

“Punishing the Banksters,
1998-2014”

How Much Financial Misbehavior By the World’s Largest Banks
Have We Detected,
And How Has It Been Punished and Rewarded?

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Tax Justice Network/

Columbia Center for Sustainable Investment

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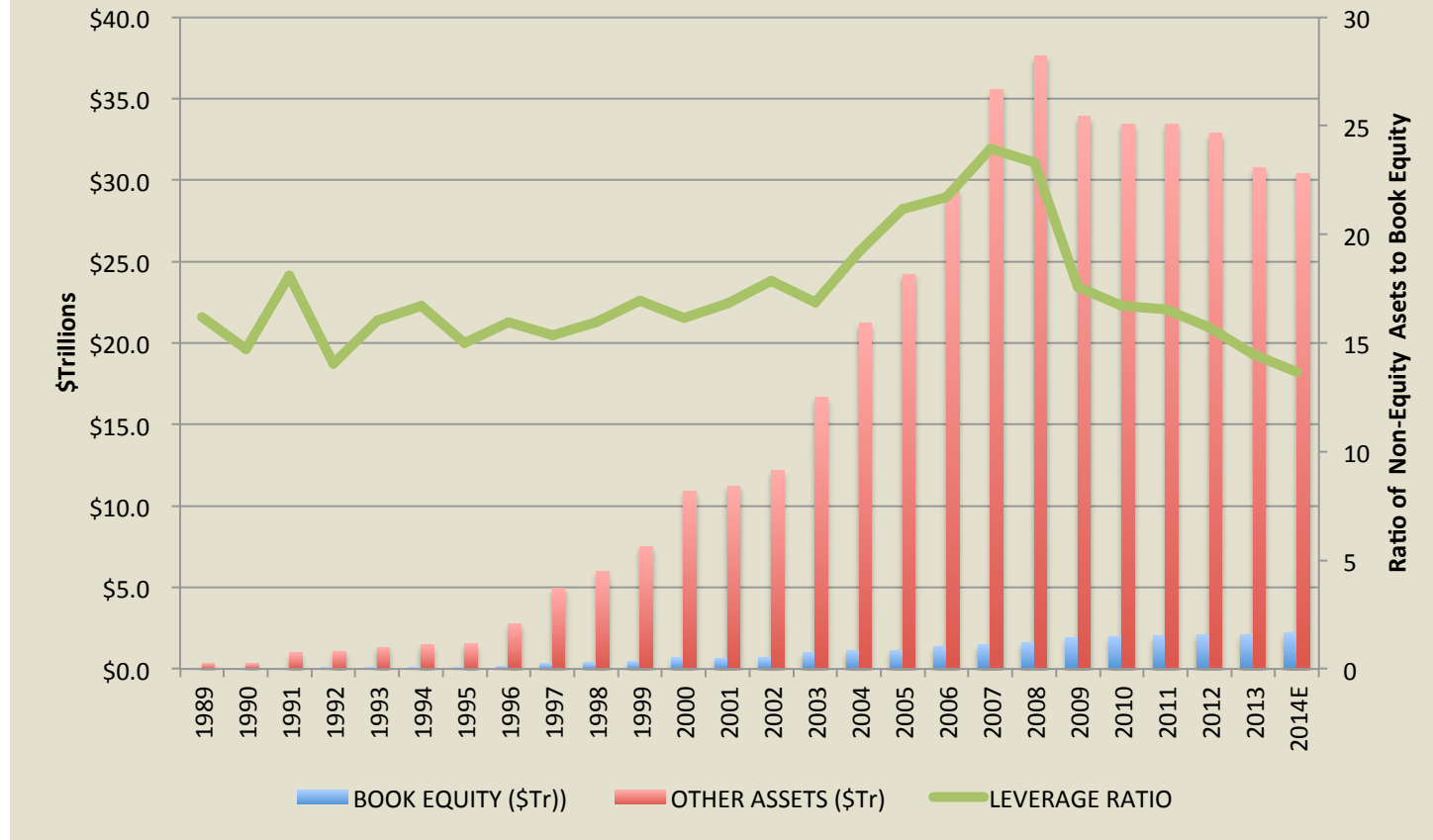
ON THE OTHER HAND,
MAYBE TRANSPARENCY
WOULD JUST DEPRESS ME...



MEGA
BANK

UNEMPLOYED
PLEASE HELP

3. Roots of the 2008 Global Banking Crisis (22 Global Banks: Asset Growth, Book Equity, and Leverage, 1989-2014 (\$Tr.))



Source: SEC reports, financial data by bank, 1998-2014; JSH database on fines and settlements; JSH analysis

