014	Conversion	DeNovo	Merger	Net Change	Institutions 12/31/2015
Commercial Banks	8					8
Savings Banks	24					24
Uninsured Banks	1					1
Trust Banks	2					2
Credit Unions	30	2			2	32
Totals	65	2			2	67

June 30, 2015 – First New England Federal Credit Union converted from a federal to a state credit union. The resulting credit union operates under the name Finex Credit Union.

December 30, 2015 – Fairfield County Federal Credit Union converted from a federal to a state credit union. The resulting credit union operates under the name Cornerstone Community Credit Union.

Connecticut-Chartered Commercial Banks

There were eight Connecticut-chartered commercial banks operating in the State as of December 31, 2015 including one bankers’ bank. The number of Connecticut-chartered commercial banks remained unchanged during 2015. As of June 30, 2015, the eight Connecticut-chartered commercial banks collectively operated thirty-four offices with aggregate deposits of \$3.0 billion. Within the Connecticut market, this group of institutions operated twenty-five offices with aggregate deposits of \$2.6 billion.

Connecticut-Chartered Savings Banks

There were twenty-four Connecticut-chartered savings banks (fifteen mutual and nine capital stock institutions) operating in the State as of December 31, 2015. The number of Connecticut-chartered savings banks remained unchanged during 2015. As of June 30, 2015 the twenty-four Connecticut-chartered savings banks collectively operated 363 offices with aggregate deposits of \$21.5 billion. Within the Connecticut market, this group of institutions operated 336 offices with aggregate deposits of \$19.9 billion.

Connecticut-Chartered Uninsured Bank

UPS Capital Business Credit (“UPSCBC”), a wholly-owned subsidiary of UPS Capital Corp., operates under an uninsured depository bank charter and does not accept retail deposits. UPSCBC focuses on originating, underwriting, and managing various small business and government guaranteed loan products.

Connecticut-Chartered Trust Banks

There were two Connecticut-chartered trust banks operating in the State as of December 31, 2015 with fiduciary and related trust assets of \$54.5 billion. This total consisted of \$6.4 billion in managed assets and \$48.1 billion in non-managed assets.

Connecticut-Chartered Bank Name Changes

There were no Connecticut-chartered bank name changes during 2015.

Connecticut-Chartered Banks’ Fiduciary & Related Trust Assets

As of December 31, 2015, seven Connecticut-chartered banks operated trust departments with fiduciary and related trust assets of \$1.6 billion, consisting of \$1.5 billion in managed assets and \$125 million in non-managed assets, with an additional \$196 million in custody and safekeeping assets.

Connecticut-Chartered Credit Unions

As of December 31, 2015, there were thirty-two Connecticut-chartered credit unions operating in the State. Overall, there was an increase of two credit unions from year-end 2014 as two federal credit unions converted to a state charter.

Connecticut-Chartered Credit Unions’ Consolidated Financial Condition & Operating Results

Connecticut-chartered credit unions reported total assets of \$5.8 billion as of December 31, 2015, a 5.2% increase from December 31, 2014. Aggregate shares and deposits totaled \$5.1 billion as of December 31, 2015, a 4.8% increase from December 31, 2014. Total loans were \$3.0 billion as of December 31, 2015, an 11.4% increase from December 31, 2014. Total equity capital for Connecticut-chartered credit unions was \$555 million for December 31, 2015, a 4.8% increase versus December 31, 2014. Connecticut-chartered credit unions’ earnings performance for 2015 improved slightly from the prior year level, generating a ROA of 0.33% versus 0.31% for 2014 despite a thirty-two basis point year-over-year decline in the net interest margin from 2.50% to 2.18%.

Federal & Out-of-State Banks

In addition to the thirty-two Connecticut-chartered, insured depository institutions operating in the state as of December 31, 2015, there were six banks chartered by a state other than Connecticut, eighteen national banks and seven federal savings associations regulated by the Office of the Comptroller of the Currency (“OCC”). Of the eighteen national banks, six institutions are headquartered in Connecticut. Of the seven federal savings banks, five institutions are headquartered in Connecticut.

Connecticut Deposit Market Share by Charter Type As of June 30, 2015

Institution Type	Number of Institutions	Deposits in Market (\$000s)	Offices in Market	Deposit Market Share %
Connecticut-chartered Savings Banks	24	19,892,613	336	16.54%
Connecticut-chartered Commercial Banks	8	2,610,995	25	2.17
Other State-chartered Banks [1]	6	1,061,200	17	0.87
National Banks [2]	6	32,173,112	304	26.72
National Banks [3]	12	62,390,520	519	51.81
Federal Savings Associations [2]	5	1,346,254	23	1.12
Federal Savings Associations [3]	2	925,049	11	0.77
Totals	63	120,399,743	1,235	100.00

[1] Excludes institutions chartered by a state other than Connecticut operating loan production offices that and do not accept deposits.

[2] Indicates headquartered in Connecticut.

[3] Indicates headquartered outside of Connecticut.

Community Reinvestment Act (“CRA”)

Since 1990, the Banking Commissioner has been required to assess the community reinvestment performance of state-chartered financial institutions and to consider their reinvestment efforts as a basis for approving or denying bank expansion.

