



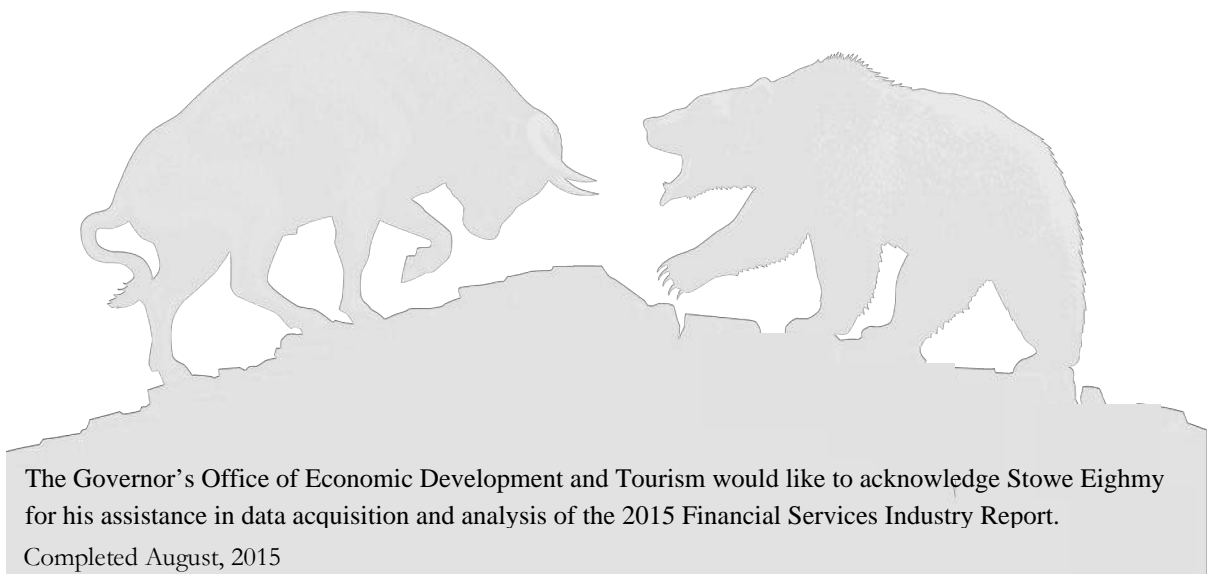
TEXAS FINANCIAL SERVICES INDUSTRY

www.BusinessInTexas.com



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The Governor's Office of Economic Development and Tourism would like to acknowledge Stowe Eighmy for his assistance in data acquisition and analysis of the 2015 Financial Services Industry Report.

Completed August, 2015

2014-15 TEXAS FINANCIAL SERVICES HEADLINES

Liberty Mutual announces and begins construction on 5,000-job campus in Plano

See Page 24



Charles Schwab Corporation completes El Paso campus, adding 445 jobs

See Page 15



Conifer Health Solutions doubles their staff to over 1,200 as they complete new, 200,000-square foot office



See Page 21

Santander Consumer Auto Finance brings 1,400 jobs to Dallas



See Page 19

State Farm opens its new 8,000-job campus in Richardson



See Page 7

Texas public universities move up in rankings, award record number of financial services degrees



See Page 10

New York-based **NASDAQ** expands its Austin office seven-fold since its inception



See Page 13

Toyota moves its North American headquarters and **financial services** branch to Plano



See Page 20

Texas ranks **No. 1 in Best State for Business** by *Chief Executive Magazine*



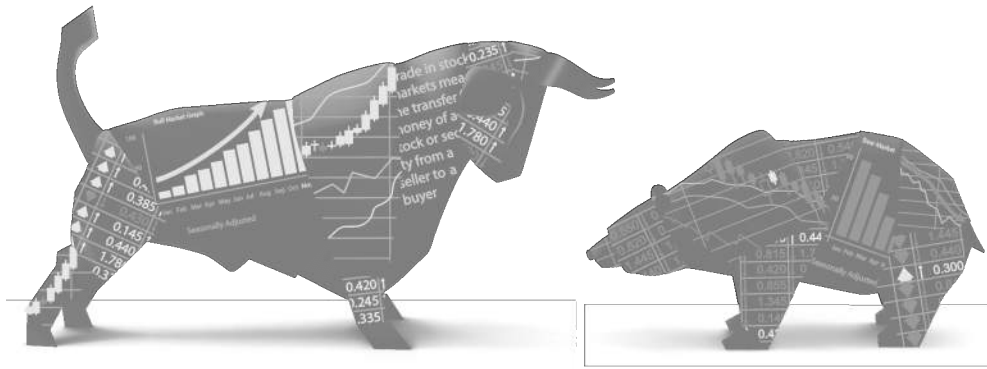
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SafeGuard International moves headquarters to Austin



See Page 6

FINANCIAL SERVICES IN TEXAS



The financial services industry of Texas maintains a strong presence in banking, insurance, credit, lending, investment, and financial transactions. A strong financial industry provides businesses access to **affordable capital**, **stimulates global trade**, and presents investors with an array of products to increase return and manage risk. The industry plays an important role in the Texas economy, directly employing approximately **580,000 workers** in the state.

This report covers the wide variety of financial firms in Texas, including commercial and investment banks, credit unions, credit card issuers, consumer lenders, mortgage companies, money transfer providers, insurance carriers, venture capital firms, investment funds, financial advisers, stock and securities brokerages, accounting firms, and the **Federal Reserve branch in Dallas**.

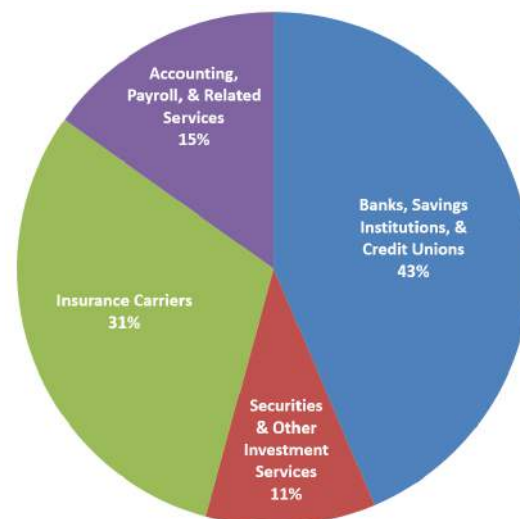
Texas added more financial services jobs in 2014 than any other state, with 16,700

Source: U.S. Bureau of Labor Statistics

The Texas financial services industry is more specialized in sales financing, real estate lending, and consumer finance than the U.S. as a whole. Unlike the financial industries in states like New York and Massachusetts which, are much more dependent on investment activities such as securities brokerage and investment banking, the Texas financial services industry is less directly tied to Wall Street activities.

Nationally, the financial services industry is highly fragmented where many companies compete for small portions of market share. The rise of online services has dramatically changed the pace and image of the industry, helping to transform it into a highly automated and technology-dependent industry where Texas is leading the nation. **Texas is the No. 1 in fastest growing states for technology jobs by a 2014 Forbes study.**

TEXAS FINANCIAL SERVICES EMPLOYMENT by Sector, 1Q 2015



Source: Texas Workforce Commission

Data note: This report covers most activities categorized as Sector 52, Finance and Insurance, under the North American Industry Classification System (NAICS). Additionally, the report extends coverage to accounting and related services, categorized as NAICS Sector 5412. Real estate services, credit bureaus, collections agencies, and offices of insurance agents are not included in this graphic.

TOP FINANCIAL SERVICES COMPANIES WITH CORPORATE OPERATIONS IN TEXAS

Firms with total corporate revenues exceeding \$1 billion

Texas ranks No. 1 in the
U.S. for Economic
Climate by *Forbes*
Magazine



Representative sample only. Sources: D&B, company websites

Top 5 Texas-Based Financial Firms by Sales



Property Insurance
\$20.97B;
HQ: San Antonio



Consumer Credit
\$6.13B;
HQ: Dallas



Consumer Credit
\$5.30B;
HQ: Dallas



Investment Services
\$4.97B;
HQ: Galveston



Life Insurance
\$3.96B;
HQ: McKinney

Sources: D&B, Company Websites

British Payroll Company to Hire 400 Workers in Austin

In February 2015, **SafeGuard World International Ltd.** (SGWI) moved their global headquarters to Austin and announced plans to expand the office from **14 to 400 workers** by 2019.

SGWI said the move was prompted by Austin's centralized location so it can place many of its executives in close proximity to clients. The firm expects over \$40 million in revenue this year with a majority of its clients from the U.S.

