

GOVERNMENTS COMMERCIAL **ENTERPRISES**

INDIVIDUALS

SUMMARY OF ECONOMIC FLOWS FLOWS OF FUNDS IN THE NATIONAL ECONOMY: INFLOWS

SERVICES MARKET COMMERCIAL FINANCIAL SERVICES MARKET RETAIL CONSUMER **FINANCIAL SERVICES MARKET**

GOVERNMENT FINANCIAL

SUPPORT SERVICES

OUTFLOWS TO **GOVERNMENT OUTFLOWS** TO COMMERCIAL **ENTERPRISES**

OUTFLOWS

Aut TO

INDIVIDUALS

4 FUNDS OUTFLOWS

SOURCES OF INFLOWS

The U.S. Economy: To understand the U.S. Government: It consists of the federal financial services industry, it is necessary to understand the U.S. economy and its three most significant participants: (1) individuals individuals and dependent administrative households, (2) business firms and enterprises, agencies), state and local governments, and players contribute to the U.S. gross domestic product (GDP), which is the value of everything important of which is the provider rules and produced within U.S. borders. This figure is regulations providing for national defense, fair used to determine the size of the economy play in business, consumer protection, and the which was \$25.46 trillion in 2022. Virtually every dollar of GDP will circulate through the financial services contribute to the U.S. government, and an expression of the federal data and its judicial, legislative, and its judicial, legislative, and its judicial, legislative, and as the producers in an economy, even though every business firms are often thought of a three following as the producers in an economy, even though every business firms are often thought of a three flowers in an economy, even though every business firms are often thought of a three flowers in an economy, even though every business firms are often thought of a three flowers in an economy, even though every business firms are often thought of a three flowers in an economy, even though every business firms are often though of a three flowers in an economy, even though every business firms are often though to a three flowers in an economy, even though every business. In a three flowers in an economy, even though every business firms are often thought of a three flowers in an economy, even though every business firms are often though to a three flowers in an economy, even though every business firms are often though to a subject to business firms are often though to a subject to business firms are often though to a subject to business firms are often though to a subject to business

COMMERCIAL FINANCIAL SERVICES MARKET

GOVERNMENT FINANCIAL SERVICES MARKET

What is a Financial Service?: A financial service Importance: The financial services sector is Financial services they serve: (1) Government, (2) Commercial Market: The Consumer Market: In this is the process of acquiring a financial good crucial to the functioning of the economy. At its markets they serve: (1) Government, (2) Commercial market consists market; intermediaries provide (something tangible such as a mortgage loan to heart, the sector intermediates by channeling Commercial, and (3) Consumer.

Government Market: The Consumer Market: The U.S. government market consists market; intermediaries providing (a) banking services as: (a) consumer service is the transaction required to obtain the take on that risk. Financial services also help put financial good. Therefore, the financial services money to productive use. Instead of stashing services correctly and personal income taxation and the issuance of treasury securities, the regulation of securities and equity capital raising, (c) risk student, auto, personal), (c) sector covers a variety of types of transactions money under mattresses, consumers give their to obtain financial goods in the (1) government savings to intermediaries to invest them in the market (e.g., treasury securities), (2) commercial market consists market. The Consumer Market: The Consumer.

The Consumer Market: The U.S. government, (2) commercial market consists market in the sector intermediaries provide of intermediaries providing (a) banking services as: (a) consumer and the issuance of treasury securities, the regulation of securities and equity capital raising, (c) risk student, auto, personal), (c) sector avainty of the nation's enterprises, (e) commercial and capital market (e.g., business loan, business home. Without financial services are variety of the nation's enterprises, (e) commercial and capital home mortgage loan, securities, life insurance). raising would be more complex, risky, and costly. SUPPPORT SERVICES