CRA Ratings of Connecticut-Chartered Banks & Credit Unions As of December 31, 2015

Institution Type	#	Outstanding	Satisfactory	Not Rated
Connecticut-chartered Savings Banks	24	2	22	0
Connecticut-chartered Commercial Banks [1]	8	0	7	1
Connecticut-chartered Credit Unions [2]	32	1	9	22
Totals	64	3	38	23

[1] Bankers’ Bank, Northeast is not subject to CRA.

[2] CRA examinations are performed only for credit unions that meet BOTH of the following criteria: 1. Community fields of membership and 2. Have total assets over \$10 million. As of December 31, 2015, fourteen Connecticut-chartered credit unions met these criteria, eighteen did not and four recently converted community credit unions have CRA examinations pending.

No institutions were rated Needs to Improve or Substantial Noncompliance.

Federal & Out-of-State Trust Entities

In addition to the two Connecticut-chartered trust banks operating in Connecticut as of December 31, 2015, there were three limited purpose trust companies chartered by states other than Connecticut; one federally-chartered savings bank operating exclusively as a limited purpose trust company headquartered in Connecticut; and one national bank limited to trust activities in Connecticut.

Federal & Out-of-State Credit Unions

In addition to the thirty-two Connecticut-chartered credit unions operating in the State as of December 31, 2015, there were seventy-seven federally-chartered credit unions headquartered in Connecticut, eleven federally-chartered credit unions headquartered out-of-state, and one credit union chartered by a state other than Connecticut. All credit unions operating in Connecticut are insured by the NCUA.

Foreign Banking Organizations

As of December 31, 2015, there were four branch offices of foreign banking organizations operating in the State.

A branch of a foreign banking organization is a legal and operational extension of its parent organization and, as such, may conduct a full range of banking activities including: trading and investment activities; accepting wholesale and foreign deposits, but not retail deposits; granting credit; and acting as a fiduciary.

A representative office, the simplest form of organization for foreign banking organizations to establish, may only engage in representational and administrative functions and may not make any business decisions on behalf of the foreign bank. A representative office serves as a liaison between the head office of the foreign banking organization and its customers and correspondent banks in the United States, often soliciting business for the account of the head office.

Foreign Banking Organizations Operating In Connecticut

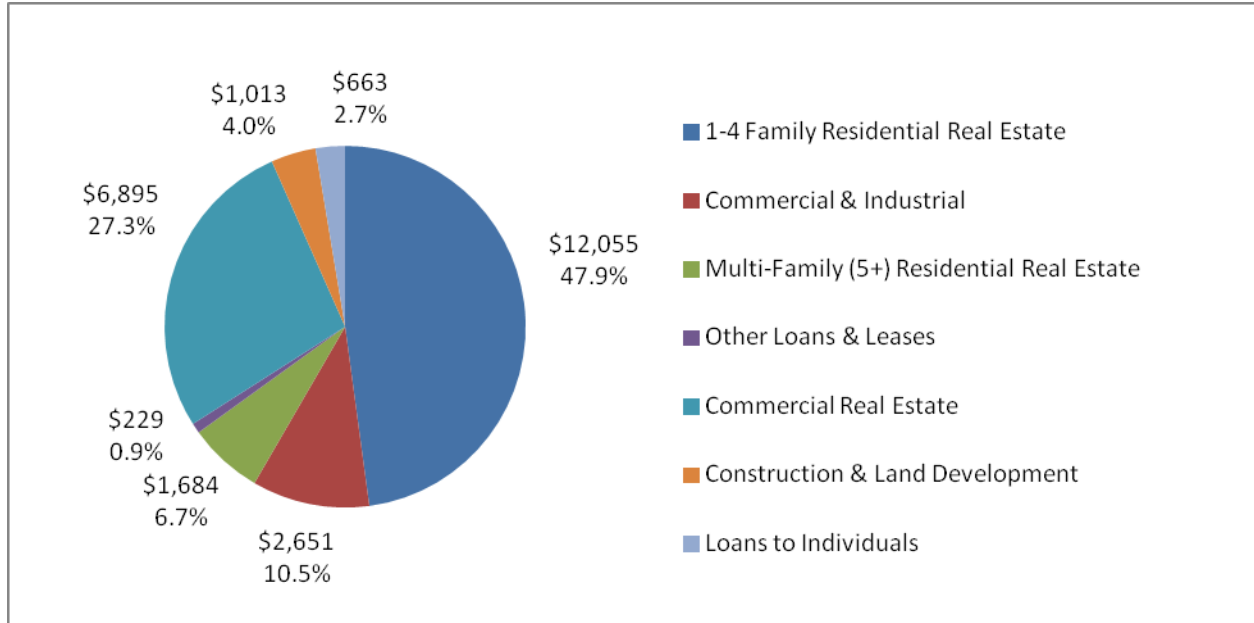
Institution Name	Office Type	CT Location	Approval/License Date	Assets As of 12/31/2013 (\$ millions)	Assets As of 12/31/2014 (\$ millions)	Assets As of 12/31/2015 (\$ millions)
Abbey National Treasury Services plc	Branch	Stamford	9/17/2001	13,908	12,884	11,157
Bank of Ireland	Branch	Stamford	6/15/2006	1,552	1,132	1,402
Royal Bank of Scotland plc	Branch	Stamford	5/3/2007	39,547	54,494	22,504
UBS AG	Branch	Stamford	6/23/1997	47,113	56,045	54,140

