

ANNUAL MEETING

SENATOR JUDD GREGG
CEO, SIFMA

NOVEMBER 12, 2013



HELPING AMERICANS SUCCEED | HELPING MAIN STREET PROSPER

“THE ESSENTIAL CHALLENGE FOR LEADERS TO CONTEMPLATE IN COMING TO TERMS WITH THE FUTURE OF FINANCE IS TO UNDERSTAND THAT IT CAN BE USED TO HELP BROADEN PROSPERITY ACROSS AN INCREASINGLY WIDE RANGE OF SOCIAL CLASSES...”

Robert Shiller

“...IMAGINE THE DEVELOPMENT OF A NEW LABORATORY, THE FUNDING OF A MEDICAL RESEARCH PROJECT, THE BUILDING OF A NEW UNIVERSITY, OR THE CONSTRUCTION OF A NEW CITY SUBWAY SYSTEM. FINANCE PROVIDES STRUCTURE TO THESE AND OTHER ENTERPRISES AND INSTITUTIONS THROUGHOUT SOCIETY. IF FINANCE SUCCEEDS FOR ALL OF US, IT HELPS BUILD A GOOD SOCIETY.”



Robert Shiller

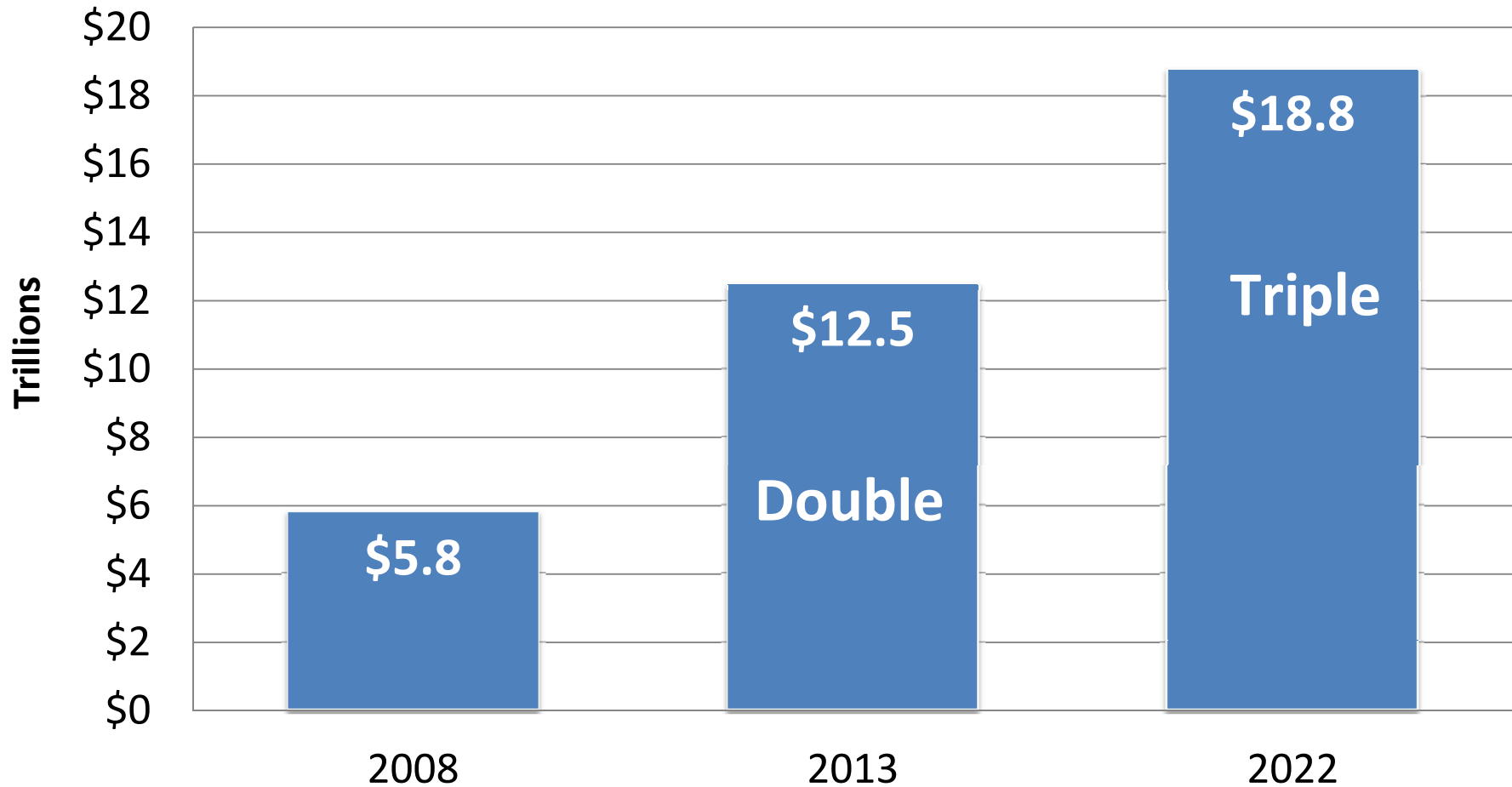
**“GREAT NATIONS ARE NEVER
IMPOVERISHED BY PRIVATE,
THOUGH THEY SOMETIMES ARE BY
PUBLIC PRODIGALITY AND
MISCONDUCT.”**