SGWI provides its services to Fortune 500 companies. Serving over 165 countries, SafeGuard World International supports companies of all sizes in mature and emerging international markets.



Texas Attracts the Financial Services Industry from around the World

An estimated 36 financial services companies from 13 countries either established or expanded operations in Texas between 2009 and 2014. For more information, see the Foreign Direct Investment in Texas report at texaswideopenforbusiness.com.

Foreign Financial Services Companies with Recent (2009-14) Expansions to Texas:



Australia

- Macquarie: Houston
- Pepperstone Financial: Dallas



Canada

- Bank of Montreal: Houston
- GMP Securities: Houston



Netherlands

- ABN Amro Group: Dallas
- LyondellBasell: Corpus Christi



Germany

- Deutsche Bank: Dallas, Houston
- Siemens FS, Inc.: Houston



Japan

- Mitsubishi UFJ Financial Group: Houston
- Nomura Holdings: Houston



Spain

- BBVA: Carrollton, Dallas, Houston, Laredo, Pharr, San Antonio
- Santander: Houston



Switzerland

- UBS: Austin
- Zurich Insurance Group: Houston



United Kingdom

- Barclays Bank: McKinney
- Willis Group Holdings: Dallas

Representative sample only. Source: fDi Markets

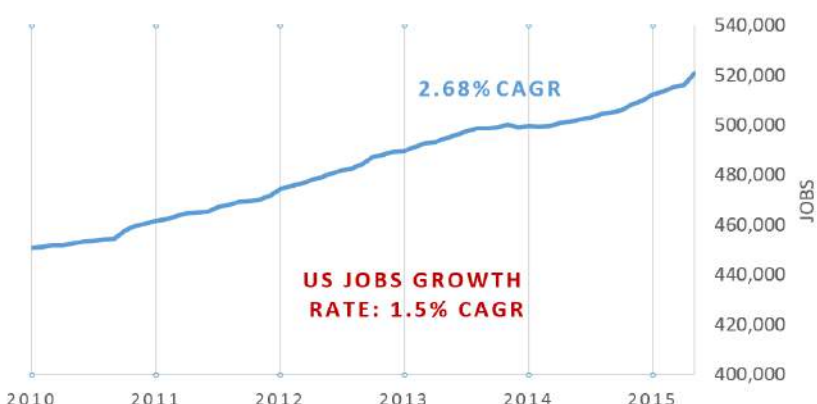
STATE OF THE INDUSTRY

The U.S. economy has seen tremendous growth from the financial services industry in the past decade. The industry as a percentage of Gross State Product (GSP) doubled from 10% in 2004 to over 20% in 2014. Domestic companies such as NASDAQ, State Farm, Liberty Mutual, Charles Schwab all moved or expanded in Texas in 2014 while industry leaders such as Goldman Sachs, Bank of America, Citicorp, and J.P. Morgan Chase continue to operate major corporate offices in Texas.

Foreign companies such as BBVA, Barclays, and UBS moved their U.S. operations to Texas in the past 5 years in order to seek a more business-friendly climate. All together, the industry added over 50,000 jobs over the past 5

years. Texas bolsters its financial services success with standout home equity laws and less-restrictive land use regulations. In addition, Texas is one of four states with no personal or corporate income tax and Governor Abbott recently cut the Business Franchise Tax by 25%.

TEXAS FINANCIAL SERVICES INDUSTRY JOB GROWTH



Sources: Texas Workforce Commission, U.S. Bureau of Labor Statistics

State Farm Moves In Huge Regional Campus in Dallas-Fort Worth

State Farm has moved into one of their 4 new buildings on a 8,000-job, 1.5 million-square foot campus (pictured). They are scheduled to move into the other two towers in the latter half of the year. The project will ultimately cost a half-billion and is a testament to the insurer's foothold in Texas. The campus will include 92,000 square feet of retail, restaurant and entertainment options, luxury apartments, a 150 room select service hotel, a 3.5 acre park with biking/walking trails, and a play area for children.

The campus is part of State Farm's expansion to have 3 nationwide campuses in Richardson, Atlanta, and Bloomington, Illinois. State Farm is

continuing to hire within the area and the company is poised to be one of the largest employers in the Dallas-Fort Worth region upon completion of the project.



Source: State Farm Website

STATE GOVERNMENT INITIATIVES

BUSINESS INCENTIVE PROGRAMS

The **Texas Enterprise Fund (TEF)** was recommissioned for the 7th time in June 2015 with **\$90 million** in “deal closing” funds for the next two years. Created to attract new business to Texas, the TEF has apportioned over a half billion dollars

The Texas Enterprise Fund has awarded over \$51 million to financial services-related expansions.

to companies across the globe moving or expanding to Texas. **In only the past 5 years, the TEF has awarded the financial services industry over \$27 million** (see table below) in grant money, creating 5,200

jobs. As the largest “deal closing” fund in the nation, the TEF has attracted over 100 companies to Texas from all industries.

In addition to the TEF, Texas offers other robust

business incentives applicable to the financial services. Business relocation costs are tax deductible. Data centers in Texas are eligible for sales and use tax exceptions. Real estate development grants are available to companies who commit to creating jobs in the state. Enterprise zones across the state are also available for tax incentives. Visit texaswideopenforbusiness.com for more information on incentives.

According to *Chief Executive’s* Annual CEO Survey on the *Best & Worst States to Do Business*, TEXAS has secured **#1, for the 11th year in a row**, as the Best State for Business. California, New York, and Illinois were ranked the worst states.



TEXAS ENTERPRISE FUND
Financial Services-Related Awards 2010-2014

Company	City	Description	Jobs	Award
ADP	El Paso	Payroll Services	1,028	\$3,000,000
Allstate Insurance	San Antonio	Insurance Carrier	200	\$1,100,000
Centene Corp.	Tyler	Insurance Claims Processing	300	\$1,200,000
Charles Schwab Corporation	Austin	Financial Services	823	\$4,500,000
Charles Schwab and Co. Inc.	El Paso	Financial Services- BPO	212	\$1,450,000
Nationstar Mortgage	Lewisville	Mortgage Lending	400	\$500,000
Nationwide Mutual Insurance	San Antonio	Insurance Carrier	N/A	\$1,200,000
Vendor Resource Mgmt.	Carrollton	Financial Services	275	\$750,000
TD Ameritrade	Fort Worth	Investment Services	490	\$1,200,000
Visa	Austin	Financial Services	794	\$7,900,000
USAA	Plano	Insurance & Financial Services	680	\$5,000,000
TOTALS	—	—	5,202	\$27,800,000

FINANCIAL SERVICES WORKFORCE

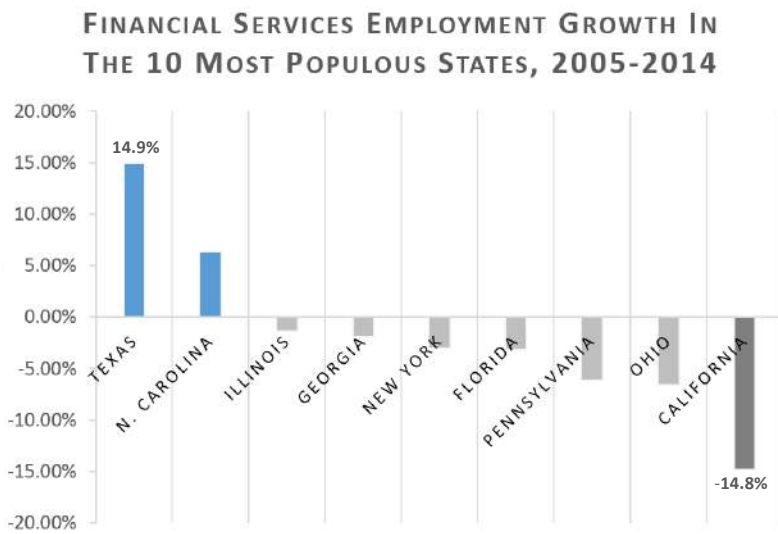
Texas is home to more than 30,000 financial services firms, including banks, credit unions, credit and consumer lending services, insurance companies, investment firms, securities brokerages, accounting firms, and others **employing almost 575,000**.

In the past decade, the Texas financial services industry has expanded by about 15%, the highest among the 10 most populous states. While states such as California are pushing businesses out with an unfavorable business climate and exceedingly high personal taxes, Texas continues to be one of the most friendly states for the financial services.

As of May 2015, Texas surpassed California for the first time in number in financial services jobs. Even through the Great Recession when many states had negative double-digit

job growth, Texas financial services jobs only dropped 2.8%.

