The Bankers’ New Clothes: What’s Wrong with Banking and What to Do about It (Plus: the broader context)

Anat Admati
Stanford University

King’s College London
May 8, 2024
Global Financial Crisis of 2007-2009
AIG, Lehman Shock Hits World Markets

Focus Moves to Fate of Giant Insurer After U.S. Allows Investment Bank to Fail; Barclays in Talks to Buy Core Lehman Unit

AIG Faces Cash Crisis As Stock Dives 61%
U.S. to Take Over AIG in $85 Billion Bailout; Central Banks Inject Cash as Credit Dries Up

Emergency Loan Effectively Gives Government Control of Insurer; Historic Move Would Cap 10 Days That Reshaped U.S. Finance

BY MATTHEW KAHNENSHING, DEBORAH SOLOMON AND LIAM PLEVEN

The U.S. government seized control of American International Group Inc.—one of the world’s biggest insurers—in an $85 billion deal that signaled the intensity of its concerns about the danger a collapse could pose to the financial system.

The step marks a dramatic turnabout for the federal government that would prevent the insurer from falling into bankruptcy. Just last weekend, the government essentially pulled the plug on Lehman Brothers Holdings Inc., allowing the big investment bank to go under instead of giving it financial support. This time, the government decided AIG risks were too big to fail.

Insurance businesses, giving the Fed some protection even if markets continue to sink. And if AIG reboots, taxpayers could reap a big profit through the government’s equity stake. “This loan will facilitate a process under which AIG will cie certain of its businesses in an orderly manner, with the least possible disruption to the overall economy,” the Fed said in a statement.

It puts the government in control of a private insurer—a historic departure, particularly considering that AIG isn’t directly regulated by the Federal Reserve. The Fed took the highly unusual step using legal authority granted in the Federal Reserve Act, which allows it to lend to nonbanks under “unusual and exigent circumstances,” something it invoked when Bear Stearns Cos. was rescued in March.

As part of the deal, Treasury Secretary Henry Paulson, who helped in insurance industries, while Wall Street has watched two of its last four big independent brokerage firms exit the scene. The U.S. on Sept. 6 took over mortgage-lending giants Fannie Mae and Freddie Mac as they tetered near collapse. This Sunday, the U.S. refused to bail out Wall Street pillar Lehman Brothers, which filed for bankruptcy-court protection and is now being sold off in pieces. That same day, another struggling Wall Street titan, Merrill Lynch & Co., agreed to sell itself to Bank of America Corp.

The AIG deal followed a day of high drama in Washington. The Treasury’s Mr. Paulson and Federal Reserve Chairman Ben Bernanke convened in the evening for an unexpected meeting of top congressional leaders. Late in the trading day Tuesday, anticipation that the government might assist the insurer helped push the Dow Jones industrial average back up to 10,000.
… into a rabbit hole…
…and the toxic mix of confusion and politics
"[These events] present a challenge to standard economic theory…. policies to prevent future financial crises will depend on a deeper understanding of the processes at work.

Asymmetric information is key, precisely in the complex securities that [the standard theory] called for.”

Kenneth Arrow (1921-2017)  
My daughter came home from school one day and said, ‘daddy, what’s a financial crisis?’ And without trying to be funny, I said, ‘it’s the type of thing that happens every five, seven, ten years.’

Jamie Dimon, January 2010
(to Financial Crisis Inquiry Commission)
Narratives Inform Policy

Was the 2007-2009 financial crisis like a natural disaster or a sudden shock?

What about SVB, First Republic and Credit Suisse (spring 2023)?
The Perennial Narratives in Banking

A Liquidity Problem?

“A Classic Bank Run?”
The financial crisis was avoidable

Widespread failures in financial regulation

Breakdown in corporate governance

Explosive and excessive borrowing.

Lack of transparency

Widespread breaches in accountability at all levels.

The financial crisis reflected failures of rules and governance
Key cause of fragility and distortions in the economy

Excessive, inefficient, unnecessary use of private debt

The problem is particularly acute and harmful in banking
Kate takes a mortgage to buy a house

$400,000 - $380,000 = $20,000
$420,000 - $380,000 = $40,000

5%  

$40,000
$20,000

100%

DEBT

EQUITY
$440,000 - $380,000 = $60,000

10%

DEBT

$60,000

$20,000

EQUITY

200%
$380,000 - $380,000 = 0

-5%

-100%

$20,000

$0
Balance Sheet for a (Limited Liability) Business Corporation
(Shareholders’ other assets are not exposed to risk from business)
Bank runs: Extreme Case of “Liquidity Problems”

Runs can theoretically take down a healthy bank, but are rare without solvency concerns.