\$2,906,498,000

TO GOVERNMENT





Taxation and Debt Financing

Federal and Self-Regulation

FUNDS INFLOWS











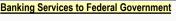


ATMs and POS Devices

ATM



TO INDIVIDUALS



FINANCIAL SERVICES

MONETARY FED FUNDS RATE POLICY

FED DISCOUNT WINDOW



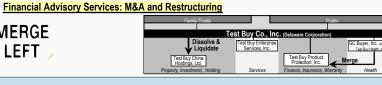


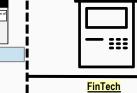


Debt & Equity Offerings











COMMCERCIAL ENTERPRISES





Fiduciary, Administrative and Trust Services





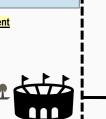
Credit Card Issuing Banks

Commercial Banking Services



Credit Card Networks

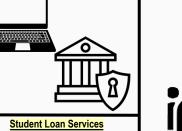




Traditional Bank Security









Insurance Brokers

INDIVIDUALS





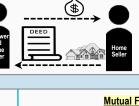












Treasury and Payment Processing









Merchant Gateway











Wealth Management and Insurance

RETAIL CONSUMER FINANCIAL SERVICES MARKET **Consumer Loans**

















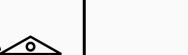












ATM

4 FUNDS OUTFLOWS

SOURCES OF INFLOWS

Commercial Enterprises: Business firms are often thought of producers in an economy, even though every business and independent administrative agencies), state and local government and independent administrative agencies. The government markets and professional services. Businesses operate at various levels in the stream of economic activity, by buying goods and services. Without their administrative agencies. The governments and which conveniently subdivide into four levels: (1) capital their consumption, the economy would be their administrative agencies. The government markets and professional services, (2) upstream, (3) screech to a halt. To obtain funds with conveniently subdivide into four levels: (1) capital their consumption, the economy would be performs several roles in the economy, the markets and professional services, (2) upstream, (3) screech to a halt. To obtain funds with conveniently subdivide into four levels: (1) capital their consumption, the economy would be provided in the provide rules and services of the provider rules and other economic players at the downstream level where individuals provide labor to business firms regulations providing for national defense, fair individuals and households, and government agencies. In young of the government. In 2022, U.S. business investment (i.e., fixed investment + the provider rules and the provider rules and the government. In 2022, U.S. business investment (i.e., fixed investment + the provider rules and the provider rules and the government. In 2022, U.S. business investment (i.e., fixed investment + the provider rules and the provider rules and the government. In 2022, U.S. business investment (i.e., fixed investment + the rules of the rules are rules and the provider rules and the government. In 2022, U.S. business investment (i.e., fixed investment + the rules are rules and the provider rules and the government. In 2022, U.S. business investment (i.e., fixed investment + the rules are rules and the provider rules are rules and the rules are

FUNDS INFLOWS

GOVERNMENT FINANCIAL SERVICES MARKET

JPMorganChase 🗐

Real Estate Investment and Asset Management

BANK OF AMERICA

SUPPPORT SERVICES







COMMCERCIAL ENTERPRISES

Telecommunications

verizon AT&T

Oil & Gas/Petrochemicals

DUKE ENERGY. Exelon.

Defense

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CORTEVA"











SEQUOIA E Fidelity

Automotive

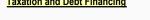
Transportation

Microso

aws Goog

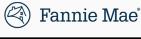


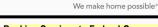






Nasdaq 🚺









Market Enhancement (e.g., Housing Market)



cítibank



sallie

UBS

THE CARLYLE GROUP

TRAVELERS

mae











S Triton





























Several business sectors are closely allie with the financial services industry, includin bank security firms, FinTech developer accountants, loan servicers, ATM maken



TO COMMERCIAL ENTERPRISES

TO INDIVIDUALS





uspto

INTERNATIONAL PAPER CATERPILLAR

CBRE D'R'HORTON













JPMorganChase 🚺

cítibank

VIRTU 🔨

JPMorganChase 🛑

Trust and Fiduciary Services

JPMorganChase 🚺 USbank

BANK OF AMERICA

BNY MELLON

NORTHERN

Global Markets / Brokerage

BANK OF AMERICA 🧼



HSBC

Capital One



JPMorganChase 🚺

THE CARLYLE GROUP

Morgan Stanley | | TPG | KKR

Treasury & Payment Processing

JPMorganChase 🚺

BANK OF AMERICA 🥟

us bank.