North Texas is home to a large concentration of workers in the auto finance sector (see pg. 22 for details). The Texas insurance labor force, with more than 179,000 workers, excluding insurance agents and brokers, is one of the largest in the country.



Source: U.S. Bureau of Labor Statistics

FINANCIAL SERVICES EMPLOYMENT IN TEXAS

Fourth Quarter 2014

Sector (Industry Code)	Employees	Firms	Average Annual Wage
Banking, Credit, and Consumer Lending Services (522)	256,115	4,280	\$82,576
Securities and Other Financial Investment Services (523)	62,851	6,076	\$204,100
Insurance Carriers (524)	179,831	11,437	\$90,688
Funds, Trusts, and Other Financial Vehicles (525)	182	139	\$139,880
Accounting, Payroll, and Related Services (5412)	88,968	9,058	\$56,992
TOTALS	587,947	30,990	\$94,194

Data for NAICS 521-Monetary Authorities are no longer disclosed. Data for NAICS 525 are not fully disclosed
Source: Texas Workforce Commission.

HIGHER EDUCATION

The financial services industry relies heavily on a highly educated workforce with business, math, and technology skills. Helping to meet these needs, Texas

All of Texas' business schools listed improved in the rankings in the past 3 years*.

Source: U.S. News









is home to some of the nation's top-ranked business schools, both public and private, including eight of *U.S. News & World Report's* top 100 (see table to the right). Texas is also home to five of *U.S. News & World Report's* top 100 computer science schools, including, the University of Texas (UT) at Austin, Southern Methodist University, Rice University, Baylor University, and UT Arlington.

Texas' public universities graduated more than 100,000 students with financial services-related degrees over the past five years. A third of these graduates (34%) obtained either accounting or finance degrees (see table below). Every Financial Service related degree earned **increased over 10%** in the past 5 years.

**UT Austin retained ranking #17 from 2013 to 2016*

Texas Lands Eight Business Schools in Top 100

U.S. News & World Report released their 2016 rankings for the nation's top 100 business schools. Texas placed eight schools on the list with 6 schools showing improvement in the last 2 years.

#17  University of Texas at Austin	#27  Texas A&M - College Station
#33  Rice University	#33  UT Dallas
#48  Southern Methodist University	#58  Baylor University
#63  Texas Christian University	#91  Texas Tech University

FINANCIAL SERVICES-RELATED DEGREES EARNED IN TEXAS UNIVERSITIES, 2010-2014

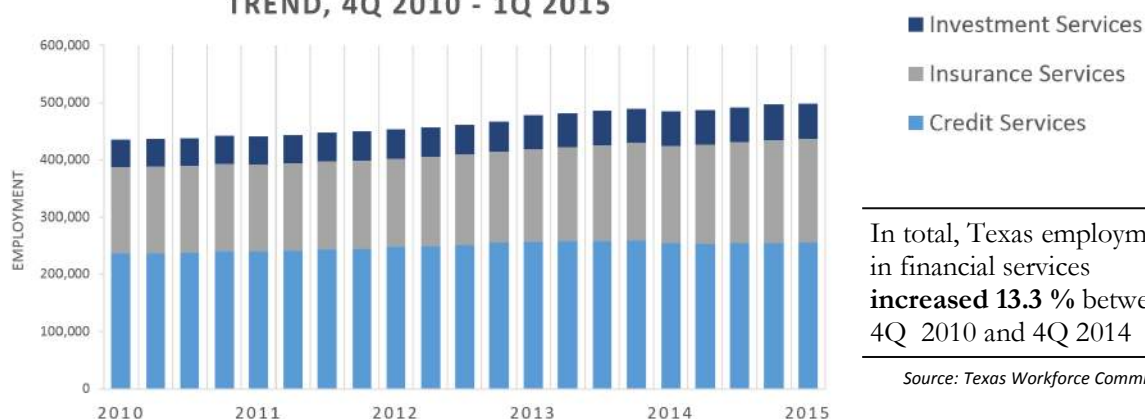
All Texas Public Universities, All Degree Levels

Master of Business Administration (MBA)		40,726
Accounting		25,195
Finance, General		13,516
Computer & Information Sciences		8,303
Mathematics & Statistics		6,683
Economics		5,565
Management Information Systems (MIS)		4,922

Source: Texas Higher Education Coordinating Board

TOTAL 104,910

TEXAS FINANCIAL SERVICES EMPLOYMENT TREND, 4Q 2010 - 1Q 2015



States such as **New York** and **Massachusetts** are exceedingly dependent on investment activities, such as securities brokerage and investment banking. While Texas is home to those firms as well, the state as a whole is diversified across the sector with strong employment in sales financing, real estate lending, and consumer finance.

From 4Q 2010 - 4Q 2014, employment in Texas' major financial services sectors grew by about 13%. Investment services held the biggest gains at **29% employment increase** (see graph above), followed by the accounting services sector with a 19% gain, and the insurance services sector with an increase of approximately 17%. The credit services sector, saw growth of about 6%.

Texas leads the nation in a number of key financial professions across the industry. The Finance Committee of Texas wrote in their March 2015 Report, "Texas continues to attract businesses and is recognized by the media for a number of qualities, including but not limited to **favorable growth prospects, labor supply, business costs, and regulatory environment.**"

Across Industries, Businesses Find Specialized Financial Workers in Texas

Texas is home to one of the largest pools of financial professionals in the U.S with significant concentrations in the Dallas-Fort Worth, San Antonio, and Houston areas. Below is how Texas ranks among all 50 states for the number of workers in key financial services occupations.

Occupation	Texas Rank
Insurance Sales Agents	2
Accountants & Auditors	2
Credit Analysts	2
Insurance Claims & Policy Processors	2
Financial Analysts	3
Personal Financial Advisors	3
Insurance Underwriters	3
Financial Examiners	3
Securities & Financial Svc. Sales Agents	3
Other Financial Specialists	4

Source: U.S. Bureau of Labor Statistics

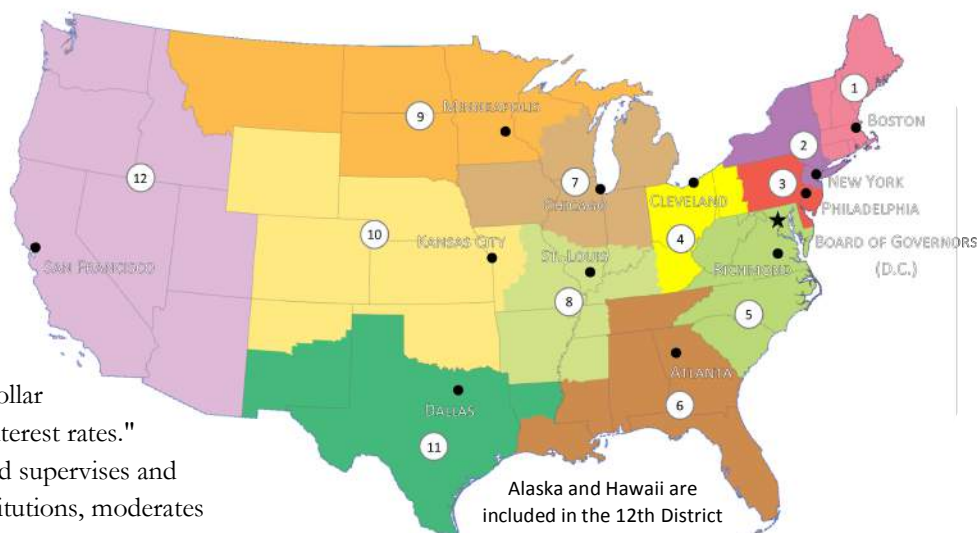
REGIONAL FINANCIAL HUB: THE FEDERAL RESERVE BANK OF DALLAS

- As one of twelve regional Federal Reserve Banks (the Fed), the **Dallas Fed** serves the Eleventh Federal Reserve District, which includes Texas, Northern Louisiana, and Southern New Mexico. The 12 regional Reserve Banks, along with the Board of Governors in Washington, D.C., make up the Federal Reserve System.
- Established by Congress in 1913, the Fed's primary mission is to maintain the stability of the U.S. financial system and to limit any systemic risks in financial markets. Its mandate is "to promote sustainable growth, high levels of employment, stability of prices to help preserve the purchasing power of the dollar and moderate long-term interest rates." To accomplish this, the Fed supervises and regulates U.S. banking institutions, moderates national interest rates, maintains and distributes

sufficient currency supplies, and buys and sells U.S. government securities.

- Dallas was selected as the headquarters of the Fed's Eleventh District in 1914 for its developed financial center and central location in the Southwest.