Adam Smith

**“IF YOU PUT THE FEDERAL
GOVERNMENT IN CHARGE OF THE
SAHARA DESERT, IN FIVE YEARS
THERE'D BE A SHORTAGE OF SAND.”**

Milton Friedman

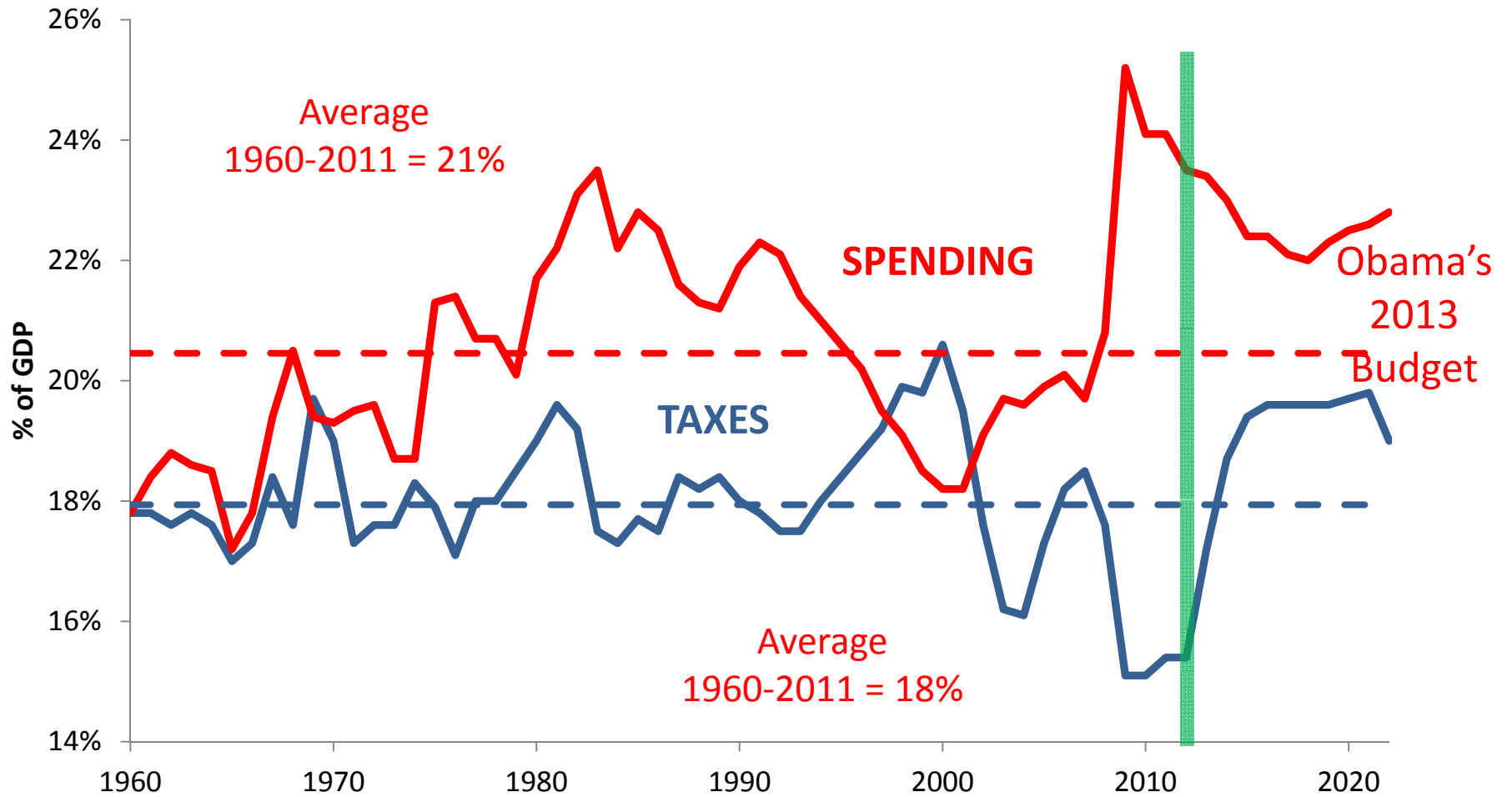
Debt held by the public scores a triple double under President Obama's 2013 Budget