PNCBANK

TRUIST HH

citibank

FINCA



VISTA

Commercial Banking Services

CONSUMER FINANCIAL SERVICES MARKET Consumer Loans

Wealth Management and Insurance

HONDA

Credit Card Networks

VISA

DISC VER

Ford Credit

APOLLO

WELLS

FARGO

OAKTREE NEUBERGER BERMAN THOMABRAVO

Credit Card Issuing Banks

CHASE 🗅

BANK OF AMERICA

BANK OF AMERICA







/ Deutsche Bank

Financial Advisory Services: M&A and Restructuring













JPMorganChase (Santander DISCOVER COllege WE SUBBITLIANS CONTINUE CONTINUE

PACIFIC LIFE MUTUAL OMAHA

MORTH
AMERICAN
ASsumm travel carry

Life Insurance

Financial Group



aid Vantage MOHELA®

Allianz (II) *PROGRESSIVE*





















JPMorganChase 🟮 TRUIST III



















































Computershare



FAIRWAY

PennyMac[®]





JPMorganChase 🚺

Citizens Bank®



n Ame



TOYOTA CapitalOne









FARGO







Allianz (iii) ATHENE MetLife SERVICE CREDIT UNION *****



DISC VER

understand the U.S. economy and its three most significant participants: (1) individuals / oduced within U.S. borders. This figure is used to determine the size of the economy which was \$25.46 trillion in 2022. Virtually every dollar of GDP will circulate through the financial

SOURCES OF INFLOWS

consists of the federal Commercial Enterprises: Business firms are often thought of Individuals & Households: Individuals and its judicial, legislative, and as the producers in an economy, even though every business. families serve primarily as consumers in the Commercial Enterprises: Business firms are often thought of government: lit consists of the federal Commercial Enterprises: Business firms are often thought of government and its judicial, legislative, and as the producers in an economy, even though every business families serve primarily as consumers in the executive branches (including various cabinet of goods and services. Businesses or demonity and as the economy, they keep the economy going by buying goods and services. Without operations several roles in the economy, them conveniently subdivide into four levels: (1) capital titler consumption, the economy would be preforms several roles in the economy them of executive branches (2) upstream, (3) obtain funds with conveniently subdivide into four levels: (2) upstream, (3) obtain funds with which to buy goods and services. In goods and services, (2) upstream, (3) obtain funds with to buy goods and services are sold to the reconomic players at the downstream level where individuals provide labor to business firms regulations providing for national defense, fair individuals and households, and government agencies. In goods and services are sold to a halt. To obtain funds with to buy goods and services without the conomy which is the provide rules and order economic players at the downstream level where individuals provide labor to business firms and industrial goods and services. (2) upstream, (3) obtained to the conomy which conveniently agreement and industrial goods and services. (2) upstream, (3) obtained to the conomy which conveniently by buying goods and services. (2) upstream, (3) obtained to the conomy there conomy

As Assistance Provider

Capita

Markets

Legal,

and

Board of Governors of the Federal Reserve System

U.S. Department of the Treasury
National Bank Regulation

Commercial Market

What is a Financial Service?: A financial service Importance: The financial services sector is Financial services can be broken down into the Commercial Market: The Consumer Market: In this is the process of acquiring a financial good crucial to the functioning of the economy. At its markets they serve: (1) Government, (2) commercial market consists market, intermediates provide (something tangible such as a mortgage loan to heart, the sector intermediates by channeling Commercial, and (3) Retail Consumer.

Services as: (a) (e.g., checking accounts, ATMs, services the transaction required to obtain the take on that risk. Financial services also help put and personal income taxation and the issuance of financial good. Therefore, the financial services money to productive use. Instead of stashing Treasury securities, the regulation of securities and to obtain financial goods in the (1) government savings to intermediaries to invest in the next to federal agencies, promoting the home mortgage market (e.g., teasury securities), (2) commercial great technology or allow someone to buy a market (e.g., equipment loan), and (3) retail home. Without financial services was an expression, licensing capital and liquidity requirements, raising would be more complex, risky, and costly. GOVERNMENT MARKET

Regulation of National Banks and Bank Services to Federal Government

Commercial Lending

Global Markets, Asset Management, and Insurance

FINANCIAL SERVICES

10 SUPPORT SERVICES Several business sectors are closely allied Taxes and Debt in 2022, the U.S. government spent \$6.27 trillion but only collected \$4.90 trillion in tax revenues (\$2.451 in individual income taxes comprising \$60%, and \$1.761 in payroll/Social Security/Medicare taxes or 36%). To cover the shortfall but only contract the U.S. mortgage finance system by (1) providing liquidity to the residential mortgage market and (2) promoting access to mortgage credit. Fannie and Freddie (a) buy "qualifying" mortgage and singer for market and (2) promoting access to mortgage credit. Fannie and Freddie (a) buy "qualifying" mortgage market and (3) but "qualifying" mortgage and insurance agents.