- In 1999, the U.S. Treasury then selected the Dallas Fed as the nation's central processor for Treasury coupons along with the duty to manage the national Electronic Transfer Accounts (ETAs) program. ETAs are used by millions of federal benefit recipients receiving payments, including veteran benefits, Social Security checks, and civilian and military wages.



- The Dallas Fed provides regional financial services such as economic research and analysis. Under the provisions of the Dodd-Frank Act, it is implementing new rules and supervising more regional banking institutions.
- The Dallas Fed is headquartered in downtown Dallas in a 17-story building containing all the Bank's financial operations (pictured left). The Dallas Fed employs over 1,400 people and also maintains branches in **El Paso, Houston, and San Antonio.**

INVESTMENT SERVICES



Texas is home to more than 6,200 investment services firms employing nearly 63,000 workers. Texas has the third largest investment services workforce in the country with the highest job growth rate for the sector. Texas' job

Texas investment services grew **42.8%** in the past 8 years, compared to **7.2%** for the U.S.

Source: U.S. Bureau of Economic Analysis

California, New York, Massachusetts and others have lost ground in investment services employment. Caused by a shortage of affordable real estate, enormous tax

growth rate shooting up at 9% over the past year, where other states' workforces have recoiled.

NASDAQ Expands Its Austin Office Seven-Fold Since Inception

NASDAQ, a New York-based firm that runs the New York Stock Exchange expanded its Austin office to 30 employees. The expansion comes only a year after its initial opening with only 4 employees, however the firm reported record business in the past 12 months.

NASDAQ operates only 5 firms nationally, in New York, Chicago, Boston, and San Francisco, and Austin. The expansion is in line with the strong gains in the technology and financial services industries.

NASDAQ

burdens, and climbing government regulation, firms are looking elsewhere to do business.

Texas also offers the possibility of adjacent expansion as cities and industrial parks have an abundance of land. Investment firms, products, and stock brokerages are transitioning to online operations, pushing Texas' growth in the industry and in turn making the state a financial hub.

INVESTMENT SERVICES-RELATED EMPLOYMENT

Fourth Quarter 2014 (NAICS 523 and 525)

Sector (Industry Code)	Examples	Employees	Firms	Average Annual Wage
Other Financial Investment Activities (5239)	Portfolio Management, Investment Advice	35,580	5,147	\$179,348
Security & Commodity Investment (5231)	Stock & Bond Brokerage, Commodity Contract Trading	27,266	952	\$236,340
Other Investment Pools and Funds (525)	Mutual Funds, Trusts, Estates	182	139	\$139,880
TOTALS		63,028	6,238	203,889

Source: Texas Workforce Commission. NAICS 5251 and 5259 private establishments data are no longer fully disclosed.

The average asking price for Manhattan Class A office space is \$75.76 per square foot (2014, The Real Deal: New York Real Estate News) where in downtown Dallas the average is \$15.50 per square foot (LoopNet).

The Dallas and Alamo (San Antonio) Regions hold about 10% of the Texas workforce each. (See map on page 21.) Some of the world's largest investment firms such as **Goldman Sachs**, **Morgan Stanley**, **Deutsche Bank**, **Fidelity Investments**, and **The Charles Schwab Corporation** maintain major corporate operations around Texas. (See page 23 for an expanded list of the largest investment firms in Texas.)

Bullish Statistics for Lone Star Investment Services

\$11.4 billion

Gross state product (GSP) of the Texas investment services sector (NAICS: 523) in 2013, exceeding all previous peaks

+35.4%

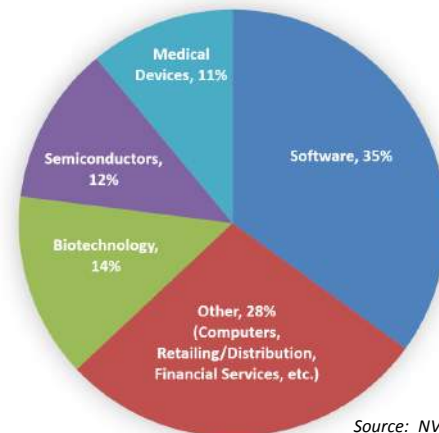
Texas investment services GSP growth in only the past 5 years, 2009 - 2013

*Source: U.S. Bureau of Economic Analysis
Note: BEA data is released the subsequent year*

Texas Flexes Venture Capital (VC) Muscle

- Texas, as its own region, ranks 4th out of 18 for total VC investments with \$427 million in 1Q 2015 alone according to research firm PWC.
- Austin has become a hot bed for VC funding with 83 deals worth \$741 million in 2014.
- 80% of VC investment into Texas companies was attracted from out of state, according to the National Venture Capitalist Association (NVCA).
- Texas saw 26% growth in funding from over the past 2 years with over one third of total funding going to tech.

Texas Venture Capital Distribution



Source: NVCA, 2012

INVESTMENT SERVICES EMPLOYMENT OVER GREAT RECESSION PERIOD (NAICS 523)

Year	Texas	United States	California	New York
4Q 2006	42,708	821,799	89,134	198,033
4Q 2014	60,976	880,585	87,849	187,789
Growth Rate	42.77%	7.15%	-1.44%	-5.17%

Source: U.S. Bureau of Labor Statistics

WORKFORCE CONCENTRATIONS

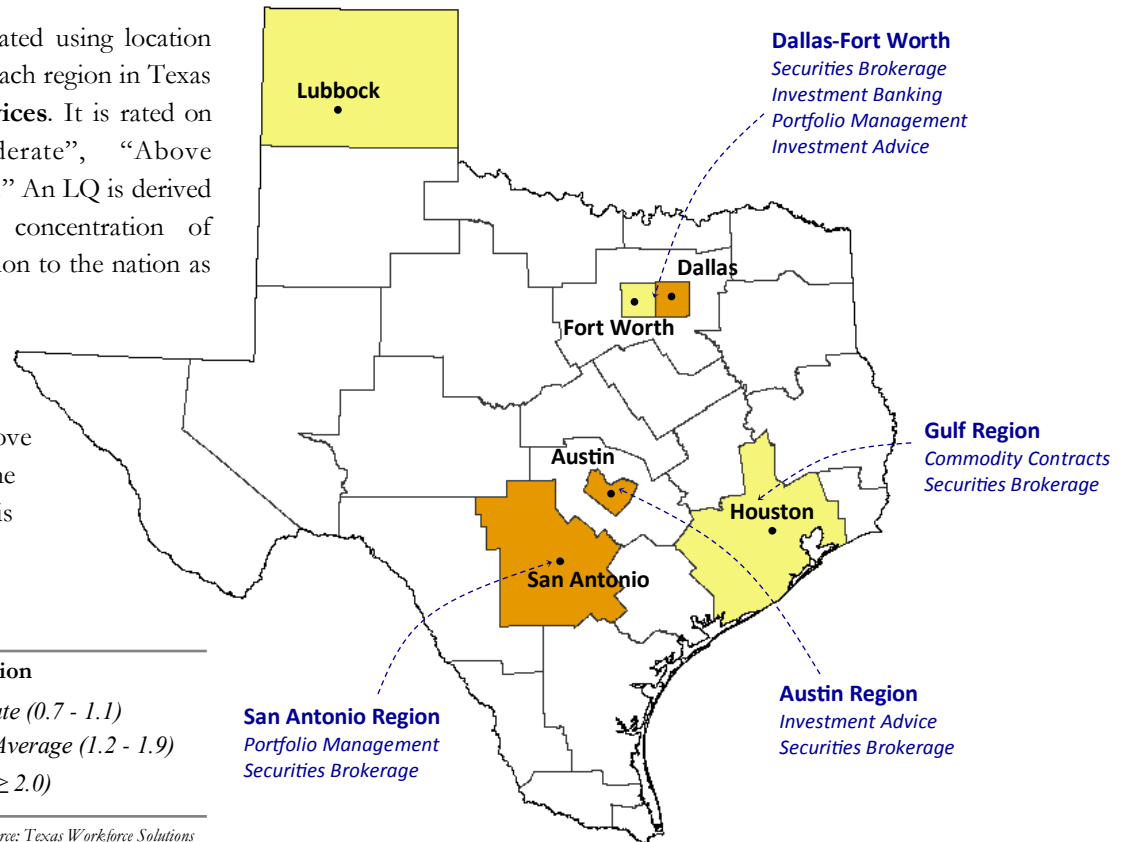
This map was generated using location quotients (LQs) for each region in Texas for **Investment Services**. It is rated on the scale, “Moderate”, “Above Average”, and “High.” An LQ is derived by comparing the concentration of employment of a region to the nation as a whole.