Source: CBO



Federal taxes and spending as % of GDP



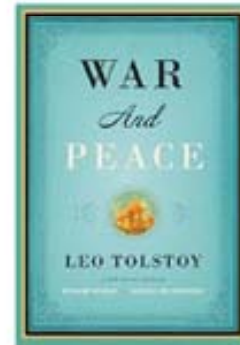
Source: CBO (Pre-1972 figures from OMB)

Dodd-Frank by the numbers

A New Rule

Every **2.8** days

28
copies



Dodd-Frank by the numbers

More than
15 million
words of rules written to date

Dodd-Frank by the numbers

Only

39%

of those rules complete

More to come...

"I DON'T OWN A SINGLE SHARE OF STOCK, AND I HAVE NEVER OWNED A SINGLE SHARE OF STOCK. I DON'T SUPPORT THIS. [POINTING AT NYSE] THIS IS A RIGGED CASINO. I DON'T KNOW WHY ANYBODY WOULD PUT THEIR HARD-EARNED MONEY INTO THIS."

“A MAJOR SOURCE OF OBJECTION TO A FREE ECONOMY IS PRECISELY THAT IT ... GIVES PEOPLE WHAT THEY WANT INSTEAD OF WHAT A PARTICULAR GROUP THINKS THEY OUGHT TO WANT. UNDERLYING MOST ARGUMENTS AGAINST THE FREE MARKET IS A LACK OF BELIEF IN FREEDOM ITSELF.”

Milton Friedman

**HELPING AMERICANS SUCCEED
HELPING MAIN STREET PROSPER**



In the past five years

U.S. businesses have raised

\$6.3 trillion

in more than

70

different business sectors



Source: Thomson Reuters (2008-2012)

Municipalities are being financed

4 million miles of roads

1/2 million bridges

16,000 airports

900,000 miles of water pipes

Capital is fueling growth

23.5 million small business loans

\$587.8 billion lent



Sources: FDIC, Statistics on Depository Institutions; Small Business Administration (SBA) Press Release, Sep. 2013; U.S. Small Business Administration – Small Business Lending in the United States, 2011-2012