The opacity and low equity level of banks are key factors.

Numerous disruptive bank runs in UK and US in 19th and early 20th centuries.

Expansion of safety nets enabled distortive and dangerous recklessness without effective rules to control it.
Historical Equity/Asset Ratios in US and UK

Mid 19th century: 50% equity, unlimited liability

After 1940s, limited liability everywhere in US

“Safety nets” expand

Equity ratios decline

“Banking on the State,” Alesandri and Haldane, 2009 https://www.bis.org/review/r091111e.pdf?frames=0
Recall: Total Liabilities and Equity of Barclays 1992-07

Hyun Song Shin, "Global Banking Glut and Loan Risk Premium," IMF Annual Research Conference, November 10-11, 2011; Figure 22.
The Interconnected System
IMF Financial Stability Report 10/2014
Complicated System with “Shadow Banks” (Partial Picture)
Pozsar, Adrian, Ashcraft and Boesky, New York Fed, 2010
The Mantra in Banking: “Equity is Expensive”

“Expensive” to whom?

Why?

Are banks so special and different that nothing we know about the economics of corporate funding is relevant?
What if Wealthy Aunt Claire Ensures that Kate Never Defaults?

Cheap mortgage

No down payment (initial equity) required

Why not buy a huge mansion with no down payment? only upside!!

Equity is “expensive” for Kate!!
Money machine with zero equity if possible.
The Banking System has “Uncle Sam” (in many interacting forms)

**Deposit insurance**
- Expanded scope in crisis
- Guarantees to non-deposit debts
- Loss sharing agreements in resolution

**Treasury**
- Direct investments to prevent default, e.g., Troubled Asset Relief Program, Greek gov’t bailouts benefitting banks
- Takeover by government (Lloyds)
- Backstops of central banks

**Central banks**
- “Liquidity” facilities for banks, money market funds, others,
- Subsidized loans
- Asset purchases
- Low interest rates if system weakens

**Government-Backed Institutions**
- US Federal Home Loan Banks
- Fannie Mae and Freddie Mac
The FDIC program enabled issuance of $28 billion for Goldman, over $40 billion each for Bank of America and JPMorgan Chase, $23 billion for Morgan Stanley $23 with the equivalent of AAA ratings. FDIC will cover the bonds if the banks fail.

The program does not come with the compensation and other regulatory conditions attached by Congress to the $700 billion bailout.

“I don’t know how you measure that subsidy,” said Mark Zandi, the chief economist at Moody’s Economy.com. “That’s why they say it’s invaluable. It’s an infinite subsidy.”
Basel Committee on Banking Supervision

Committee of banking supervisory authorities: established 1974 by G-10

Goal: improve quality of banking supervision worldwide

Non-binding recommendations

Pillar I (Capital/liquidity minimal rules)
Pillar II (Supervisory practices)
Pillar III (Disclosure requirements)

Basel Accords

- Basel I (1988) Credit risk and risk-weighting of assets
- Basel II (2004) Allowing banks to take additional risks

Basel III revisions (2017)

“Final” Rules pending in many jurisdictions (“Basel III Endgame” in US)
Basel II: A spectacular failure
Basel III: An inadequate tweak
(“a well-intended illusion”)
Between summer 2007 and end of 2008, the largest 19 US institutions paid out nearly $80B to shareholders.

Regulatory Measures were Uninformative

(“Tier 1” capital ratios)

What crisis?

2006 was a great year in banking

Between summer 2007 and end of 2008, the largest 19 US institutions paid out nearly $80B to shareholders.

“Capital Discipline,” Andrew Haldane, January 2011  
https://www.bankofengland.co.uk/speech/2011/capital-discipline-speech-by-andy-haldane
Regulatory Measures were Uninformative

Largest 19 institutions received \( \approx $160B \) under TARP (bailouts).

Fed committed \$7.7\ trillions in below-market loans to 407 banks.

“Tier 2 capital” proved useless to absorb losses (except Lehman).