4. Top 22 Global Private Banks – Incidence of Corporate Crime, 1998-2014

	Asset (\$B)		2000-14	Lehman	Aiding	LIBOR	Money	Mort fraud -	"Rogue"	Sanctions	Wrongful	FX	MUNY	Securities	Energy/ Metals	Bribery	Lending	Card/ PPI	Offense	# of
	2000	2014	% rise	Underwriter	Tax Cheating	Rigging	Laundering	RMBS/CDOs	Trading	Busting	Foreclosures	Rigging	Fraud	Fraud	Rigging		Bias	Fraud	Categories	Offenses
HSBC	\$674	\$2,729	405%	•	✓	✓	✓	✓	Sander	✓	✓	✓		✓	✓			✓	11	28
Deutsche Bank	\$875	\$2,168	248%		✓	✓	✓	✓	Bittar/ Adoph	✓		✓				✓			8	40
JPMorgan Chase	\$715	\$2,527	353%		✓	✓	✓	✓	Iksil	✓	✓	✓	✓	✓	✓	✓		✓	13	68
BNP Paribas	\$640	\$2,624	410%	•	✓	✓	✓	✓	Crassier	✓		✓		✓					7	9
Barclays	\$473	\$2,218	469%		✓	✓	✓	✓	Diamond,etc	✓		✓		✓	✓			✓	10	22
Credit Agricole	\$477	\$2,196	460%		✓	✓	✓	✓	Zrihen	✓		✓		✓		✓			9	9
Bank America	\$642	\$2,124	331%	•	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓	12	97
Citicorp	\$902	\$1,883	209%	•	✓	✓	✓	✓	Eurobd Team	✓	✓	✓	✓	✓			✓	✓	13	69
RBS/ ABN Amro	\$480	\$1,699	354%	•	✓	✓	✓	✓	Tsang	✓		✓		✓				✓	10	41
Soc Gen	\$429	\$1,638	382%	•	✓	✓	✓	✓	Kerviel	✓		✓				✓			8	8
Santander	\$154	\$1,574	1022%	•	✓	✓	✓	✓	✓										5	5
ING	\$580	\$1,257	217%	•	✓	✓	✓	✓	✓					✓					5	5
Wells Fargo	\$272	\$1,637	601%	•	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓		10	46
Lloyds	\$338	\$1,391	412%		✓	✓	✓	✓	✓			✓						✓	7	8
UBS	\$674	\$1,103	164%	•	✓	✓	✓	✓	Kweku/Hayes	✓	✓	✓	✓	✓	✓	✓			12	50
Credit Suisse	\$399	\$999	250%		✓	✓	✓	✓	Serageldin	✓		✓	✓	✓	✓				10	35
Goldman Sachs	\$290	\$869	300%		✓	✓		✓	Tourre etc		✓	✓	✓	✓	✓	✓			10	33
Rabobank	\$340	\$858	252%		✓	✓	✓		✓			✓							5	6
Morgan Stanley	\$427	\$815	191%	•	✓	✓	✓	✓	Moryoussef		✓		✓	✓	✓	✓	✓		11	60
SCB	\$103	\$690	671%		✓	✓	✓	✓	✓	✓		✓							6	6
BNY/Mellon	\$100	\$386	386%	•	✓	✓	✓	✓	✓	✓		✓		✓					8	8
Julius Baer	\$12	\$83	699%		✓		✓		✓			✓							2	2
Total	\$9,996	\$33,467	335%																Total	655
AAGR%			9.7%																	
Incidence					22	21	19	18	13	11	10	9	7	5	4	5	3	1	148	
					22	22	22	22	22	22	22	22	22	22	22	22	22	22	286	
					100%	95%	86%	82%	59%	50%	45%	41%	32%	23%	18%	23%	14%	5%	52%	

* Including LIBOR, Euribor, ISDAfix (benchmark for \$379 tr swaps market, and other regional interbank market

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Source: Internet/ lit search, JSH analysis

5. Penalties And Settlement Costs -- Global Banks, 2014

(2a.)

(Σ =\$87.0 b, 2014)

Date	(\$MMs)	Offense	Fin Institution	Plaintiff
12/18/14	\$1.50	Money laundering	Wells Fargo	US FINRA
12/16/14	\$2.44	Securities mispricing	BAC/ML	US FINRA
12/14/14	\$31.30	Overcharging - credit cards	ANZ	Suit - customers
12/12/14	\$4.00	Conflict of interests - analysts	BAC/ML	US FINRA
12/12/14	\$5.00	Conflict of interests - analysts	Barclays	US FINRA
12/12/14	\$5.00	Conflict of interests - analysts	Citigroup	US FINRA
12/12/14	\$5.00	Conflict of interests - analysts	Credit Suisse	US FINRA
12/12/14	\$4.00	Conflict of interests - analysts	Deutsche Bank	US FINRA
12/12/14	\$5.00	Conflict of interests - analysts	Goldman Sachs	US FINRA
12/12/14	\$5.00	Conflict of interests - analysts	JPMorganChase	US FINRA
12/12/14	\$4.00	Conflict of interests - analysts	Morgan Stanley	US FINRA
12/12/14	\$2.50	Conflict of interests - analysts	Needham	US FINRA
12/12/14	\$4.00	Conflict of interests - analysts	Wells Fargo	US FINRA
12/11/14	\$409.77	Invalid mortgages	Northern Rock	UK Cts
12/3/14	\$14.90	Mis-sale of interest rate swaps - rural customers	ANZ	NZ Comp Cmm
12/1/14	\$5.48	IT systems failure - world's largest	RBS/ Ulster Bank	IRE - CBnk
11/25/14	\$15.00	Improper analyst comms w corp clients	Citigroup	US FINRA
11/25/14	\$12.50	Tax dodging/ improper advice to US clients	HSBC	US SEC
11/21/14	\$88.00	IT systems failure	RBS	UK FCA/ PRA
11/18/14	\$315.00	Sanctions - Sudan/Iran - pressured Pwc cover up	Bank of Tokyo	US NY-DFS
11/13/14	\$250.00	Price Fixing - Fx market	Bank of America	US - OCC
11/13/14	\$310.00	Price Fixing - Fx market	Citigroup	US - CFTC
11/13/14	\$349.44	Price Fixing - Fx market	Citigroup	UK FCA
11/13/14	\$350.00	Price Fixing - Fx market	Citigroup	US - OCC
11/13/14	\$0.73	illegal incentives for loans	Franklin Loan	US - CFPB
11/13/14	\$275.00	Price Fixing - Fx market	HSBC	US - CFTC
11/13/14	\$339.69	Price Fixing - Fx market	HSBC	UK FCA
11/13/14	\$310.00	Price Fixing - Fx market	JPMorganChase	US - CFTC
11/13/14	\$348.79	Price Fixing - Fx market	JPMorganChase	UK FCA
11/13/14	\$350.00	Price Fixing - Fx market	JPMorganChase	US - OCC
11/13/14	\$290.00	Price Fixing - Fx market	RBS	US - CFTC
11/13/14	\$340.69	Price Fixing - Fx market	RBS	UK FCA
11/13/14	\$4.40	IT mismanagement	RBS/Ulster Bank	IRE - CBnk
11/13/14	\$290.00	Price Fixing - Fx market	UBS	US - CFTC

Source: JSH survey of 51 regulatory agencies+ comprehensive literature search

6. Penalties And Settlement Costs -- Global Banks, 2014

(2b.)