Regulation of National Revices A Barks and (c) guarantee the payment of the underlying loan principal and interest.

Regulation of National Revices A Barks and Country firms.

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**Regulation of National Revic

ATMs and POS Devices

Top Five AMT and PoS Firms

Block Toast

ient services (e.g., PayPa s CashApp), automated portfo

Top Five FinTech Firms

Leading Physical Security Firms

GardaWorld G4S Brink's

Digital Security & Fraud Prevention

Diebold Nixdorf

peer-to-peer payment space

Ant Financial PayPal

Loomis Armed Securitas

Top Insurers

FINANCIAL 11 TO GOVERNMENT SERVICES SECTOR

Interest, Principal, & Capital Gains

Institutional 8

Institutional

Investors & High Net Worth Individuals

Retail & High Ne

Insurance Proceeds

Medical Care Payments

vernors of the

ederal Reserve

4 FUNDS OUTFLOWS

GOVERNMENT 4 SUMMARY OF ECONOMIC FLOWS THOUGH THOUGH FINANCIAL SERVICES INDUSTRY U.S. Federal Government Independent U.S. Federal Government Agencies Sources of Inflows (See 5 The federal government's budget is \$6.2 trillion for the 2023 fiscal year. The argest allocations of those funds are for the following cabinet departments: Government Government Services he largest allocation of the federal government budget for the independent government agencies goes to the following: Enterprises U.S. Department of Health and Human Services (\$1.74 T) Individuals Recipients of Outflows U.S. Department of Treasury (\$1.42 T) (See 11 to 13) The National Aeronautics and Space Administration (NASA) (\$27.2 B) .S. Environmental Protection Agency (\$11.9 E LOWS OF FUNDS IN NATIONAL ECONOMY: INFLOWS Over two thirds (67%) of taxes in the United States are collected by the federal government. Local government taxes account for 13% of total U.S. taxes. The remaining 20% are collected by states. The largest state and municipality budgets are: Of the total \$25.3 trillion in U.S. investment held by foreign countries, the United Kingdom Japan, and Cayman Islands held the greates portions. The top 6 foreign holders are a strilling.

Financial Services Industry Commercial Services Consumer Services FINANCIAL SERVICES SECTOR Government Market

Interest and Principal, and Assistance

BUSINESS SECTOR

FUNDS INFLOWS

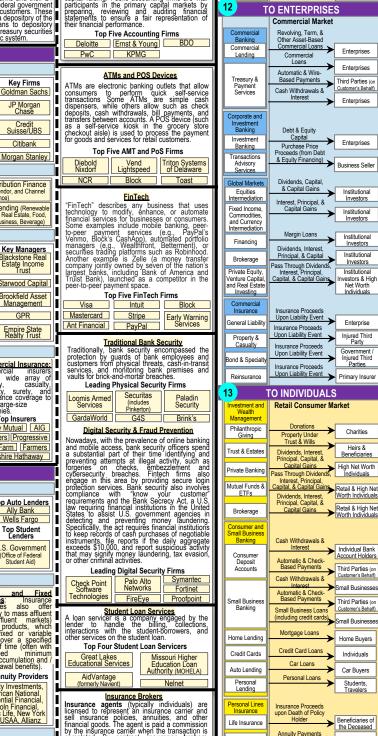


Investment Banking: Debt & Equity Offerings ("Sell Side"): The capital markets consist of a primary market (where corporations issue debt or equity to investors in exectange for capital needed to expand or grow their businesses) and a secondary market (ascribed below in Institutional Brokerage Services). Securities in the primary market are sold mostly to institutions. Investment banking firms are hirred by the corporate issuers to match institutional investors with corporate issuers based on the institutions risk and return expectations and investment appetites. Although the bond market (also known as the credit, debt or inxed-income market) does not get as much attention because bonds on the firms are hirred by the