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The Stock Market Knew Better…

Regulatory measures

Market-based measures

## Basel Capital Regulation

(No Science, highly complex)

<table>
<thead>
<tr>
<th>Basel II</th>
<th>Basel III</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Common equity Tier 1 capital” to risk-weighted assets (RWA): 2%</td>
<td>“Common Equity Tier 1 Capital” to risk-weighted assets (RWA): 4.5%</td>
</tr>
<tr>
<td>• Plus 2.5% conservation buffer</td>
<td>• Plus 2.5% conservation buffer</td>
</tr>
<tr>
<td>• Plus 1.5% “Tier 1” to RWA</td>
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</tr>
<tr>
<td>Leverage Ratio: “Tier 1” to total assets</td>
<td></td>
</tr>
<tr>
<td>• Basel III: 3%</td>
<td>• US: BHC: 5%, insured banks: 6%</td>
</tr>
<tr>
<td>“Tier 2” (loss-absorbing debt)</td>
<td>“Tier 2”/TLAC (loss-absorbing debt).</td>
</tr>
</tbody>
</table>
Sir, Basel III bank regulation proposals that Group of 20 leaders will discuss fail to eliminate key structural flaws in the current system.

If at least 15% of banks’ total, not risk weighted assets were funded by equity, the social benefits would be substantial. And the social costs would be minimal, if any.

Temporarily restricting bank dividends is an obvious place to start.


(Letter from 20 academics, Financial Times, November 9, 2010)
https://www.ft.com/content/63fa6b9e-eb8e-11df-bbb5-00144feab49a
Risk Weights Can Undermine the Purpose of Regulation
“Regulatory capital” is calculated relative to “risk-weighted assets”

**Complex; create illusion of “science”**

**Focus on credit** while ignoring interest rate risk, tail risk and correlations

**Manipulable, distortive, political**
Favor loans to governments and securities over business lending; allow manipulable models; get weaponized in muddled political discourse

**Used to “economize” on equity in practice**
Counter productively, risk weights **exacerbate fragility and systemic risk**
“...free of technical jargon and widely accessible to all...conveys a deep understanding and stands in opposition to the self-interested forces of obscurity.”
- Kenneth Arrow

“...the most important book about banking in a very long time.”
- Ken Rogoff

“With a knack for explaining complex concepts in a very straightforward fashion...Their brilliant book has much to offer everyone, from novices to experts.”
- Stephen Ross

“...a must-read for concerned citizens...should be studied and memorized by lawmakers and regulators so they won’t be duped by false claims in the future.”
- Eugene Fama
Capital is a rainy-day fund.

“Trying to Slam the Bailout Door, Gretchen Morgenson, New York Times, April 2013
Capital is a rainy-day fund.


Confusing Jargon mixes two sides of balance sheet!

The cash and central bank reserves banks hold are “on the sidelines,” earning interest and not used for lending.
My daughter came home from school one day and said, 'daddy, what's a financial crisis?' And without trying to be funny, I said, 'it's the type of thing that happens every five, seven, ten years.'

Jamie Dimon, January 2010
(to Financial Crisis Inquiry Commission)

"Every dollar of capital is one less dollar working in the economy."

Steve Bartlett, Financial Services Roundtable, September 2010
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NONSENSE
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"This rule will keep billions out of the Economy."

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Tim Pawlenty, Financial Services Roundtable, July, 2015
“Just about whatever anyone proposes... the banks will claim that it will restrict credit and harm the economy.... It's all bullshit.”

Paul Volcker (1927-2019), January 2010
(From The Payoff: Why Wall Street Always Wins, Jeff Connaughton, 2012)
Possible Reasons for **Default (Non-Payment)**

**Liquidity problems:**
Borrower cannot convert assets to cash in a timely manner.

**Solvency problems:**
Borrower is likely *unable* to pay.

The source of potential default (and perceptions about it) matter greatly. **Solvency problems are more challenging, cause more harm and distortions.** Solvency concerns create liquidity problems, especially in banking!
Borrowing creates bias in favor of ever more borrowing and gets “addictive”
Debt overhang distorts decisions on both sides of a balance sheet
Zombie (Insolvent) Borrowers: Opaque and Dysfunctional
Zombie (Insolvent) Borrowers: Opaque and Dysfunctional

Unable to raise equity
Lose trust of counterparties
“Gamble for resurrection”
Anxious to take cash out
Avoid equity, borrow if possible
Sell assets, even at fire-sale prices
Underinvest in “boring” assets
Try to hide insolvency in disclosures
Claim it’s “only a liquidity problem”
Avoid default with more cash reserves
Lobby for bailout to avoid default
DON'T WORRY, THIS IS BEING DONE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.
“The unfathomable nature of banks’ accounts make it impossible to know which are sound. Derivatives positions, in particular, are difficult for outside investors to parse.”