(Σ = \$87.0 b, 2014)

Date	(\$MMs)	Offense	Fin Institution	Plaintiff
11/13/14	\$367.07	Price Fixing - Fx market	UBS	UK FCA
11/12/14	\$139.00	Price Fixing - Fx market	UBS	SW - FINMA
11/11/14	\$34.74	Overcharges - late payment fees	NAB	Suit - customers
10/31/14	\$35.00	Selling insur to MNCs w/o a license	AIG	NY DFS
10/29/14	\$1,066.00	Price fixing - LIBOR	Rabobank	UK FCA/ Dutch/ DOJ
10/24/14	\$1,300.00	Price fixing - LIBOR	Deutsche Bank	US - DOJ
10/21/14	\$11.65	Price fixing - Swiss Fr Deriv	Credit Suisse	EU Comm
10/21/14	\$13.38	Price fixing - Swiss Fr Deriv	JPMorganChase	EU Comm
10/21/14	\$78.23	Price fixing - Swiss Fr Deriv	JPMorganChase	EU Comm
10/21/14	\$16.07	Price fixing - Swiss Fr Deriv	UBS	EU Comm
10/6/14	\$2.00	Unfair billing practices - identity protection	PNC	US - OCC
10/3/14	\$6,200.00	Tax dodging - facilitation	UBS	FRANC
10/2/14	\$4.74	Tax dodging - VAT - France - deposit	Julius Baer	FRANCE
10/1/14	\$0.04	Misleading ads	NAB	Australia ASIC
9/29/14	\$7.65	Reg Capital Overstatements	Bank of America	US SEC
9/29/14	\$37.50	Illegal foreclosures	Flagstar Bank	US - CFPB
9/26/14	\$12.70	Misuse of client data	Barclays	Suit - customers
9/25/14	\$48.00	Unfair billing practices - identity protection	US Bancorp	US - CFPB
9/24/14	\$4.00	Unfair billing practices - identity protection	US Bancorp	US - OCC
9/23/14	\$61.70	Failing to protect L16.5b of custody assets	Barclays	UK FCA
9/23/14	\$15.00	Systemic compliance failures	Barclays	US SEC
9/22/14	\$5.00	Fraud - altered docs	Wells Fargo	US SEC
9/15/14	\$0.28	Money laundering	Morgan Stanley	US - CFTC
9/12/14	\$550.00	Fraud - RMBS	HSBC	US FHFA
9/11/14	\$18.50	Improper Accounting	Wilmington Trust	US SEC
9/9/14	\$7.50	Discrimination - sex	Goldman Sachs	Suit - employee
9/3/14	\$0.22	Sanctions - Iran	Citigroup	US OFAC/DOJ
8/27/14	\$24.03	Poor advice - mort biz	RBS	UK FCA
8/26/14	\$1.20	Failure to supervise	Bank of America	US - CFTC
8/22/14	\$3,150.00	Fraud - RMBS	Goldman Sachs	US FHFA
8/21/14	\$245.04	Fraud - RMBS	Bank of America	US SEC
8/21/14	\$16,405.00	Fraud - RMBS	Bank of America	US - DOJ
8/21/14	\$7.83	Failure to accurate report CFD Equity Swaps	Deutsche Bank	UK FCA
8/20/14	\$23.00	Improper margin calls	Barclays	Suit - trustee

Source: JSH survey of 51 regulatory agencies+ comprehensive literature search

7. Penalties And Settlement Costs -- Global Banks, 2014

(2c.)

(Σ =\$87.0 b, 2014)

Date	(\$MMs)	Offense	Fin Institution	Plaintiff
8/19/14	\$25.00	PwC consultants hid data on BOT sanctions busting	PWC	US NY-DFS
8/19/14	\$300.00	Sanctions - violating def pros agreement	Standard Chartered	US NY-DFS
8/12/14	\$20.80	Fraud - mortgages - bait and switch	Amerisave	US - CFPB
8/4/14	\$0.50	Fraud - securities	Citigroup (x Dir)	US - CFTC
7/30/14	\$1,270.00	Fraud - RMBS	Bank of America	US - DOJ/ US Att NY
7/30/14	\$402.00	Tax dodging - facilitation	UBS	GER
7/29/14	\$0.65	Illegal trading - FTF	JPMorganChase	US - CFTC
7/28/14	\$86.00	Price fixing - LIBOR	Lloyds	US - DOJ
7/28/14	\$105.00	Price fixing - LIBOR	Lloyds	US - CFTC
7/28/14	\$178.50	Price fixing - LIBOR	Lloyds	UK FCA
7/25/14	\$5.00	Failing to protect customer data	Citigroup	US SEC
7/24/14	\$16.56	Sanctions - narcotics	Bank of America	US OFAC/DOJ
7/24/14	\$80.00	Fraud - Dept of Agr supplier credits	BNP Paribas	US - DOJ
7/24/14	\$275.00	Fraud - RMBS	Morgan Stanley	US SEC
7/14/14	\$7,000.00	Fraud - RMBS	Citigroup	US - DOJ
7/10/14	\$667.00	Sanctions - Iran	Commerzbank	US - DOJ/US Att NY / OFAC
7/3/14	\$49.00	Fraud - fin planning products	Commonwealth Bank	Suit - customers
7/3/14	\$225.00	Fraud - mortgages - HAMP program	Suntrust	US - DOJ
7/1/14	\$10.00	Overcharges - FHA mort service fees	HSBC	US - DOJ
6/30/14	\$8,963.60	Sanctions busting -Sudan,Iran, Cuba	BNP Paribas	US OFAC/ DOJ/FINMA
6/30/14	\$200.00	Violating FHA req	US Bancorp	US - DOJ
6/25/14	\$51.00	Misreporting non-accrual loans	Regions Bank	US FED/SEC/AG-Ala
6/19/14	\$172.50	Discrimination - race- mortgages	GE Credit	US - CFPB/DOJ
6/19/14	\$99.50	Fraud - RMBS	RBS	US FHFA
6/17/14	\$968.00	Fraud - mortgage origination	SunTrust	US DOJ/CFPB/49 States
6/16/14	\$4.08	Fraud - Misleading sales pitches	Credit Suisse	UK FCA
5/29/14	\$0.89	Excess exposure to one account	BMO	IRE - CBnk
5/23/14	\$43.81	Conflicts of interest - gold fixings	Barclays	UK FCA
5/22/14	\$0.21	Internal controls	Deutsche Bank	HK SFO
5/19/14	\$2,403.50	Tax dodging - facilitation	Credit Suisse	US DOJ/ FED/NYS DFS
5/8/14	\$0.28	Sanctions - Cuba	AIG	US Treas/OFAC
4/24/14	\$280.00	Fraud - RMBS	Barclays	US FHFA
4/22/14	\$0.21	Internal controls - unauth trading	RBS	HK SFO
4/16/14	\$950.00	Fraud - RMBS	Bank of America	Suit - insurer
4/16/14	\$99.00	Fraud - RMBS	Ernst & Young	Suit - investors