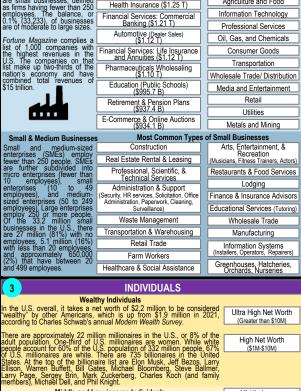


Financial Advisory Services: M&A and Sestructuring: Investment banking firms provide Goldman Sachs in ancial advisory services in merger and acquisition transactions on behalf of buy- or sell-side clients. These services include marketing to several interested buyers, negotiating the M&A transaction, coordination with other advisors, and achieving the best price for the client. Other financial advisory services within this category include spin-offs of key business divisions, cross-border structuring, cribbank restructuring of distressed businesses, and corporate defense activities in the face of shareholder activism.

Commercial Lending: Manufacturers, wholesalers, retailers, distributors, imporfers, and service companies all look to banks to provide loans for capital expansion, business acquisition, working capital or urgent purposes. Key categories of loans and tailored financing include revolving lines of credit, working capital formancings, medium term loans, short-term loans or commercial paper, refinancing, short-term loans or commercial paper, refinancing include revolving lines of credit, working and Trade Finance Research (Risk Management Risk Management Ri

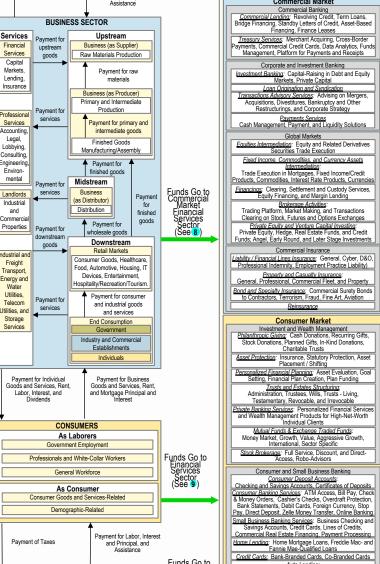


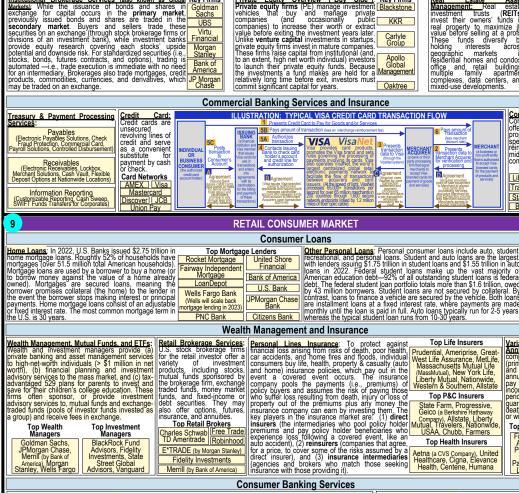




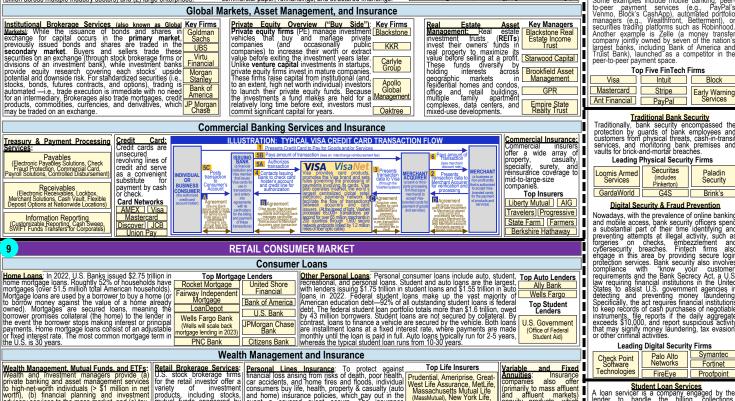
United Kingdom (\$2.469 T

Japan (\$2.366 T)





Commercial Banking: The commercial banking arm of a financial institution provides deposit, secured lending, lease, integrated working capital management, tracksury management and trade solutions, foreign currency solutions, credit card products, and payment processing services to (1) private, family-owned and mid-sized public companies, (typically with annual sales ranging from \$5 million to \$2 billion across multiple industry sectors) and (2) large enterprises.