Banking Institution	Total Assets (in thousands) (As of 12/31/2015)
United Bank	6,224,169
Liberty Bank	3,987,715
Farmington Bank	2,707,619
Union Savings Bank	2,198,946
Fairfield County Bank	1,532,707
Savings Institute Bank and Trust Company	1,473,999
First County Bank	1,432,860
Bankwell Bank	1,322,743
Ion Bank	1,113,913
Newtown Savings Bank	1,082,407
Chelsea Groton Bank	996,203
Savings Bank of Danbury	919,891
Salisbury Bank and Trust Company	891,187
Thomaston Savings Bank	871,833
The Torrington Savings Bank	809,104
Dime Bank	785,319
The Guilford Savings Bank	621,950
Darien Rowayton Bank	584,839
Putnam Bank	499,949
The Simsbury Bank & Trust Company	444,704
The Milford Bank	396,693
Essex Savings Bank	352,390
Northwest Community Bank	343,369
Jewett City Savings Bank	260,031
Stafford Savings Bank	255,396
Litchfield Bancorp	223,582
The First Bank of Greenwich	218,383
Eastern Savings Bank	186,290
Collinsville Savings Society	151,406
Bankers' Bank, Northeast	148,707
Start Community Bank	103,973
Prime Bank	76,452
TOTAL COMBINED ASSETS	33,218,729

Credit Union	Total Assets (in thousands) (As of 12/31/2015)
Connecticut State Employees	1,696,957
American Eagle	1,433,786
Sikorsky Financial	706,655
Connex	458,564
Nutmeg State	385,075
Mutual Security	255,907
Dutch Point	248,722
Achieve Financial	122,480
Finex	78,210
State Police Credit Union Inc.	60,543
First Connecticut Credit Union	41,784
Norwalk Hospital	33,972
Soundview	32,854
Cornerstone Community	31,396
Northwest Hills Credit Union	31,132
Members	27,550
Metropolitan District Employees	24,518
Connecticut Community CU	19,624
New Haven County	18,856
Stamford Healthcare	18,326
Community CU of New Milford	10,978
Northeastern CT Health Care CU	9,464
Community Healthcare Credit Union	9,233
New Haven Firefighters	6,553
Danbury Cyanamid Employees	6,409
Regional Water Authority Employees	6,388
Trumbull	3,597
New London Municipal Employees	2,988
East Haven Municipal Employees	2,454
Victory/Piaterer Mutual Benefit Assoc.	2,284
CT1 Media	1,562
Kief Protective Mutual Benefit Assoc.	1,207
TOTAL COMBINED ASSETS	5,790,028

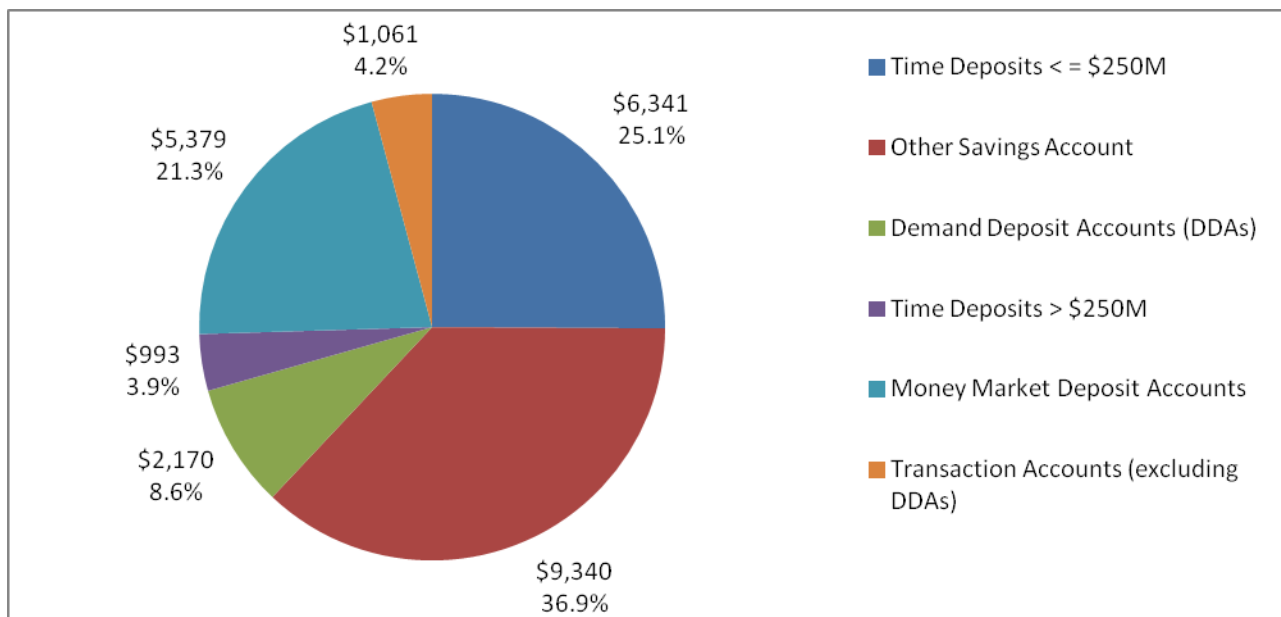
Connecticut-Chartered Banks' Gross Loans & Leases and Total Deposits Composition