Source: JSH survey of 51 regulatory agencies+ comprehensive literature search

8. Penalties And Settlement Costs -- Global Banks, 2014

(2d.)

(Σ = \$87.0 b, 2014)

Date	(\$MMs)	Offense	Fin Institution	Plaintiff
4/9/14	\$727.00	Overcharges - credit cards	Bank of America	US - CFPB
4/7/14	\$25.00	Unfair billing practices - identity protection	Bank of America	US - OCC
4/7/14	\$1,130.00	Fraud - RMBS	Citigroup	Suit - investors
3/31/14	\$60.00	Soliciting insurance biz in NY w/o a license	MetLife	NY DFS/ Manhattan DA
3/27/14	\$0.49	Failure to protect cust data	Morgan Stanley	US - CFTC
3/26/14	\$9,300.00	Fraud - RMBS	Bank of America	US FHFA
3/26/14	\$20.42	Misleading advice to investors	Santander	UK FCA
3/24/14	\$0.20	Illegal trading - Pos limits	Morgan Stanley	US - CFTC
3/21/14	\$885.00	Fraud - RMBS	Credit Suisse	US FHFA
3/18/14	\$0.44	Breach of risk controls	Unicredit	IRE - CBnk
3/12/14	\$0.83	Fraud - CDOs	Gs Goldman Sachs	US SEC
2/27/14	\$122.00	Fraud - RMBS	Societe General	US FHFA
2/26/14	\$275.00	Fraud - RMBS	Morgan Stanley	US SEC
2/21/14	\$196.50	Unreg invest services	Credit Suisse	US SEC
2/20/14	\$1,060.00	Retaliation vs outside investor	Deutsche Bank	Suit - victims
2/19/14	\$275.00	Fraud - RMBS	RBS	Suit - investors
2/18/14	\$7.90	Overdraft fee pumping	Citigroup	Suit - customers
2/7/14	\$1,250.00	Fraud - RMBS	Morgan Stanley	US FHFA
2/4/14	\$614.00	Fraud - Mortgages- false claims	JPMorganChase	US - DOJ
1/31/14	\$8,500.00	Fraud - RMBS	BAC/Countrywide	Suit - investors
1/31/14	\$37.56	Overcharging customers	State Street Bank	UK FCA
1/29/14	\$64.42	Overcharges - personal loans	ANZ	Australia ASIC
1/28/14	\$25.00	Fraud - RMBS	Jeffries LLC	US SEC
1/27/14	\$69.10	Overcharges - credit cards	Amex Bank	US - CFPB
1/27/14	\$9.50	Sanctions - Iran	Bank of Moscow	US OFAC
1/23/14	\$151.90	Sanctions - Iran	Clearstream	US OFAC
1/23/14	\$12.62	Money laundering - PEPs	Standard Chartered	UK FCA
1/7/14	\$537.00	Fraud - Madoff	JPMorganChase	Suit - trustee
1/7/14	\$1,700.00	Money laundering - Madoff fraud	JPMorganChase	US - DOJ
1/6/14	\$350.00	Money laundering - Madoff fraud	JPMorganChase	US - OCC
1/2/14	\$0.25	False statements	SMP (Russia)	US - CFTC