The U.S. has a 1.0 LQ for each industry by default. Values above 1.0 are greater than the national average (2.0 is double the national concentration).

Concentration

- Moderate (0.7 - 1.1)
- Above Average (1.2 - 1.9)
- High (≥ 2.0)

Source: Texas Workforce Solutions



Charles Schwab Brings 1,200 Jobs between El Paso and Austin

The Texas Enterprise Fund (TEF) granted the **Charles Schwab Corporation** \$1.45 million in grants to close a \$230 million dollar expansion deal with the company. The expansion will bring a new facility to El Paso and expand the companies roots in Austin.

Charles Schwab currently employs approximately 1,000 employees in Austin which will grow to around 1,800 over the next 8 years. Combined, the projects will create more than \$230 million in capital investment for the state.

The TEF was created to help ensure the growth of Texas businesses and create more jobs throughout the state. To date, the TEF has invested over \$500 million, generating 75,000 jobs.



MAJOR COMPANIES

TOP INVESTMENT SERVICES COMPANIES WITH CORPORATE OPERATIONS IN TEXAS

By Global Revenue in 2014

Company Name	Primary Location(s)	Line Of Business	Revenue (Millions)
AXA Financial	Dallas, Houston	Investment Advice & Brokerage	\$101,717
Merrill Lynch / Bank of America	Houston, Dallas, Austin	Investment Services	\$95,181
Wells Fargo Advisors	Dallas, Houston	Securities Brokerage	\$84,300
Deutsche Bank	Houston	Investment Services	\$35,326
RBC Wealth Management	Houston	Investment Services	\$37,530
Morgan Stanley	Houston, Austin	Investment Services	\$34,300
Goldman Sachs	Dallas	Investment Services	\$34,530
Fidelity Investments	Westlake (Fort Worth)	Fund Management	\$13,600
UBS Financial Services	Dallas, Houston, San Antonio	Investment Services	\$13,137
Credit Suisse	Dallas, Houston	Investment Advice & Brokerage	\$13,129
Ameriprise Financial	Dallas, Houston	Investment Services	\$12,268
BlackRock	Dallas, Houston	Investment Services	\$11,081
State Street	Austin	Investment Services	\$10,687
Edward Jones	Dallas, Houston	Investment Services	\$6,300
Charles Schwab	Austin	Securities Brokerage	\$6,058
Macquarie Group	Houston	Investment Services	\$5,009
Raymond James Financial	Dallas, Houston	Securities Brokerage	\$4,965
LPL Financial	Dallas, Houston	Securities Brokerage	\$4,374
Invesco	Austin, Dallas, Houston	Fund Management	\$3,608
TD Ameritrade	Dallas, Houston	Securities Brokerage	\$3,098
Jefferies Group	Dallas, Houston	Investment Services	\$3,003

Representative sample only. Sources: D&B, company websites

BANKING, SAVINGS, AND CREDIT UNIONS



Texas is home to over 1,100 banking firms, credit unions, and other savings and depository institutions, which employ more than 149,000 Texans. Approximately 9% of all U.S. banking, savings, and credit union workers are currently employed in Texas (U.S. Bureau of Labor Statistics).

As of the first quarter of 2015, Texas is home to eight of the top holding companies in the world with over \$375 billion in consolidated assets. The Federal Financial Institutions Examination Council (FFIEC) lists the top five holding companies as **JP Morgan Chase**, **Bank of America**, **Citigroup**, **Wells Fargo**, and **Bank of New York Mellon Corp.** all with corporate offices in Texas. Furthermore, **Comerica**, headquartered in Dallas is ranked No. 35 nationally by the FFIEC.

According to the Federal Deposit Insurance Corporation (FDIC), which insures and analyzes the nation's banks, the total number of banking institutions operating in Texas has decreased during the past five years, primarily due to mergers, while total assets increased—reflecting an expanding state

(Continued on page 18.)

Bank of San Antonio Grows, Spurs New Headquarters

The **Bank of San Antonio** has outgrown its current space and is now building a 57,000-square foot office to be completed in 2016.

The 8-year old bank has grown from an initial \$25 million in capital to now more than \$500 million making it the city's 4th biggest bank with over 90 employees.. The bank focuses its business on small and medium-sized businesses.

Soon after the bank opened its doors, the financial collapse in 2008 put the bank at an advantage. Having an influx of capital and no bad loans, the Alamo City bank was ready and able to serve new clients.



BANKING, SAVINGS, AND CREDIT UNION EMPLOYMENT

Fourth Quarter 2014 (NAICS 5221)

Sector (Industry Code)	Examples	Employees	Firms	Average Annual Wage
Commercial Banking (52211)	Commercial Banks	114,331	601	\$64,480
Savings Institutions (52212)	Savings & Loans	11,773	41	\$65,104
Credit Unions (52213)	Credit Unions	22,781	506	\$52,052
Other Depository Credit Institutions (52219)	Private and Industrial Banks	808	18	\$99,736
TOTALS	—	149,693	1,166	\$62,828

Source: Texas Workforce Commission

BANKING, SAVINGS, AND CREDIT UNIONS

TOP 10 BANKS IN TEXAS BY ASSET SIZE

March 2015

	Bank Name	Headquarters	Assets (in Billions)
1.	JP Morgan Chase Bank	New York, NY	\$163.8
2.	Bank of America	Charlotte, NC	\$88.1
3.	USAA Federal Savings Bank	San Antonio, TX	\$70.2
4.	Comerica Bank	Dallas, TX	\$69.3
5.	Wells Fargo Bank	San Francisco, CA	\$66.0
6.	Compass Bank	Birmingham, AL	\$33.7
7.	Frost Bank	San Antonio, TX	\$28.2
8.	Prosperity Bank	El Campo, TX	\$21.6
9.	Texas Capital Bank National, Assoc.	Houston, TX	\$17.3
10.	Amegy Bank National Assoc.	Dallas, TX	\$13.6

41% growth in total assets over 2 years

Source: Texas Department of Banking

economy (see chart below). Among the ten largest banks in Texas by in-state assets, six are headquartered in Texas, including USAA Federal Savings Bank, Comerica Bank, and Frost Bank.

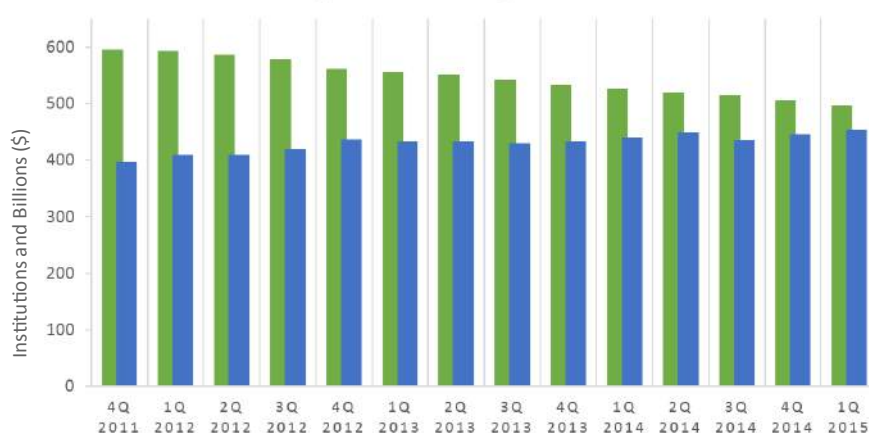
As of July 2015, Texas has 497 FDIC insured banks with \$452.9 billion in assets and \$383.5 billion in deposits. Overall, Texas FDIC banks continued to prosper, and performed better than nationwide averages. **As of 4Q 2014, U.S. FDIC banks were only 90.6% profitable while Texas banks were 97.3% profitable**, per FDIC and Texas Department of Banking data. The Texas Credit Union

“Four of the ten large metropolitan areas that experienced the greatest proportional growth during this period (1987-2014) [are] located in **Texas**. Six of the ten large metros that experienced the greatest proportional loss [are] located in **California**.”

Source: FDIC Q4 2014 Banking Profile

Department, the primary regulator of all Texas-chartered credit unions, reported that as of 4Q 2014, the state’s 187 state-chartered credit unions had over \$32 billion in assets, representing a 6.0% increase from 4Q 2013. Net worth, net worth growth, assets, and return on assets have all trended upward over the past 5 quarters.

TEXAS BANKING INDUSTRY TRENDS, 4Q 2011 - 1Q 2015



■ Institutions

■ Total Assets (Billions)

Institutions decreased by 16.6%, while total assets of the remaining institutions **increased 13.9%, reflecting an expanding economy.**

Source: FDIC

CREDIT & CONSUMER LENDING SERVICES



Texas is home to more than 2,100 firms employing over 76,000 workers in credit card issuance, sales financing, consumer &

One of every 10 credit and consumer lending sector jobs of the U.S. is in Texas.