**Gross Loans & Leases of Connecticut-Chartered Banks
December 31, 2015
(Millions & %)**

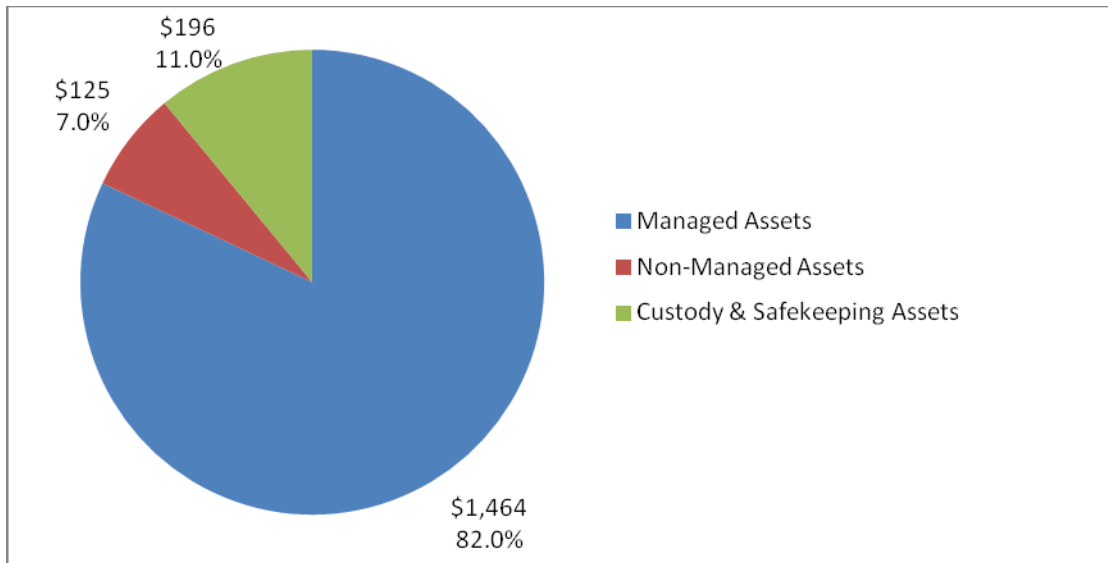


The above graph does not include Farmland & Farm loans totaling \$31.7 million, or less than 0.1% of gross loans.

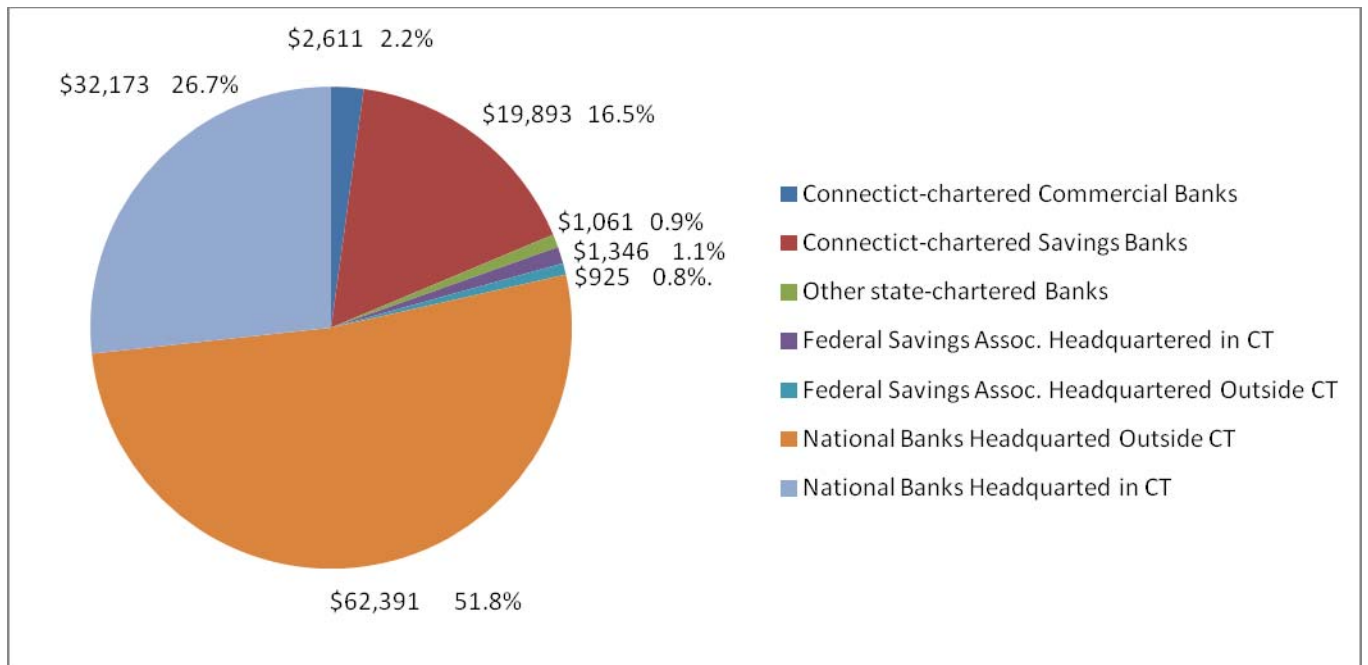
**Total Deposits of Connecticut-Chartered Banks
December 31, 2015
(Millions & %)**