Paul Singer (Elliot Management), January 2014

“Investors can’t understand the nature and quality of the assets and liabilities... The disclosure obfuscates more than it informs.”

Kevin Warsh, January 2013
“The omission of off-balance sheet items in the standard measures implies a substantial underestimation of bank leverage.

Off-balance sheet funding is higher now than in 2007.”

— “Leverage, a Broader View,” Singh and Alam, IMF, March 2018
US Banking Crisis since Spring 2023

The failure of Silicon Valley Bank (SVB) in March 2023 was not a “modern-day run” due to liquidity problems. SVB (and First Republic Bank) had long term treasury bonds or mortgages to the wealthy with little or no credit risk (of borrower default), but interest rate increases reduced the market value of their assets. They became insolvent as their equity was insufficient to absorb losses. (Similar to the US Savings and Loan crisis in the 1980s).

Had they funded with 20% equity, shareholders would have absorbed the losses.
KPMG Gave SVB, Signature Bank Clean Bill of Health Weeks Before Collapse

Accounting firm faces scrutiny for audits of failed banks

By Jonathan Weil and Jean Eaglesham

Updated March 13, 2023, 12:21 pm ET

Silicon Valley Bank failed just 14 days after KPMG LLP gave the lender a clean bill of health. Signature Bank went down 11 days after the accounting firm signed off on its audit.
Joint Press Release

March 12, 2023

Joint Statement by Treasury, Federal Reserve, and FDIC

Department of the Treasury
Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation

After receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President, Secretary Yellen approved actions enabling the FDIC to complete its resolution of Silicon Valley Bank, Santa Clara, California, in a manner that fully protects all depositors. Depositors will have access to all of their money starting Monday, March 13. No losses associated with the resolution of Silicon Valley Bank will be borne by the taxpayer.

We are also announcing a similar systemic risk exception for Signature Bank, New York, New York, which was closed today by its state chartering authority. All depositors of this institution will be made whole. As with the resolution of Silicon Valley Bank, no losses will be borne by the taxpayer.

Finally, the Federal Reserve Board on Sunday announced it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors.

No more bailouts???
Interest earned by big UK high street banks on BoE reserves surges to £9.2bn

MP highlights scale of lenders’ ‘unanticipated income’ in 2023, but acknowledges some progress towards better savings rates for consumers

The interest the BoE paid on commercial banks’ reserves, which is ultimately covered by the Treasury, has risen sharply in recent years as the central bank lifted its key rate to 5.25 per cent in an effort to bring inflation back under control.

Dame Harriett Baldwin, chair of the [Treasury select] committee, said the data showed “the staggering scale of unanticipated income high street banks are bringing in, with no work required, as a result of increased interest rates.”

The letters [from the banks] said the banks had worked towards giving customers a fairer deal.
2014 vs 2024
200 additional pages
FOURTEEN

Too Fragile Still

Without reform of the financial system, . . . , another crisis is certain, . . .
Mervyn King, Former Governor of the Bank of England, The End of Alchemy (2016)¹

SIXTEEN

Bailouts Forever

[A] globally active systemically important bank cannot simply be wound up according to the “too-big-to-fail” plan.
Karin Keller-Sutter, Head of the Swiss Finance Department, March 25, 2023¹

FIFTEEN

Bailouts and Central Banks

It was not quite a Lehman moment. But it got close.
London Banker, September 2022¹

SEVENTEEN

Above the Law?

[Power struggles in the economy] are not fought by people who are infinitely progress-minded, but by people who have developed sophisticated and brutal techniques of fighting for power.
Walter Eucken, German economist (1891–1950)¹
The Parade of Bankers New Clothes Continues…

44 Flawed Claims Debunked (latest version April 8 2024)

Flawed Claims Grouped

1. Basics about Bank Capital and Bank Funding
2. “Banks are Special”
3. Economic Effects of Higher Bank Equity Requirements
4. “Bank Regulation and Supervision are Already Tough”
5. “No More Bailouts!”
6. More radical approaches?
7. Politics of Bank Regulation and Global “Competitiveness”

Nonsense and Politics Persist: Public Theater, Weaponized Details
“Let's translate [Basel III Endgame] for the average American... It is simply requiring more capital on the sidelines, which then means fewer dollars to lend to small businesses, first-time homebuyers, car loans... to Americans who need desperately to be engaged in the process of achieving the American Dream.”