a substantial part of their time identifying and preventing attempts at illegal activity, such as torgeries on checks, embezzlerient and ordersecurity breaches. Fintent hims also engage in this area by providing secure login protection services. Bank security also involves compliance with know your customer requirements and the Bank Secrecy Act, a U.S. law requiring financial institutions in the United States to assist U.S. government agencies in detecting and preventing money flaundering. Specifically, the act requires financial institutions to keep records of cash purchases of negotiable exceeds \$10.000, and report suspicious activity that may signify money laundering, tax evasion, or other criminal activities.

ordina di controla ordina di controla di c	Massachusetts Mutual Life (MassMutual), New York Life, Liberty Mutual, Nationwide, Western & Southern, Allstate		A loan servicer is a company e lender to handle the billing interactions with the student-but
who suffer loss resulting from death, injury or loss of	Top P&C Insurers	period of time (often with	
property out of the premiums plus any money the insurance company can earn by investing them. The leaves in the insurance market are: (1) direct	Geico (a Berkshire Hathaway	guaranteed minimum death, accumulation and / or withdrawal benefits)	Great Lakes Educational Services Miss

ers	Fidelity Investments,		(formerly Navient)	Nelnet
United vance nana	American National, Prudential Financial, Lincoln Financial, Pacific Life, New York Life, USAA, Allianz		Insurance agents (licensed to represent sell insurance policie financial goods. The a	an insurance carrier and es, annuities, and other gent is paid a commission
d proce	credit cards to consumers ss their transactions (e.g.,	ااتا	by the insurance carrier when the transaction is completed. By contrast, insurance brokers (typically firms) represent the consumers who use them and can help them shop for policies from multiple providers. Top Brokers	
ment to	charge is attributed to the the merchant).		Marsh & Truist Inst McLennan Holdin	urance USI Lockton Insurance Acrisure

he middle and Low-income individuals have a middle and solven-income individuals. A constitutes 50% of the U.S. population (as of 2021), which is quite a bit smaller than it has been in hearly half a century itsiotrically, the middle class has been the engine of American economic rowth and prosperity. The share of income captured by the middle class lift om 62% in 1970 to 42% in 2020, according to Pew Research. The hiddle class is shrinking due to an increase in population at the extreme ottom and tip of the economic spectrum. The median income in the U.S. was \$70,784 in 2021 (regardless of household size).

Middle and Low-income Individuals

Members of Designated Communities

Overall, there were 3.2 million teachers in U.S. elementary and secondary public school in the 2019-2020 school year. There were a total of 1.195 million active duty milliary members and more than 778.000 reserve forces (according to September 2021 data from the U.S. Department of Defense). In the U.S. the population age 65 and older numbered 54.1 million in 2019 (the most recent year for which data are available). These seniors represented 16% of the population, more than one in every seven Americans. Because of the size and shared interests of these communities, there are financial services institutions dedicated to serving them—e.g., TIAA for teachers, USAA for the military, and CalPERS for California public employee retirees.

High Net Worth

(\$1M-\$10M)

Middle Income

(\$47,000-\$141,500)

Low Income

Poor (Less than \$30,000 for a Family of Four)

GOVERNMENT SECTOR As Service Provider

Personal Lines Insurance <u>Annuities</u>; Fixed, Deferred and Variable Annuities sonal Lines: Auto, Home, Electronics, Personal Identif Deposits and Other Bank Services: The principal service of a retail bank (or the consumer division of a large commercial bank) is taking in deposits from individuals for safe keeping. The bank services include the deposits to the deposits to the rindividuals looking to buy a house, small businesses needing cash to meet a payroll, or large enterprises looking to buy a factory. Other bank services include direct deposit of employment earnings into one's bank account, money transfers, online banking, overdraft profection, cashiers' checks, debit cards, and ATM access, to name a few.

Citibank

Key Firms

J PMorgan

Wells Fargo
Bank
Chase Bank
Bank of Amenca
Amenca
Truist Bank
Truist Bank
Top Card
Barclavs, Chase Bank
Citibank
PNC Bank

Trop Card
Suring Banks: Danks and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services include and small business customers and exemption of the services included

Barclays, Chase Bank, Capital One, Citi, Discover,
Wells Fargo, Synchrohy Bank, U.S. Bank

| HUB | Alliant Insurance | Services | WTW | AON |

Leading Digital Security Firms Palo Alto Networks