Source: U.S. Bureau of Labor Statistics

real estate lending, international trade financing, and other non-depository credit services. The sector in **Texas experienced a 5.6% growth rate from 2013 to 2014 while the U.S. as a whole experiencing negative growth for the time period at -0.4%.**

Santander Consumer Auto Finance Expands in Dallas

Santander Consumer USA, Inc. has moved into its new headquarters in downtown Dallas, bringing 1,400 jobs. Santander, which went public last year, has 14 floors and 365,000 square feet of the new 50-story office building, Thanksgiving Tower (pictured).

During the move, the auto finance company stated they were hiring between 100 and 150 employees each month. The company worked with the Dallas Economic Development team for incentives to help fund the move.



CREDIT & CONSUMER LENDING SECTOR EMPLOYMENT

Fourth Quarter 2014 (NAICS 5222)

Sector (Industry Code)	Examples	Employees	Firms	Average Annual Wage
Credit Card Issuance (52221)	Credit Card Banks	4,623	47	\$76,232
Sales Financing (52222)	Loan & Finance Companies	17,056	254	\$68,068
Consumer Lending (522291)	Cash Loan Firms	15,694	720	\$62,400
Real Estate Credit (522292)	Mortgage Firms, Construction Lenders	26,938	625	\$79,456
International Trade Financing (522293)	Trade & Export Banks	478	89	\$147,108
All Other Non-Depository Credit Services (522298)	Federal Home Loan Banks, etc.	11,380	511	\$50,076
TOTALS	—	76,169	2,146	\$69,231

Source: Texas Workforce Commission

CREDIT & CONSUMER LENDING SERVICES

As of July 2015, approximately one out of every 10 U.S. credit and consumer lending employees worked in Texas.

While Texas is a major center for U.S. real estate finance, the state has not experienced the high rates of residential foreclosures that have plagued other large states, such as Florida or Nevada. This

has been attributed to Texas' extraordinary population growth (about 650 people per day), more economical housing, lower land prices, and state limits on home equity loans. In terms of

Texas was No. 1 in New Home Sales in 2014 with over 33,000 sales.

Source: MetroData

consumer credit and lending employment, Texas leads the nation in number of skilled workers.

In June 2015, Governor Greg Abbott and the legislature passed the Texas State Budget for the 2015-16 years. The budget explicitly **cuts the Corporate Business Tax by 25%**. Texas also leads the nation in many economic indicators, suggesting the economy is borrowing confidently to expand, invest, and grow.

PennyMac Expands With Over 600 Jobs to New Fort Worth Campus

Tax credits from Fort Worth prompted the expansion to the area. Senior Vice President Patrick Benton announced, "We were looking at other states and other locations... There were some incentives offered by the city that made it attractive. The location in CentrePort that we ended up with is central to everything we were looking for."

The company also cited the area's ample workforce for the expansion. The campus will increase employment

to over 600 by the end of 2015.



Toyota Financial Services Moves from California to Plano

Part of Toyota's new North American headquarters campus is to be completed by the end of 2015 with 150 jobs in 60,000 square feet. The campus will expand to 5,000 jobs and nearly 2 million square feet when the move from Torrance, CA to Plano, TX. The move was cemented by a \$40 million grant from the Texas Enterprise Fund.

Toyota Financial Services is a branch of Toyota North America and handles the finance and insurance brand for the company in the U.S., offering retail auto financing and leasing. The firm employs over 3,300 across the nation and has assets totaling \$100 billion.



STATE AND NATIONAL ECONOMICAL INDICATORS, Q1 2015

	Texas	U.S.
Unemployment	4.2%	5.5%
Real GDP Growth (2013-14)	5.2%	2.2%
Consumer Confidence Index	136.4	90.9

Source: U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, The Conference Board

WORKFORCE CONCENTRATIONS

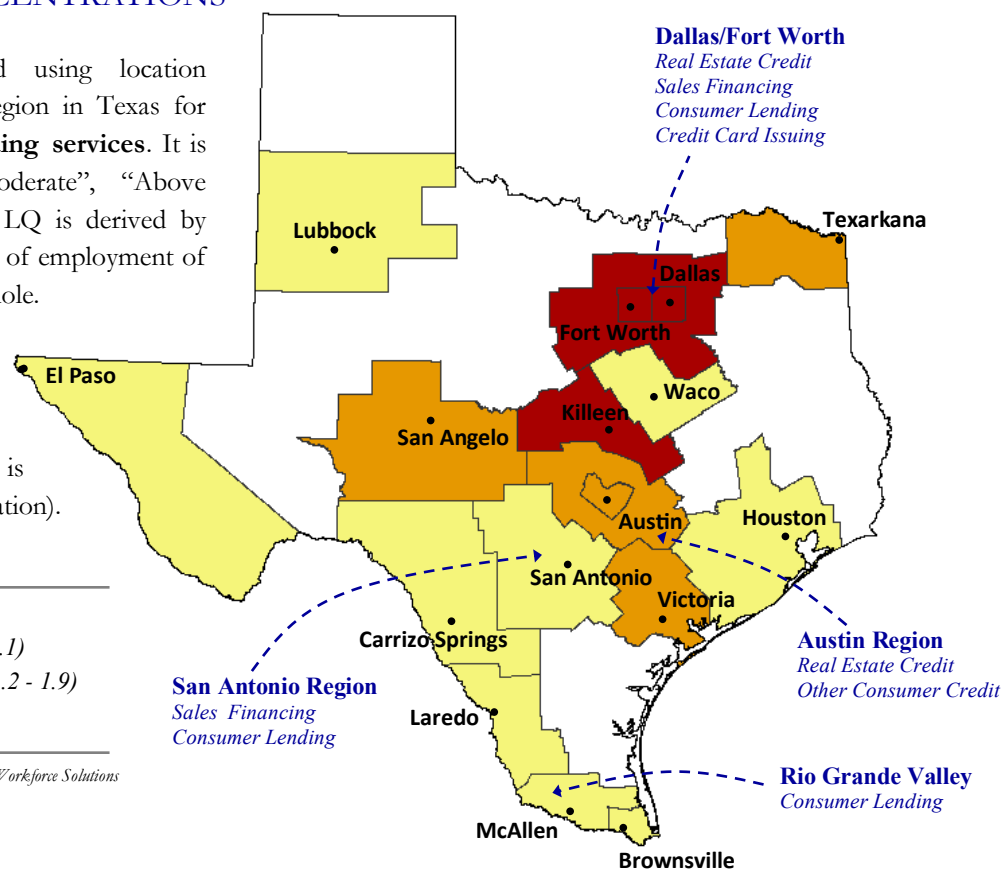
This map was generated using location quotients (LQs) for each region in Texas for **credit and consumer lending services**. It is rated on the scale, “Moderate”, “Above Average”, and “High.” An LQ is derived by comparing the concentration of employment of a region to the nation as a whole.

The U.S. has a 1.0 LQ for each industry by default. Values above 1.0 are greater than the national average (2.0 is double the national concentration).

Concentration

- Moderate (0.7 - 1.1)
- Above Average (1.2 - 1.9)
- High (≥ 2.0)

Source: Texas Workforce Solutions



Conifer Health Solutions Expanding to 1,200 jobs in Frisco

Conifer Health Solutions, a subsidiary of Dallas-based Tenet Healthcare, moved and expanded their offices in Frisco. The new office is a 4-story, 200,000-square-foot building that has the capacity for 1,200 employees, doubling the company's staff. In June of 2015, the company already outgrew the new built-to-suit office and leased a

125,000 square-foot office also in Frisco, which gives the company the ability to add 660 more jobs. Conifer facilitates millions of payments for patients across the country. With over 800 insurance company-clients, Conifer reports about \$1 billion in revenue per year.



CONIFER
HEALTH SOLUTIONS®

James Enna, VP of Finance and Accounting details the expansion, "We have found at this location that there is a very vibrant workforce and it's easy to recruit to the campus." The company has worked with local government economic development teams for incentives.

Auto Finance Sector Drives Business to North Texas

The Dallas-Fort Worth metro area is home to a number of major automotive finance companies including:

- General Motors (GM) Financial
- Mercedes-Benz Financial Services
- CapitalOne Auto Finance
- Santander Consumer Finance
- Exeter Finance

Major carmakers in the area include **Ford**, **Daimler**, **Honda**, and **Hyundai** which also run finance operations out of the DFW region.

