



Private Financial Institutions

CE 12c

What is a Private Financial Institution?

- Bank*
- Savings and Loan*
- Credit Unions*


SUNTRUST


Bank of America


BB&T


WELLS FARGO


citibank®


WACHOVIA


CHASE


Commonwealth One
Federal Credit Union
Your Lifetime Financial Partner

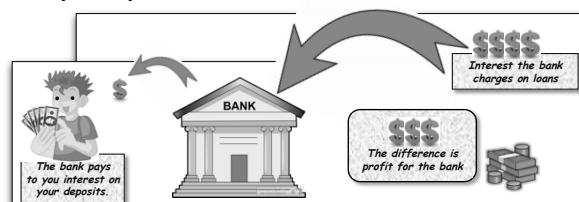

Capital One

Financial Institutions

- *Act as intermediaries between savers and borrowers including households and business investors*
- *Encourage investing and saving*
- *Savings and interest is why people put a certain part of their check away each money sometimes*

Process of a bank

- *We deposit money in the bank and receive % of interest on that amount*
- *Bank loans out money to someone to buy a car, house, or etc.*
- *The loan amount and interest on the loan is the are received by the bank in installments (payments).*
- *The difference is kept by the bank as their profit.*



Deposits

- *Money that you place in a bank*
 - *Checks*
 - *Income*
 - *Savings*



Loans

- *Deposits that are given to banks are used for loans*
- *If Maddie deposits \$1,000*
- *The bank will loan to \$1,000 to Cody to buy a new television*
- *Cody will pay back the \$1,000 plus interest at the current rate*



Encourage Banking

- *Banks encourage people to put their money in a bank*
- *By offering?*
- *Interest*
- *Maddie's \$1,000 will get 2% quarterly*
- *How much money after one year?*
- *\$80*