**Fiduciary & Related Trust Assets of Connecticut-Chartered Banks
December 31, 2015
(Millions & %)**

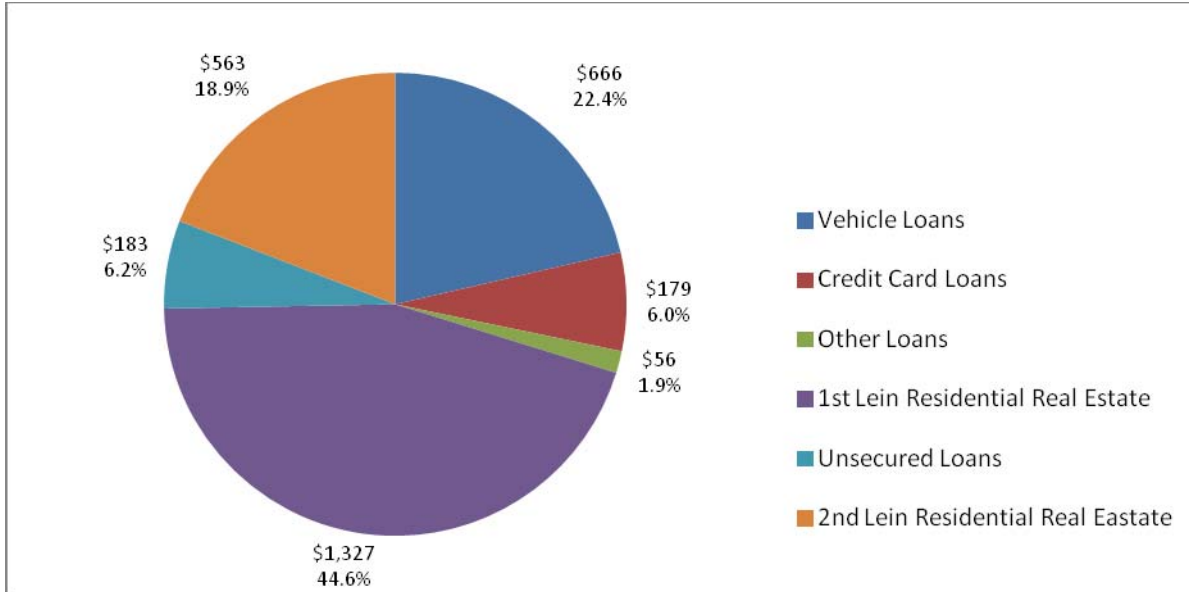


**Connecticut Deposit Market Share by Charter Type
June 30, 2015
(Millions & %)**

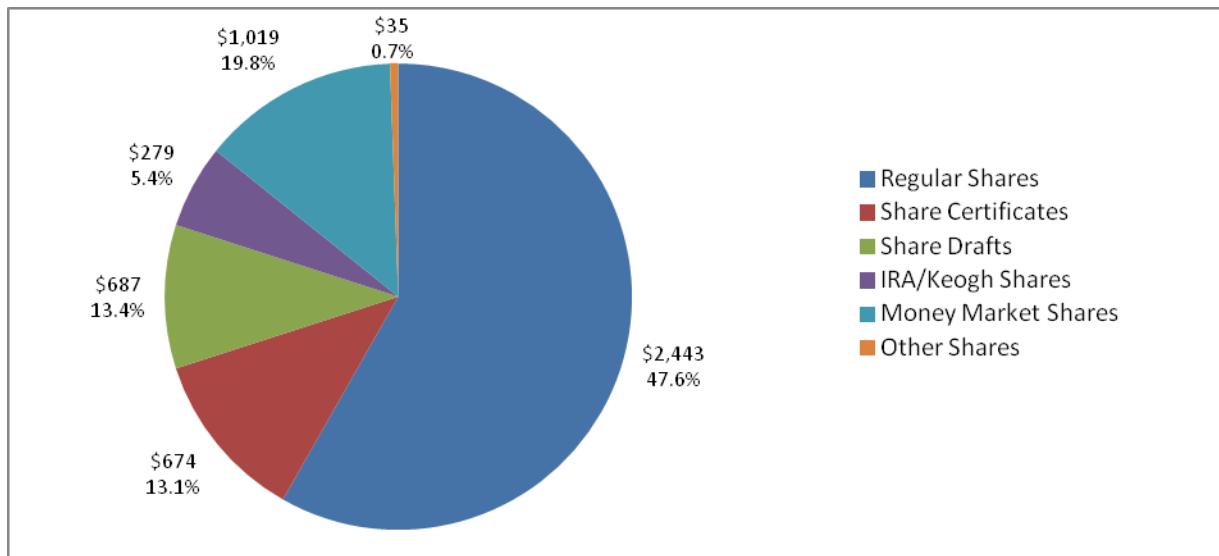


Connecticut-Chartered Credit Unions' Total Loans and Total Shares/Deposits Composition