Capital brought back the Twinkie



Progress: “Too Big to Fail” is ending

rigorous
**annual
stress tests**

required
to submit
‘living wills’

now
**subject to
liquidation**

Capital is up, leverage is down

Since 2009, capital levels
have *increased* from

\$420 billion

to *more* than

\$803 billion

Source: Federal Reserve Board , Comprehensive
Capital Analysis and Review 2013: Assessment
Framework and Results, March 2013



The taxpayer has earned a profit

TARP funds to banks
have been repaid,
with *gross earnings* of nearly

\$27 billion

for the *taxpayer* to date

Source: U.S. Department of the Treasury,
Troubled Asset Relief Program, Monthly Report
to Congress, September 2013 – Total Dividends,
Interest and Other Income and Warrant Income



Committed to Education



Customers first



Customers first

PROTECT INVESTOR CHOICE

PROTECT INVESTOR EDUCATION

PROTECT RETIREMENT SAVINGS



Customers first



HELPING AMERICANS SUCCEED HELPING MAIN STREET PROSPER

OUR PARTNERSHIP with YOU

sifma

SEC Rule 17c-9 requires the US Securities and Exchange Commission to implement a uniform fiduciary standard for advisers and investment advisers when providing advice about securities to retail customers, starting in any such SEC rulemaking.

As an investor, you have important rights.

CLEAR AND MEANINGFUL DISCLOSURES

You have the right to:

- Receive clear and accurate descriptions of all your transactions, statements and other communications from your financial services firm.
- Be clearly informed about the fees associated with your account.
- Be clearly informed about the risks associated with individual investments and your overall portfolio.
- Receive accurate and timely periodic statements of your account, including detailed transactional information.
- Receive clear descriptions of your financial services firm's policies and practices for protecting the privacy of non-public, personal information.

QUALITY SERVICE

You have the right to:

- Be treated in a fair, ethical and respectful manner in all interactions with a financial services firm and its employees and affiliates.
- Receive competent and courteous service and advice at a commercially reasonable price.
- Choose products and services that are suitable for your investment goals in line with your stated risk profile.
- Move your investment account(s) to another investment professional or a new firm in a simple, efficient manner while assuring protection of your privacy.
- A prompt response from your financial services firm, if there are concerns with your account(s).
- A clearly defined process for raising, resolving, and if necessary, elevating a complaint.



Take IMPORTANT STEPS

Inform and Educate Yourself

- Read carefully all documents available before making an investment decision, including sales literature, prospectuses and/or other documents, when available. These documents provide information that is important to understand before making any investment.

Keep Your Accounts Current

- Have cash or available margin-buying power in your investment account, or transfer funds into that account, to ensure payment for securities purchases by the settlement date. If you are paying by check or funds transfer, you should always make payments directly to your investment firm.
- Review account and transaction related materials provided by your investment firm. Report any errors or any questions you have to your investment professional or branch manager immediately.
- Consider carefully all investment risks, fees and/or other factors explained in these documents.

Use the Right Resources

- While your investment professional can provide advice to you to help you try and achieve your financial objectives, they cannot provide specific tax or legal advice. Consult an attorney or a tax adviser when appropriate.
- Unless you grant your investment professional full discretion over your account, you are ultimately responsible for your investment decisions. Consider carefully the validity and reliability of investment information, especially unsolicited information, if you are working with an investment professional and do not understand something, be sure you ask. If you still are unclear or believe you need additional information, you should feel comfortable elevating your inquiry.

EDUCATIONAL RESOURCES
www.sifma.org/partnership



THE BETTER ALIGNED A SOCIETY'S FINANCIAL INSTITUTIONS ARE WITH ITS GOALS AND IDEALS, THE STRONGER AND MORE SUCCESSFUL THE SOCIETY WILL BE. IF ITS MECHANISMS FAIL, FINANCE HAS THE POWER TO SUBVERT SUCH GOALS, AS IT DID IN THE SUBPRIME MORTGAGE MARKET OF THE PAST DECADE. BUT IF IT IS FUNCTIONING PROPERLY IT HAS A UNIQUE POTENTIAL TO PROMOTE GREAT LEVELS OF PROSPERITY.

Robert Shiller



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