Source: JSH survey of 51 regulatory agencies+ comprehensive literature search

CREDIT SUISSE - PUBLIC FINES, RESTITUTION, AND SETTLEMENTS -- FINANCIAL MISBEHAVIOR, 1998-2014

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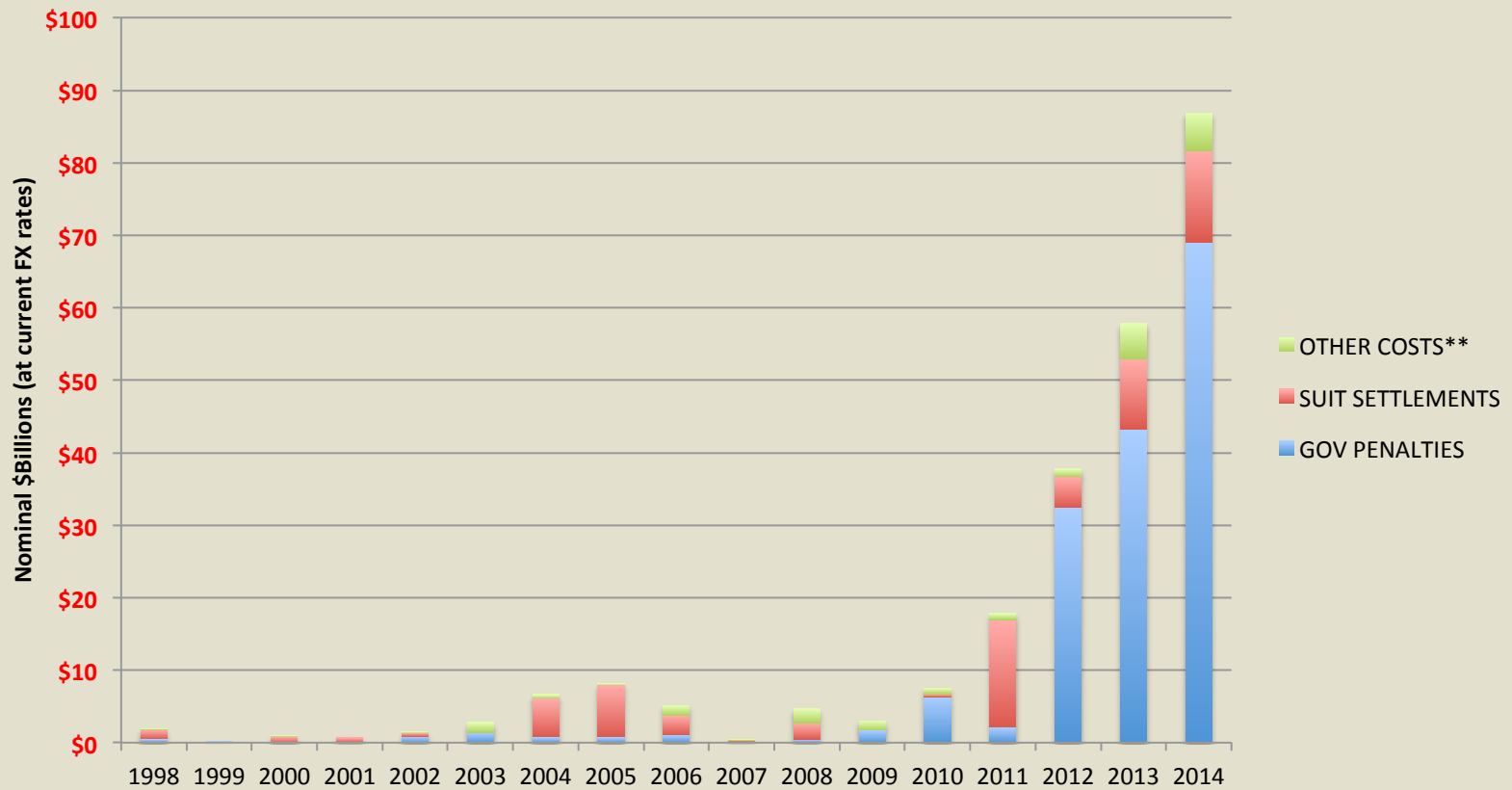
(US \$Millions)