**Total Loans of Connecticut-Chartered Credit Unions
December 31, 2015
(Millions & %)**



**Total Shares/Deposits of Connecticut-Chartered Credit Unions
December 31, 2015
(Millions & %)**



CT DEPARTMENT OF BANKING ACTIVITIES WITH INDUSTRY PARTNERS

CEO Roundtables

During 2015, we held CEO Roundtables with the CT Bankers Association and the CT Banking industry representatives. Three sessions were held, one of which included a new group of Large/Regional CT Based Bank CEOs. The Roundtable sessions are an opportunity for CT Bankers to have direct dialogue with the Banking Commissioner and senior CT Department of Banking staff about industry, regulatory, or other key issues facing community banks.

National Town Halls on Community Banking

The CT Department of Banking hosted a town hall meeting with a group of CT community bank CEOs in conjunction with the third annual “Community Banking in the 21st Century” Research and Policy Conference sponsored by the Federal Reserve Bank of St. Louis and the Conference of State Bank Supervisors. Connecticut was one of 27 states where more than 500 community bankers participated in the town halls. CT’s town hall attendees included the CBA’s executive board members and community bankers from across the state. Town hall comments were incorporated into the research conference materials and CT bankers had the opportunity to also participate in a national survey.

NASCUS CT Directors College

On April 2, 2015 the CT Department of Banking co-sponsored a NASCUS Directors College in CT. The full-day event agenda included sessions on Bank Secrecy Act compliance, National and CT based Credit Union industry issues, Cybersecurity, Potential Disruptions to Credit Union Businesses and Current Examination Issues. Participants also heard from CT Banking Commissioner Perez, NASCUS CEO Lucy Ito, and CT Credit Union League CEO Jill Nowacki.

Cybersecurity Events

The CT Department of Banking co-sponsored a Cybersecurity Basics for Officers & Directors on June 19th. The CBA, CT Department of Banking and the Conference of State Bank Supervisors hosted the half-day event that provided a high level overview of Cybersecurity threats to the industry, actions that could be taken to manage these threats and emphasized the importance of board involvement in Cybersecurity planning and strategy.

On September 14th, the CT Department of Banking co-sponsored a Cybersecurity Basics event for CT based Credit Union officers & directors. This event was co-sponsored by the CT Department of Banking, the Credit Union League of CT and the National Association of State Credit Union Supervisors. This was a full-day program designed to provide an overview of the current threat landscape, Cybersecurity best practices, threat intelligence collection & sharing opportunities, and director responsibility as it relates to Cybersecurity and safeguarding data.

National Accreditation Programs

The CT Department of Banking has achieved and maintains national accreditation status in two programs; the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS). Most recently, in October 2015, the Department was re-accredited by NASCUS. The CT Department of Banking was first accredited by CSBS in April 1986 and has maintained accreditation since then.

SECURITIES AND BUSINESS INVESTMENTS DIVISION

Subject to the general supervision of the Banking Commissioner, the Securities and Business Investments Division is charged with administering Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act; Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act; and Chapter 672b of the Connecticut General Statutes, the Connecticut Tender Offer Act.

The Division is responsible for 1) the registration of securities and business opportunity offerings for sale in Connecticut; 2) the registration of broker-dealers, agents, investment advisers and investment adviser agents as well as the registration of broker-dealer and investment adviser branch offices; 3) the examination of broker-dealer, investment adviser and branch office registrants; and 4) enforcement of the state's securities, business opportunity and tender offer laws.

Activities

During this report period, the Division continued its comprehensive review of the Regulations promulgated under the Connecticut Uniform Securities Act with an eye toward updating content in light of recent regulatory developments. The Division also took steps to explore how the processing of private placement notice filings could be made more efficient.

For the calendar year 2015, Securities and Business Investments Division intervention resulted in restitution and rescission offers to the investing public totaling \$7,092,487. In addition, the Division imposed \$599,590 in fines for violations of the state's securities and business opportunity laws. Of this amount, \$209,590 was attributable to Division settlements, and the balance was due to formal agency orders imposing fines.

The Division also pursued a number of enforcement cases involving investment agreements, promissory note sales and unregistered activity. A greater number of cases involving the misappropriation of customer funds were also investigated by the Division. In addition, the Division investigated and took action against a bogus law firm purportedly located in Connecticut that solicited investors online to invest in securities. In addition, settlements were reached with several broker-dealers who failed to adequately supervise their agents.

The Division continued to face challenges stemming from staff attrition and an increase in the number of cases involving complex fact patterns or securities fraud.

In conjunction with the Division's enforcement program, a total of eighty-two securities and business opportunity investigations were opened in 2015, fifty-nine investigations were closed and 112 investigations were in progress as of December 31, 2015. Eight Cease and Desist Orders were entered.

Ten formal enforcement proceedings were initiated at the administrative level during calendar year 2015.