Ranking Member Tim Scott (R-SC)
Senate Banking Committee Hearing, Dec 6, 2023
“Let's translate [Basel III Endgame] for the average American... It is simply requiring more capital on the sidelines, which means fewer dollars to lend to small businesses, first-time homebuyers, car loans… to Americans who need desperately to be engaged in the process of achieving the American Dream.”

Ranking Member Tim Scott (R-SC)
Senate Banking Committee Hearing, Dec 6, 2023
Capital is cash-like assets

“Why Big Banks (and Some Odd Allies) Oppose a Plan to Protect Banks,“
Emily Flitter, New York Times, January 18, 2024
Capital is cash-like assets.

"Why Big Banks (and Some Odd Allies) Oppose a Plan to Protect Banks,“ Emily, New York Times, January 18, 2024
To learn more, please visit StopBaselEndgame.com.
“Credit will Suffer” Claims Debunked

Excessive Borrowing and Bad Rules Distort Credit Market

01. Too much or too little credit; boom, bust, and crises
02. Wasteful investments in boom
03. Credit crunch exacerbates recessions
04. Zombie banks lend to and maintain zombie businesses
05. Risk weights and liquidity rules distort lending decisions
Mark Carney hails new deal for ‘too big to fail’ banks

Bank of England governor unveils new set of rules about the capital that 30 ‘globally systemically important’ banks must hold to avoid further bailouts

November 10, 2014
Loss-Absorbing Debt ("Bail-in," "AT1," "TLAC"): Clever or Fool’s Gold?
Equity Dominates Debt for Loss Absorption in Every Relevant Way!
“Anything but Equity” Why?
“Loss absorbing debt” (TLAC) investors rarely if ever absorb losses!

Too Little Equity

Much Safer

Will it Work?

Why do we need it?
“Heroic Savior” Button Instead?
<span class="highlight">«Zombie» is an apt moniker for Credit Suisse, now that it's crystal clear that without intervention, the bank would have been history last fall. Outflows were even greater than the bank admitted.</span>
And Now, a Credit Suisse Bailout

The weekend shotgun marriage with UBS shows how post-2008 regulation failed again.

By The Editorial Board  WSJ | OPINION

March 19, 2023 5:10 pm ET
The combined sum of 209 billion francs is equivalent to about a quarter of Switzerland’s gross domestic product and exceeds total European defense spending in 2021.

The price tag for Switzerland’s largest ever corporate rescue could add up to more than three times the 60 billion-franc bailout of UBS in 2008.
Switzerland’s financial regulatory system has long been criticised internationally for lacking the authority of its global peers.

Finma said that to improve its oversight of the finance sector, it would need to be able to fine companies. It also called for the introduction of a senior managers’ regime.

Legal authority for financial regulators is necessary, but so is the political will that the use authority in the public interest! (See U.S.)
The “Level Playing Field” Mantra
(Chapter 12: “Politics of Banking”)

Is fairness in sports a proper analogy for rules of economic “game”? **NO!**

Should taxpayers subsidize sectors or corporations to win cross-jurisdictional “competition” as “national champions” while causing harm? **NO!**

**Race to the bottom dynamics**

Recall Icelandic and Irish banks
“Banks are still the most powerful lobby on Capitol Hill. And they frankly own the place.”

Senator Richard Durbin (D-III), 2009
“Banks are not special, except for what they are allowed to get away with…. The model is intellectually bankrupt. The reason that this is not more widely accepted is that bankers are so influential, and the economics are so widely misunderstood.

“Why Bankers are Intellectually Naked,” Martin Wolf, Financial Times, March 17, 2013
Politics of Banking: Are we Hostages?

Symbiotic relations cause harm when issues are misunderstood

“Banks are where the money is”

Guarantees appear free; their social cost is invisible

Banks seem sources of funding, not risk

“National champions” (dressed in “level playing field” narratives)

Central banks bail out banks and governments

Willful ignorance or confusion

Without political will to set and enforce proper rules, bank(er)s undermine democracy, get away with recklessness and deception
How the Banks ignored the lessons of the crash

September 30, 2015

Seven years after the collapse of Lehman Brothers, it is often said that nothing was learned from the crash. This is too optimistic. The big banks have surely drawn a lesson from the crash and its aftermath: that in the end there is very little they will not get away with.
Ten findings, 10 years after Wall Street brought the economy to the brink.