GM Financial remains headquartered in Fort Worth and allows the automaker to offer in-house financial solutions to car dealers. GM also reaffirmed their commitment to Texas by overhauling their Arlington plant with a \$1.4 billion investment announced in July of 2015.

Auto finance firms are primarily engaged in furnishing intermediate or long-term general and industrial credit, including the financing of automobiles, trucks, and machinery/equipment if their parent company is a manufacturer. (SIC: 61590201)

AUTO FINANCE CORPORATE OFFICES IN DALLAS-FORT WORTH



Representative sample only

MAJOR COMPANIES

TOP CREDIT & CONSUMER LENDING COMPANIES HEADQUARTERED IN TEXAS

By Global Revenue in 2014

Company Name	Headquarters	Sector	Revenue (Millions)
Group 1 Automotive	Houston	Sales Financing	\$9,940
Santander Consumer USA	Dallas	Consumer Lending	\$6,127
Alliance Data Systems	Plano	Credit Card Issuance	\$5,300
GM Financial Company	Fort Worth	Sales Financing	\$4,854
Associates First Capital Corporation	Irving	Mortgage Lending	\$2,406
Nationstar Mortgage	Lewisville	Real Estate Credit	\$1,973
MoneyGram	Dallas	Financial Transactions	\$1,450
ORIX USA Corp.	Dallas	Commercial Financing	\$1,300
Associates Corporation of North America	Irving	Consumer Lending	\$1,192
Cash America International Inc.	Fort Worth	Consumer Lending	\$1,095
EZCORP Inc.	Austin	Consumer Lending	\$989
First Cash Financial Services Inc.	Arlington	Consumer Lending	\$713
NetSpend	Austin	Consumer Financial Services	\$351
Ace Cash Express	Irving	Consumer Lending	\$298
Beal Bank	Plano	Consumer Lending	\$259
Americredit Financial Services Inc.	Fort Worth	Consumer Lending	\$254
Citi Financial Auto	Irving	Consumer Lending	\$249
Texas Guaranteed Student Loan Corp.	Round Rock	Consumer Lending	\$190
Capital One Auto Finance Inc.	Plano	Sales Financing	\$145
Brazos Higher Education Authority, Inc..	Waco	Consumer Lending	\$140
Amerisource Funding Inc.	Houston	Commercial Financing	\$120

Representative sample only. Sources: D&B, company websites

INSURANCE CARRIERS



Employing more than 175,000 workers, Texas' \$25 billion insurance sector is the third largest in the nation, behind only New York and California. In the past 10 years, starting from before the recession, Texas insurance jobs grew

The Texas insurance sector has the highest job growth rate (23.3%) among the 10 most populous states over the past 10 years.

by 23.3%, five points higher than the next state, Florida, and strides above California's -11.7% growth.

San Antonio-based **USAA** is Texas' largest insurance industry employer with over 27,000 workers

Source: U.S. Bureau of Labor Statistics

(*Fortune Magazine*). The state is home to 107 Fortune 1000 global companies which include 4 in the Insurance Industry.

Their respective 2014 revenues follow in millions of dollars:

- 122. USAA, \$24,033
- 621. Torchmark, \$3,964
- 744. American National Insurance, \$3,051
- 824. HCC Insurance Holdings, \$2,653

Liberty Mutual Expands from Boston to Plano

By the end of 2017, **Liberty Mutual Group** will bring **5,000 jobs** to their new campus currently under construction in Plano. Liberty Mutual Group, commonly known for their insurance branch, is the **second largest** property and casualty insurer in the U.S. directly behind State Farm according to the National Association of Insurance Commissioners.

Liberty Mutual cited the state and city's tax incentives and grants along with the low cost of living for a metropolitan area as reason to expand. Plano attracts companies due to its strong schools, proximity to international airports, and skilled workforce.



INSURANCE CARRIER SECTOR EMPLOYMENT

First Quarter 2013 (NAICS 5241 & 5242)

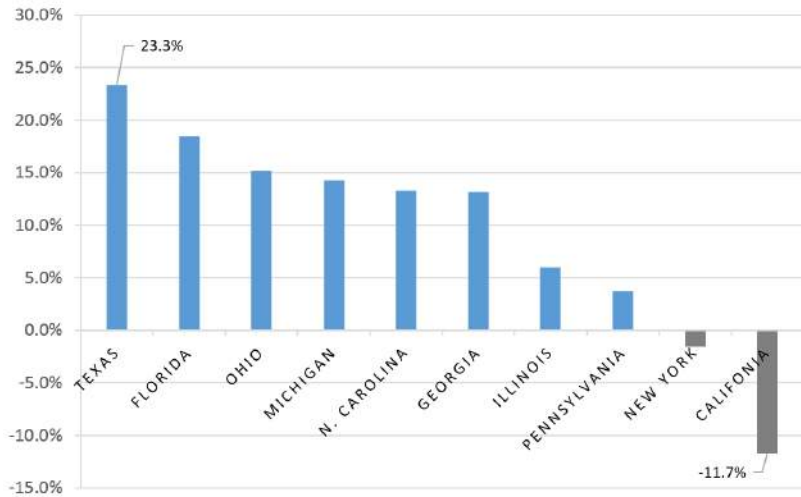
Sector (Industry Code)	Employees	Firms	Average Annual Wage
Direct Life, Health, & Medical Insurance Carriers (52411)	34,591	241	\$99,632
Direct Property, Casualty & Title Insurance Carriers (52412)	53,256	629	\$113,516
Reinsurance Carriers (52413)	663	28	\$137,072
Agencies, Brokerages, & Other Insurance Related Activities (5242)	91,322	10,588	\$73,632
TOTALS	179,832	11,486	\$90,173

Source: Texas Workforce Commission

INSURANCE CARRIERS

Texas leads the 10 most populous states in insurance job sector growth. The Lone Star state also has the nation's largest **property and casualty insurance** workforce which is anchored by San-Antonio based **USAA**. The Dallas-Fort Worth region has one of the nation's highest workforce concentrations in health and medical insurance and is home to headquarters of **Torchmark Corp.** and corporate operations of **Blue Cross and Blue Shield**, **UnitedHealth Group**, **Cigna**, **Aegon**, **MetLife**, among others.

INSURANCE EMPLOYMENT CHANGE IN THE 10 MOST POPULATED STATES, 1Q 2005 - 1Q 2014

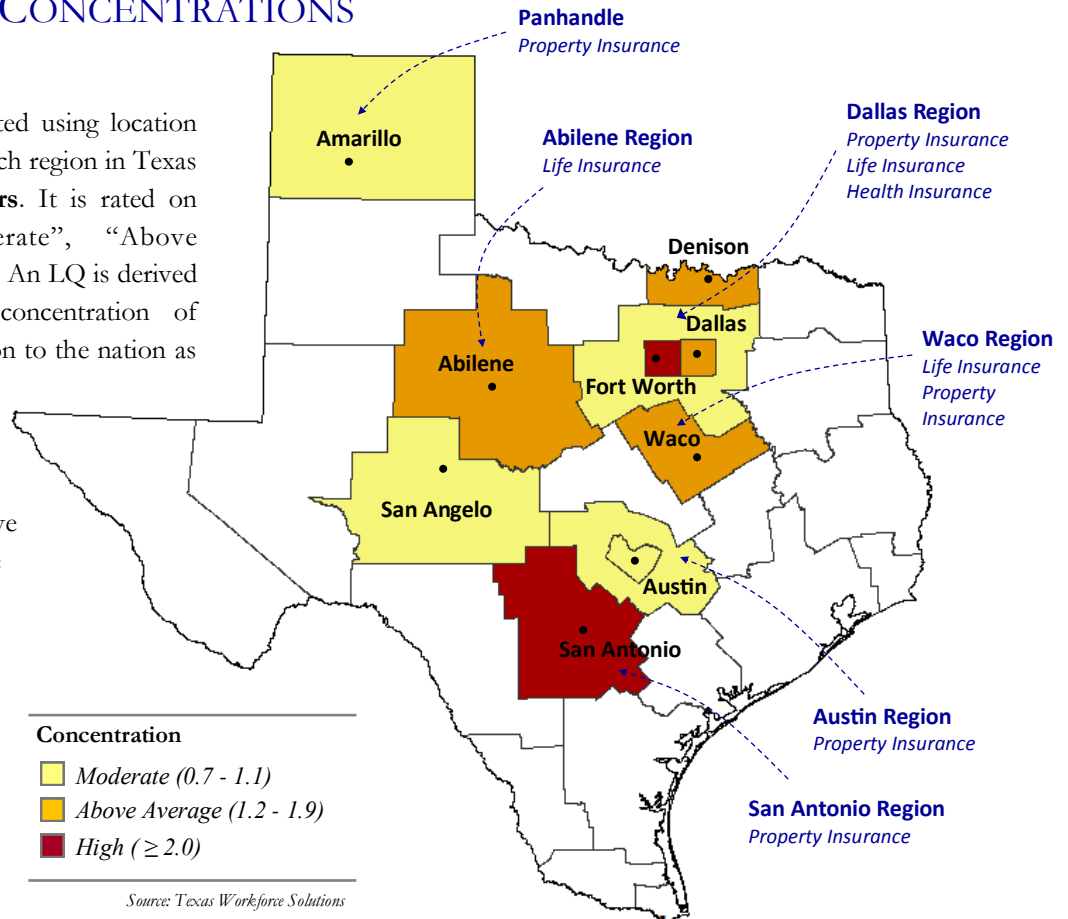


Source: Texas Workforce Commission

WORKFORCE CONCENTRATIONS

This map was generated using location quotients (LQs) for each region in Texas for **Insurance Carriers**. It is rated on the scale, "Moderate", "Above Average", and "High." An LQ is derived by comparing the concentration of employment of a region to the nation as a whole.