Of all the securities and business opportunity-related complaints and investigations handled, many were resolved at the administrative level prior to being closed. Administrative resolutions of enforcement matters typically took the form of remedial Stipulation and Agreements and Consent Orders wherein the Division sought corrective measures as well as monetary fines. Seventeen Consent Orders and three Stipulation and Agreements were executed in calendar year 2015. Three matters involved activity restrictions or the barring of affected individuals from securities-related activity in Connecticut. The Division found the use of Stipulation and Agreements and Consent Orders to be an effective supplement to its array of enforcement tools.

The Securities and Business Investments Division also continued online publication of its quarterly Securities Bulletin, now delivered via listserv, to advise the industry of new regulatory developments.

The Division is assisted by a Securities Advisory Council, comprised of industry representatives, academics and members of the bar, all of whom serve without compensation, that offers the Commissioner and staff insight on proposed regulatory initiatives. The Division obtained critical input from Advisory Council members in formulating the Division's response to federal legislative changes and the need to update the agency's securities regulations.

**Securities Industry Registrants and Notice Filers
As of Year End**

	2011	2012	2013	2014	2015	5 Year % Change
Broker-dealer firms	2,385	2,294	2,239	2,215	2,183	(8.46)
Broker-dealer agents	152,071	145,877	151,123	152,522	157,900	3.83
Broker-dealer branch offices	2,699	2,690	2,716	2,717	2,655	(1.63)
Investment Adviser firms	472	545	530	514	508	7.62
SEC Registered Investment Advisory Firms Filing Notice*	1,900	1,865	1,946	2,005	2,036	7.15
Investment Adviser Agents	10,835	10,863	11,413	11,829	12,330	13.79

*Investment advisers subject to exclusive Securities and Exchange Commission registration pursuant to the National Securities Markets Improvement Act of 1996, Public Law 104-290.

**Registrations and Notice Filings
Securities and Business Opportunities**

	2011	2012	2013	2014	2015	5 Year % Change
Offerings Reviewed	145	151	128	152	131	(9.65)
Investment Company Notice Filings*	8,769	8,879	9,102	9,647	9,261	5.61
Exemptions and Exemptive Notices†	2,813	2,703	2,562	3,424	3,418	21.50

*Effective October 11, 1996, the National Securities Markets Improvement Act of 1996 (NSMIA), Public Law 104-290, preempted the states from registering securities offerings by investment companies subject to Securities and Exchange Commission oversight. State authority to require notice filings was preserved by the federal legislation.

†NSMIA also preempted the states from substantively reviewing private offerings under Rule 506 of federal Regulation D. State authority to require notice filings was preserved by the federal legislation.

**Examinations
Broker-dealers and Investment Advisers**

	2015	2014
Broker-dealers	68	54
Investment Advisers	140	140

**Enforcement Activities
Securities and Business Opportunities**

	2015	2014
Investigations Opened	82	66
Investigations Closed	59	54
Investigations in Progress	112	89
Subpoenas Issued	44	38
Administrative Actions	10	9
Consent Orders	17	14
Stipulation and Agreements	3	1
Notices of Intent to Deny (Licensing)	0	0
Notices of Intent to Revoke (Licensing)	2	2
Denial Orders (Licensing)	0	0
Suspension Orders (Licensing)	2	0
Revocation Orders (Licensing)	0	0
Notices of Intent to Fine	5	7
Orders Imposing Fine	3	1
Cease and Desist Orders	8	9
Activity Restrictions/Bars	3	6
Monetary Sanctions Imposed	\$599,590	\$5,198,600
Offered/Returned to Investors Following Informal Division Intervention	\$7,092,487	\$10,920,045
Criminal Referrals	4	3
Referrals to Connecticut Attorney General	1	0
Other Agency Referrals	1	6

GOVERNMENT RELATIONS AND CONSUMER AFFAIRS

The Government Relations and Consumer Affairs Division provides assistance to the public with inquiries and complaints regarding banking, mortgage lending and other consumer credit matters, rental security deposits, and securities and business opportunity issues. The Division directs the agency's legislative program, manages media relations, and coordinates financial and investor education. It also performs community outreach efforts.

Consumer Assistance

The department protects Connecticut citizens and consumers in transactions with financial institutions and other financial service providers, and assists them with complaints and dispute resolution. In 2015, examiners in the Division handled approximately 6,494 telephone inquiries and 1,617 written complaints from the public. As a result of their efforts, the department obtained \$450,960.47 in adjustments or reimbursements on behalf of consumers during the period. In 2015, the Foreclosure Hotline staff handled 1,226 individual cases. The security deposit investigator received approximately 2,819 telephone calls, 379 emails and 226 complaints related to rental security deposits in 2015. Following an investigation into each complaint, the department recovered \$44,417.40 for tenants during this same time period.

Media Relations

The Government Relations and Consumer Affairs Division serves as the public face of the department. As such, all media requests and inquiries are coordinated by the Division. In 2015, the Division fielded approximately sixty requests for information from media outlets on the local, state and national level. Business reporters contacting the agency regarding specific licensees or regulatory issues comprise the majority of press inquiries. Nonetheless, the Division is responsive to calls from all types of media outlets regarding a wide range of issues in the financial services sector. In 2015, agency staff participated in several radio and television interviews, and even a Google hangout focusing on investment fraud.