Charged	Date	Offense	Plaintiff	Assessments** (\$MMs)	Source	
			TOTAL, 1998-2014	\$6,755.3		
1	Credit Suisse	12/12/14	Conflict of interests - investment research	US FINRA	\$5.0	http://www.cityam.com/205537/barclays-among-10-banks-fined-abusing-research-win-deals
2	Credit Suisse	10/21/14	Price fixing - Swiss Fr Deriv	EU Comm	\$11.6	http://europa.eu/rapid/press-release_IP-14-1190_en.htm
3	Credit Suisse	6/16/14	Fraud - Misleading sales pitches	UK FCA	\$4.1	http://www.fca.org.uk/news/fca-fines-credit-suisse-and-yorkshire-building-society-for-financial-promotions-failures
4	Credit Suisse	5/19/14	Tax dodging	US DOJ/ FED/NYS DFS	\$2,403.5	http://www.justice.gov/opa/pr/credit-suisse-pleads-guilty-conspiracy-aid-and-assist-us-taxpayers-filing-false-returns
5	Credit Suisse	3/21/14	Fraud-mortgage- RMBS	US FHFA	\$885.0	http://www.bloomberg.com/news/2014-03-21/credit-suisse-pays-885-million-to-settle-fhfa-mortgage-lawsuits.html
6	Credit Suisse	2/21/14	Unreg invest services	US SEC	\$196.5	http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370540816517#.VGjcc1ZSWFE
7	Credit Suisse	12/19/13	Fraud-mortgage- RMBS	US - AGs -States	\$1,000.0	http://www.bloomberg.com/news/2013-12-19/credit-suisse-fraud-exceeded-1-billion-n-j-s-hofman.html
8	Credit Suisse	6/11/13	Control failures	HK SFC	\$0.2	http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=13PR58
9	Credit Suisse	11/16/12	Fraud-mortgage- RMBS	US SEC	\$120.0	http://www.sec.gov/News/PressRelease/Detail/PressRelease/1365171486012#.VGgXQ1ZSWFE
10	Credit Suisse	3/13/12	Tipping clients w inside info re bond issues	UK FSA	\$0.3	http://www.theguardian.com/business/2012/mar/13/credit-suisse-salesman-fined-fsa
11	Credit Suisse	12/27/11	Failure to supervise - short sales	US FINRA	\$1.8	http://www.finra.org/newsroom/newsreleases/2011/p123731
12	Credit Suisse	10/25/11	Inadequate controls - SCARP products	UK FSA	\$9.5	http://www.fsa.gov.uk/library/communication/pr/2011/087.shtml
13	Credit Suisse	10/19/11	Fraud-CDOs	US SEC	\$2.5	http://www.sec.gov/litigation/admin/2011/33-9268.pdf
14	Credit Suisse	9/19/11	Tax Dodging	GER	\$206.0	http://uk.reuters.com/article/2011/09/19/creditsuisse-idUKL3E7KJ0H020110919
15	Credit Suisse	9/6/11	Fraud-mortgage- RMBS - WAMU	Suit - investors	\$10.4	http://www.structuredfinancelitigation.com/2011/09/06/wamu-settles-multidistrict-shareholder-class-action-for-105-million/
16	Credit Suisse	6/3/11	Fraud-mortgage- RMBS	Suit - investors	\$9.4	http://www.structuredfinancelitigation.com/2011/06/30/wamu-settles-shareholder-class-action-for-208-5-million/
17	Credit Suisse	5/26/11	Fraud-mortgage- RMBS	US FINRA	\$4.5	http://www.finra.org/Newsroom/NewsReleases/2011/P123731
18	Credit Suisse	8/13/10	Inapprop repricing of asset-based securities	UK FSA	\$8.7	http://www.fsa.gov.uk/library/communication/pr/2008/092.shtml
19	Credit Suisse	4/8/10	Failure to provide timely reports	UK FSA	\$6.4	http://www.fsa.gov.uk/library/communication/pr/2010/062.shtml
20	Credit Suisse	12/16/09	Sanctions	US OFAC	\$536.0	http://www.treasury.gov/resource-
21	Credit Suisse	8/10/09	Failure to post timely indep IPO research	US FINRA	\$0.3	http://www.finra.org/newsroom/newsreleases/2009/p119753
22	Credit Suisse	8/13/08	Illegal trading -- failure to manage traders	UK FSA	\$10.5	http://www.fsa.gov.uk/pages/library/communication/pr/2008/092.shtml
23	Credit Suisse	6/13/08	Fraud - securities (Parmalat)	Suit - investors	\$263.9	http://uk.reuters.com/article/2008/06/13/parmalat-idUKL1367032620080613
24	Credit Suisse	7/17/06	Inadequate disclosures in research	US FINRA	\$0.3	http://www.finra.org/newsroom/newsreleases/2006/p016962
25	Credit Suisse	5/10/06	Fraud-accounting - Enron	Suit - investors	\$60.0	http://articles.latimes.com/2006/may/10/business/ft-enron10
26	Credit Suisse	3/5/05	Fraud - securities - Worldcom	Suit - investors	\$12.5	http://www.nytimes.com/2005/03/05/business/05worldcom.html?_r=0
27	Credit Suisse	2/2/04	Failure to provide best IPO price	US FINRA	\$0.8	http://www.finra.org/newsroom/newsreleases/2004/p002855
28	Credit Suisse	4/28/03	Conflict of interests - investment research	US SEC	\$200.0	http://www.sec.gov/litigation/litleases/lr18110.htm
29	Credit Suisse	12/19/02	Misleading Japanese regulators	UK FSA	\$6.4	http://www.fsa.gov.uk/library/communication/pr/2002/124.shtml
30	Credit Suisse	8/15/02	Overcharges - hot IPOs	US FINRA	\$0.5	http://www.finra.org/newsroom/newsreleases/2002/p002918
31	Credit Suisse	1/22/02	Improper IPO allot to clients	US SEC	\$100.0	http://www.sec.gov/litigation/litleases/lr17327.htm
32	Credit Suisse	3/8/01	Vio securities laws/ concealed docs	Japan - JFSA	\$0.3	http://edition.cnn.com/2001/BUSINESS/asia/03/08/japan.creditsuisse/
33	Credit Suisse	8/13/98	Stealing money from Holocaust victims	Suit - victims	\$625.0	http://www.nytimes.com/1998/08/13/world/swiss-banks-reach-holocaust-accord.html
34	Credit Suisse	5/9/98	Fraud - securities - Orange County	Suit - investors	\$52.5	http://www.nytimes.com/1998/05/09/business/credit-suisse-first-boston-settles-suit.html
35	Credit Suisse	1/30/98	Fraud - securities - Orange County	US SEC	\$0.9	http://www.nytimes.com/1998/01/30/business/first-boston-to-pay-fine-in-orange-county-bond-offering.html