10. The perpetrators of the pain have not been brought to justice. A comprehensive list of all the top bank chief executives who served time behind bars. PAGE 15
Banks have paid $321 billion in fines since the crisis (but they’ve made almost $1 trillion) | CNBC, March 17, 2017
## JPM Chase Rap Sheet

**Violation Tracker Current Parent Company Summary**

- **Current Parent Company Name:** JPMorgan Chase
- **Ownership Structure:** publicly traded (ticker symbol NYSE: JPM)
- **Headquartered in:** New York
- **Major Industry:** financial services
- **Specific Industry:** banking & securities
- **Penalty total since 2000:** $38,995,648,319
- **Number of records:** 267

### Top 5 Offense Groups

<table>
<thead>
<tr>
<th>Offense Group</th>
<th>Penalty Total</th>
<th>Number of Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>financial offenses</td>
<td>$26,626,159,167</td>
<td>115</td>
</tr>
<tr>
<td>consumer-protection-related offenses</td>
<td>$8,619,119,178</td>
<td>63</td>
</tr>
<tr>
<td>competition-related offenses</td>
<td>$2,458,674,791</td>
<td>27</td>
</tr>
<tr>
<td>government-contracting-related offenses</td>
<td>$614,000,000</td>
<td>1</td>
</tr>
<tr>
<td>employment-related offenses</td>
<td>$522,408,672</td>
<td>46</td>
</tr>
</tbody>
</table>

[https://violationtracker.goodjobsfirst.org/parent/jpmorgan-chase](https://violationtracker.goodjobsfirst.org/parent/jpmorgan-chase)
JPMorgan Chase Will Pay $13 Billion In Record Settlement

November 19, 2013 · 3:03 PM ET

By Bill Chappell
Not cited in our book but relevant...

JP MADOFF
The Unholy Alliance Between America’s Biggest Bank and America’s Biggest Crook
Helen Davis Chaitman & Lance Gottshoffer

BANKING ON FAILURE
Cum-Ex and Why and How Banks Game the System
Richard S Collier

TOO BIG TO JAIL
HSBC and the Banking Scandal of the Century
Chris Blackhurst

2016
2020
2023
It Takes a Village to Maintain a Dangerous System

Many enablers

- Bankers and other financial sector employees
- Institutional investors
- Executives and boards of financial firms
- Auditors and rating agencies
- Lawyers and Consultants

Supervisors and regulators
- Central bankers
- The media
- Politicians
- Courts
- Academics

https://admati.people.stanford.edu/publications/it-takes-village-maintain-dangerous-financial-system
With such friends [as academics], who needs lobbyists?

Risk manager in a major systemic institution, 2016
Comments due January 16, 2024

Capital rules: 132,776 words of proposed new rules; 176 questions

Agencies request comment on proposed rules to strengthen capital requirements for large banks

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Agencies request comment on proposed rule to require large banks to maintain long-term debt to improve financial stability and resolution

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727a.htm
Who submits public comments?

January 16, 2024

Ms. Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
Docket No. R-1813, RIN 7100-AG64

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal OES
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
RIN 3064-AF29

Mr. Benjamin McDonough
Chief Counsel
Office of the Comptroller of the Currency
400 7th Street, NW
Suite 3E-218
Washington, DC 20219
Docket ID OCC-2023-0008

Re: Regulatory Capital Rule: Large Banking Organizations and Banking Organizations with Significant Trading Activity

January 16, 2024

Ms. Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
Docket No. R–1815 and RIN 7100–AG66

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal OES
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
RIN 3064–AF86

Mr. Benjamin McDonough
Chief Counsel
Office of the Comptroller of the Currency
400 7th Street, NW
Suite 3E-218
Washington, DC 20219
Docket ID OCC–2023–0011

Re: Long-term Debt Requirements for Large Bank Holding Companies, Certain Intermediate Holding Companies of Foreign Banking Organizations, and Large Insured Depository Institutions
Nonsense and Bad Rules Persist in Banking

Apr 8, 2024 | ANAT R. ADMATI
False Choices, Muddled Debate

“Free market Capitalism”

“Big government Socialism”
In recent decades, the forces of ‘free-market capitalism’ have undermined and overwhelmed democratic institutions, leading to intertwined crises in both capitalism and democracy. Deception and the manipulation of beliefs often distort both markets and political systems.