Division staff shared information about the agency and avoiding banking scams on the Connecticut Radio Information System (CRIS), radio-reading service for those who are blind or print-challenged. They were interviewed for the CRIS program "Focal Point." The agency's General Council taped a live segment on the WTNH-TV daily program, *Connecticut Style*, in September 2015, along with an AARP representative to discuss mobile banking and cybersecurity. In July 2015, a Financial Examiner from the Securities Division was a featured speaker on a Google Hangout focusing on investment fraud, sponsored by AARP-CT and hosted by Brett Orzechowski, CEO of the online publication, The Connecticut Mirror.

Outreach

The primary focus of the department's educational outreach program is to help Connecticut's consumers and investors make informed financial decisions and also to learn how to avoid fraud and scams. Helping Connecticut homeowners prevent and navigate the foreclosure process remains a major component of the department's outreach initiatives.

In 2015, agency staff took part in approximately 89 outreach events, including 63 speaking engagements. Consumers and industry professionals received relevant information and training regarding cybersecurity, credit and debt management, avoidance of fraud and identity theft, reverse mortgages, investor education and personal financial management. The Division participated in monthly foreclosure prevention clinics during the year, conducting presentations and providing one-on-one counseling to homeowners.

The Department of Banking acknowledged Connecticut Saves Week in February 2015, proclaimed by Governor Malloy as a time for Connecticut citizens to assess and improve their personal finances. Division staff conducted four workshops at Department of Labor Job Centers throughout the state -- Hamden, Waterbury, New Britain and New London. The agency held its third annual *Connecticut Saves at the Capitol*, an expo of agencies and organizations that promote financial education and money management. As part of the Connecticut National Guard's Military Saves Week program, the Division also provided lunch-and-learn presentations at the State Armory, with topics such as debt management and financial fraud.

The department offered libraries a fun way to provide investor education through the grant-funded *DASH for the STASH* program. Participating libraries displayed posters on investing topics - financial advisers, investment fees, investor fraud, and building a nest egg – and encouraged their patrons to learn about investing topics by answering quiz questions via their smart phone or tablet. The winning participant received \$1,000 to open or add to an Individual Retirement Account (IRA).

In recognition of Financial Literacy Month, agency staff presented programs on money management, credit repair, banking scams, and fraud at eight Connecticut libraries during the month of April, many of those during Money Smart Week. The department also teamed up with the Departments of Consumer Protection, Insurance, and Energy & Environmental Protection to sponsor *CT Shreds* at two locations in the state. These events offered residents an opportunity to safely dispose of their personal financial information directly into shredder trucks.

2015 Library and Senior Center Outreach Events

Date	Venue
January 14	Milford Public Library
February 24	New Britain Public Library
February 26	New Britain Public Library
February 26	Mansfield Public Library
March 11	Meriden Senior Center
March 12	Guilford Free Library
April 9	Weston Public Library
April 14	Essex Library
April 15	South Windsor Public Library
April 21	Mansfield Public Library
April 21	Edith Wheeler Memorial Library (Monroe)
April 22	Meriden Public Library
April 22	North Haven Memorial Library
April 23	Glastonbury Public Library
May 11	Edith Wheeler Memorial Library (Monroe)
May 13	Howard Whittemore Memorial Library (Naugatuck)
August 21	Ahepa Senior Housing (Niantic)
September 21	Canoe Brook Senior Center (Branford)
October 1	Groton Senior Center
October 7	Ahepa Senior Housing (Norwich)
October 16	Heritage Village (Southbury)
November 5	Milford Public Library
November 17	Farmington Public Library
December 8	Farmington Public Library

Legislation

Each year the Government Relations and Consumer Affairs Division, spearheads an active legislative program. During the 2015 session, the department sponsored two agency initiatives.

Public Act 15-53, An Act Concerning Mortgage Correspondent Lenders, The Small Loan Act, Virtual Currencies And Security Freezes On Consumer Credit Reports, is an omnibus bill that does a number of things. It clarifies the law regarding licensure of Mortgage Correspondent Lenders; changes certain fidelity bond and E&O coverage requirements for mortgage servicers; voids certain small loan contracts that exceed the statutory rate cap; opens the door on regulating businesses dealing in virtual currencies as money transmitters; and prohibits credit reporting agencies from charging certain people (including identity theft victims) fees related to credit freezes. In addition, the bill prohibits credit rating agencies from charging fees related to security freezes to people covered by certain insurance policies held by the identity theft victim and requires an identity theft victim's spouse to submit a copy of a police report to a credit rating agency to qualify for the exemption from security freeze fees under the bill.

The department also sponsored *Public Act 15-235, An Act Concerning Revisions to Various Connecticut Banking Statutes*, which made technical and conforming changes involving truth-in-lending, banks, credit unions, mortgage licensees and consumer collection agencies.

Through passage of *Public Act 15-162, An Act Concerning a Student Loan Bill of Rights*, the legislature created a Student Loan Ombudsman within the Department of Banking to help resolve consumer complaints, educate consumers who may need help understanding an aspect of their particular loan, and help increase financial literacy in Connecticut. The act gives the agency jurisdiction to regulate non-government student loan servicing in Connecticut by requiring servicers to obtain a license from the department.