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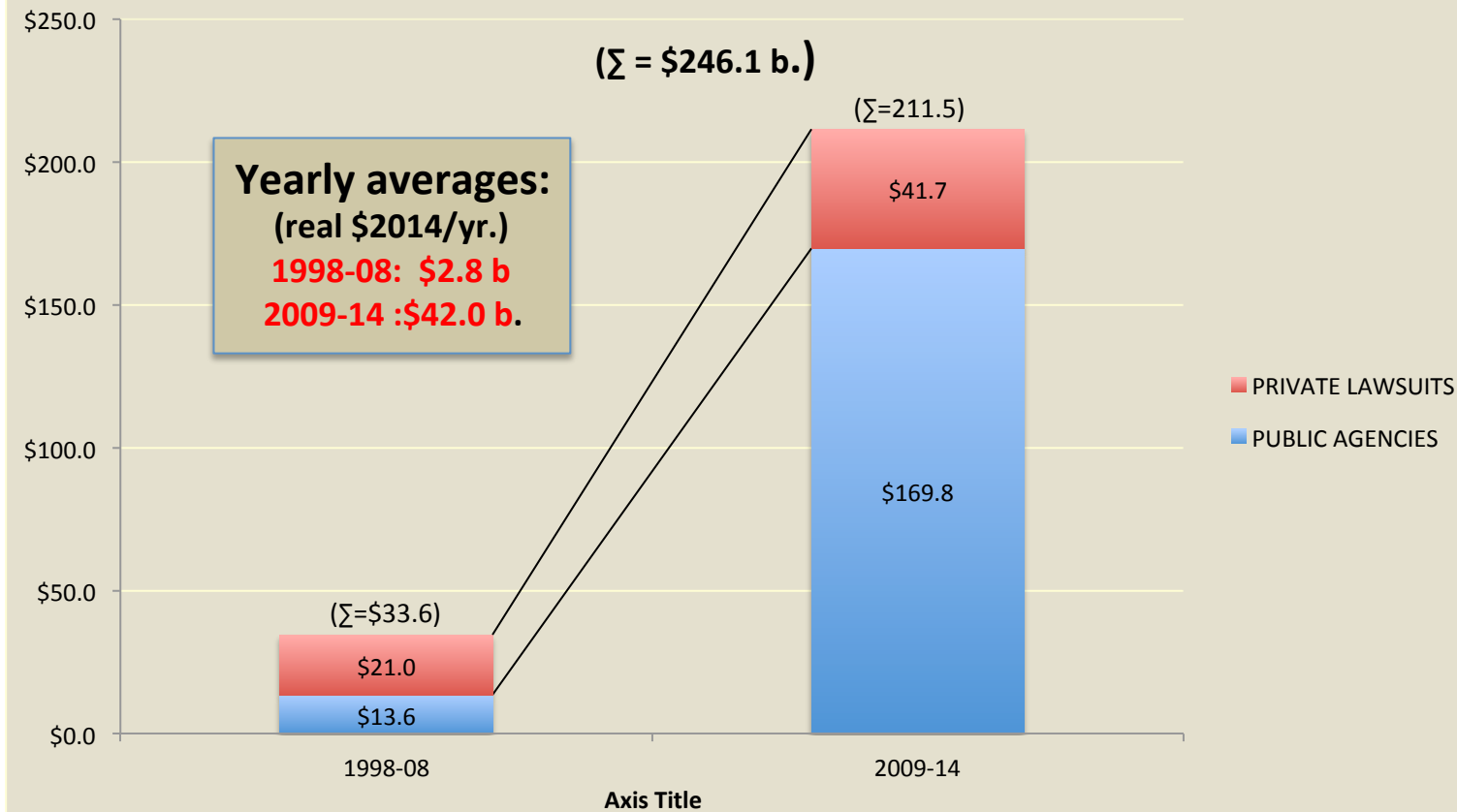
** "Assessments" = announced fines, restitution, back interest, and disgorgement, in the case of regulatory proceedings; announced settlement amounts in the case of law suits by investors, customers, or employees

10. Total Fines, Settlements, and Other Legal Costs – Global Financial Services Industry 1998-2014 ($\Sigma = \$246.1$ Billion)



Source: JSH survey of 51 regulatory agencies+ author's comprehensive literature search; see text and JSH bank fines data base. ** =Restitution, back interest, and disgorgement

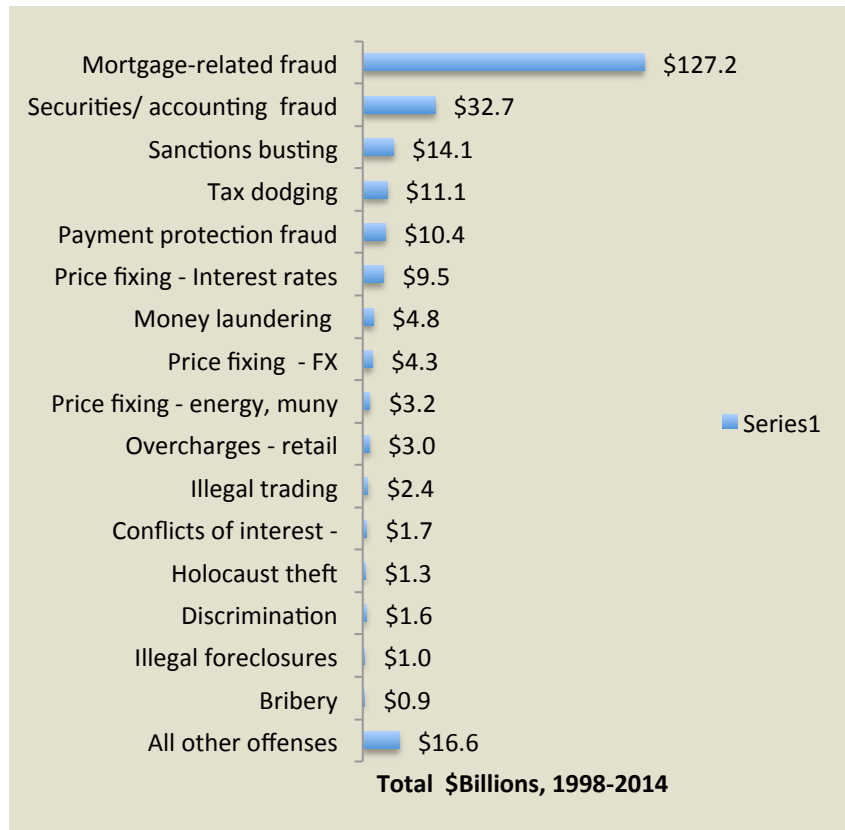
11. Regulatory Penalties Vs. Legal Settlements -- Global Financial Services Industry, 1998-2014 (\$B)