The U.S. has a 1.0 LQ for each industry by default. Values above 1.0 are greater than the national average (2.0 is double the national concentration).



Source: Texas Workforce Solutions

TOP INSURANCE CARRIERS WITH CORPORATE OPERATIONS IN TEXAS

Firms with total corporate revenues exceeding \$1 billion



Representative sample only. Sources: D&B, company websites

TOP U.S. INSURANCE CARRIERS

By Written Premiums in 2014

Company Name	Premiums (Millions)	Mkt. Share	Cumulative Mkt. Share	Corporate Office in TX
1 Metropolitan Group	\$101,989	9.792%	9.792%	Dallas
2 State Farm Group	\$58,509	5.618%	15.410%	Richardson
3 Prudential Group	\$46,068	4.423%	19.833%	Dallas, Houston
4 UnitedHealth Group	\$43,677	4.194%	24.027%	Dallas, Houston
5 Liberty Mutual Group	\$29,365	2.819%	26.847%	Plano
6 Allstate Insurance Group	\$28,892	2.774%	29.621%	Irving
7 New York Life Group	\$28,838	2.769%	32.390%	Dallas, Houston
8 Aegon US Holding Group	\$27,327	2.624%	35.013%	Plano, Bedford
9 Jackson National Group	\$26,771	2.570%	37.584%	—
10 Berkshire Hathaway Group	\$26,396	2.534%	40.118%	Houston
11 Lincoln National Group	\$25,824	2.479%	42.598%	Dallas, Houston
12 Aetna Group	\$25,506	2.449%	45.047%	Dallas, Houston
13 American International Group	\$23,646	2.270%	47.317%	Dallas, Houston
14 Travelers Group	\$22,791	2.188%	49.505%	Irving
15 Principal Financial Group	\$20,267	1.946%	51.451%	—
16 John Hancock Group	\$20,166	1.936%	53.387%	—
17 Aflac Group	\$19,931	1.914%	55.301%	Dallas, Houston
18 Nationwide Corporation Group	\$18,936	1.818%	57.119%	San Antonio
19 Progressive Group	\$18,915	1.816%	58.935%	Austin
20 American International Group	\$18,654	1.791%	60.727%	Houston
Top 20 Totals	\$632,467	60.727%	—	—
Texas in Top 20 Totals	\$565,263	54.274%	—	—
Industry Totals	\$1,041,500	100%	—	—

Source: National Association of Insurance Commissioners

Appendix: Selected Industry Resources

American Bankers Association (ABA) at www.aba.com/

The ABA is a national trade association representing banks of all sizes and charters. It serves as the voice for the nation's \$13 trillion banking industry.

Consumer Service Alliance of Texas (CSAT) at <http://consumerserviceallianceoftexas.org/>

A state trade association representing the interests of consumers and Credit Service Organizations. The website offers best practices and links to articles, legislation, studies, and much more.

Credit Union Department (CUD) at <http://cud.texas.gov/>

The CUD is a state agency that serves as the primary regulator of all Texas-chartered credit unions. State credit union industry statistics and reports are posted to the website for public access.

Federal Deposit Insurance Corporation (FDIC) at www.fdic.gov/

The FDIC is an independent agency of the U.S. federal government that preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions. See quick links for bankers at www.fdic.gov/quicklinks/bankers.html, the FDIC's Texas state profile at www.fdic.gov/bank/analytical/stateprofile/Dallas/tx/TX.xml.html, and Texas FDIC insured banks at <http://fdicinsuredbanks.com/fdic/Texas.htm>.

Federal Reserve Bank of Dallas (Dallas Fed) at www.dallasfed.org/

The Dallas Fed is one of twelve regional Reserve Banks in the Federal Reserve System. Its website contains data and publications covering national and regional economic issues, banking, and much more.

Federal Reserve System (Fed) at www.federalreserve.gov/

The Fed is the nation's central bank. Its primary mission is to maintain the stability of the U.S. financial system.

The Finance Commission of Texas (FCT) at www.fc.state.tx.us/

The FCT is a state agency that ensures that the banks, savings institutions, consumer credit grantors, and other regulated entities chartered or licensed under state law operate as sound and responsible institutions. The FCT oversees the Texas Dept. of Banking, Texas Dept. of Savings and Mortgage Lending, and Office of Consumer Credit Commissioner. The FCT's Condition of the Texas State Banking reports are posted for public access.

Independent Bankers Association of Texas (IBAT) at www.ibat.org/

The IBAT is a state trade industry association that promotes the interests of independent banking.

Investment Company Institute (ICI) at www.ici.org/

The ICI is a national association of U.S. investment companies.

National Venture Capital Association (NVCA) at www.nvca.org/

The NVCA is a national association of the U.S. venture capital community.

Office of Consumer Credit Commissioner (OCCC) at www.occc.state.tx.us/

The OCCC is a state agency that regulates the Texas credit industry and educates consumers and creditors.

Office of the Comptroller of the Currency (OCC) at www.occ.gov/

The OCC's primary mission is to charter, regulate, and supervise all national banks and federal savings associations. It also supervises the federal branches and agencies of foreign banks.

Texas Bankers Association (TBA) at www.texasbankers.com/

The TBA is a state industry association representing all Texas banking institutions. Its website offers membership only access to magazines, a company lookup service, state banking statistics, etc.

Texas Comptroller of Public Accounts (CPA) at www.window.state.tx.us/

The CPA is a state agency led by the Texas Comptroller, the chief steward of the state's finances, acting as tax collector, chief accountant, chief revenue estimator, and chief treasurer for all of state government.

Texas Department of Banking (DOB) at www.dob.texas.gov/

The DOB is a state agency operating under the jurisdiction of the Financial Commission of Texas. It is charged with ensuring that Texas has a safe, sound, and competitive financial services system. New applicable rules, legislation, and other updates are posted at www.dob.texas.gov/news/newsevents.htm. State industry data reports, including Overall Texas Banking Activity and Top 100 Banks, are posted to the website for public access.

Texas Department of Insurance (TDI) at www.tdi.texas.gov/

The TDI is a state agency responsible for regulating the insurance industry while protecting the people and businesses that are served by insurance. The TDI website provides a wealth of business and consumer information.

Texas Department of Savings and Mortgage Lending (SML) at www.sml.texas.gov/

The SML is a state agency operating under the jurisdiction of the Financial Commission of Texas. Its two key areas of regulatory responsibility are the chartering, regulation, and supervision of the state's thrift industry, and the licensing/registration and regulation of the state's mortgage industry.

Texas Mortgage Bankers Association (TMBA) at www.texasmba.org/

The TMBA is a state trade industry association serving the Texas real estate finance industry.

Texas Organization of Financial Service Centers (TOFSC) at <http://tofsc.org/>

The TOFSC is a trade association of licensed Credit Access Businesses, Credit Service Organizations, payday lenders, title lenders, registered Gold buyers, and check cashers doing business in Texas. News, ordinance, zoning, lawsuit, and other information are posted to the website.

Texas Pension Review Board (PRB) at www.prb.state.tx.us/

The PRB is mandated to oversee all Texas public retirement systems, both state and local, in regards to their actuarial soundness and compliance with state law. Agency publications and reports are posted to the website.

Texas State Securities Board (SSB) at www.ssb.state.tx.us/

The SSB is responsible for regulating the securities industry in Texas. It registers securities offered or sold in Texas and oversees the firms and individuals selling securities or providing investment advice to Texans.



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