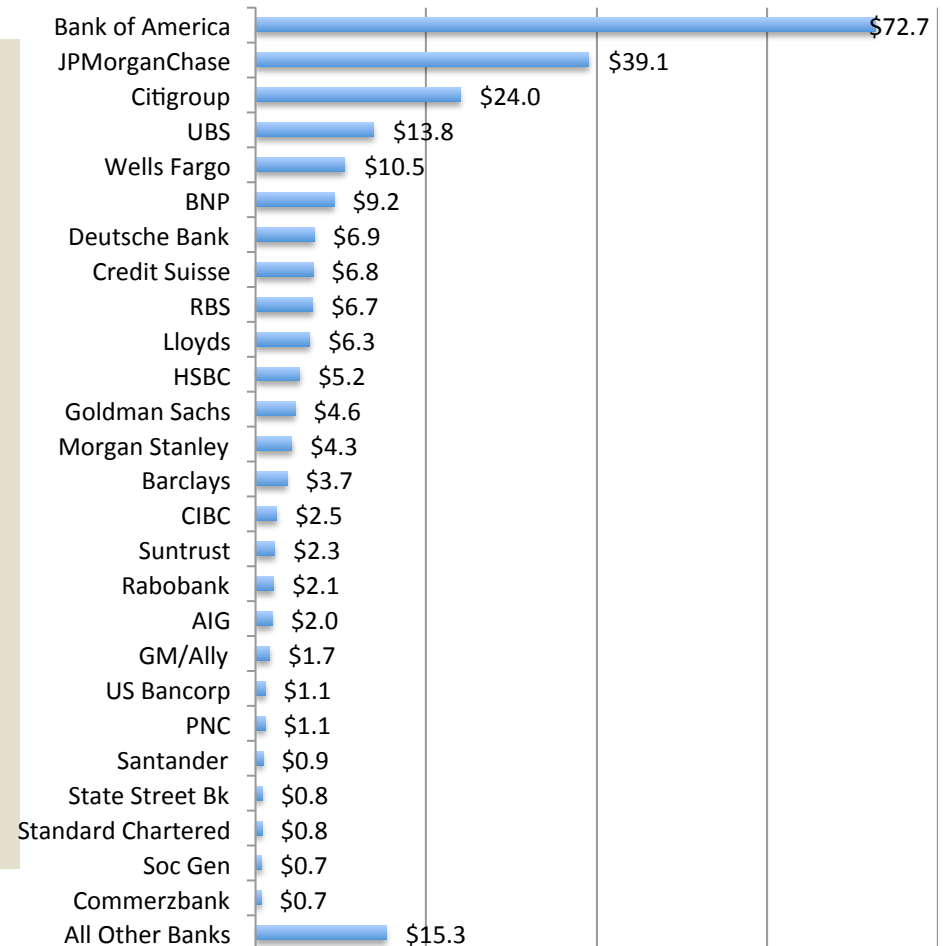
Source: JSH survey of 51 regulatory agencies+ author's comprehensive literature search; see text and JSH bank fines data base.

12. Total Assessments for Corporate Crimes By Offense and Bank, 1998-2014 (\$B)

By Alleged Offense



By Institution



Source: JSH survey of 51 regulatory agencies+ author's comprehensive literature search; see text and JSH bank fines data

13. "In the *present*, we will...**

Distribution of \$246.1 b. in Global Banking Industry Fines, Settlements, and Other Legal Levies, By Activity, 1998-2014



Source: JSH survey of 51 regulatory agencies+ author's

comprehensive literature search; see text and JSH bank fines data

(c) JSH 2015

** After HSBC's well-known ad campaign

14.

GLOBAL PRIVATE BANKING INDUSTRY: "DOES CRIME PAY?"

	Total Assets (\$B.)		Penalties,* Corp Crimes 1998-2014 (\$B)	% of 2014 Assets	% of 2014 SH Equity	% of 2014 Mkt Cap	% of Δ Assets (2000-14)	% of Real Σ EBITDA, 1998-14
	YE 2000	QIII 2014						
HSBC	\$674	\$2,729	\$5.2	0.2%	3%	3%	0.3%	1.8%
BNP Paribas	\$640	\$2,624	\$9.2	0.4%	8%	13%	0.5%	4.0%
JPMorgan Chase	\$715	\$2,527	\$39.1	1.5%	17%	17%	2.2%	11.2%
Barclays	\$473	\$2,218	\$3.7	0.2%	4%	6%	0.2%	2.4%
Credit Agricole	\$477	\$2,196	\$0.2	0.0%	0%	1%	0.0%	0.2%
Deutsche Bank	\$875	\$2,168	\$6.9	0.3%	8%	17%	0.5%	5.3%
Bank America	\$642	\$2,124	\$72.7	3.4%	30%	39%	4.9%	25.7%
Citicorp	\$902	\$1,883	\$24.0	1.3%	11%	15%	2.4%	8.4%
RBS/ ABN Amro	\$480	\$1,699	\$6.7	0.4%	7%	10%	0.5%	5.2%
Soc Gen	\$429	\$1,638	\$0.7	0.0%	1%	2%	0.1%	0.4%
Wells Fargo	\$272	\$1,637	\$10.5	0.6%	6%	4%	0.8%	3.3%
Santander	\$154	\$1,574	\$0.9	0.1%	1%	1%	0.1%	0.0%
Lloyds	\$338	\$1,391	\$6.3	0.5%	8%	8%	0.6%	4.2%
ING	\$580	\$1,257	\$0.7	0.1%	1%	1%	0.1%	0.4%
UBS	\$674	\$1,103	\$13.8	1.3%	26%	22%	3.2%	16.9%
Credit Suisse	\$399	\$999	\$6.8	0.7%	15%	17%	1.1%	7.3%
Goldman Sachs	\$290	\$869	\$4.6	0.5%	6%	6%	0.8%	2.6%
Rabobank	\$340	\$858	\$2.1	0.2%	na	na	0.4%	na
Morgan Stanley	\$427	\$815	\$4.3	0.5%	6%	5%	1.1%	3.4%
Standard Chartered	\$103	\$690	\$0.8	0.1%	2%	2%	0.1%	1.1%
BNY/Mellon	\$100	\$386	\$0.4	0.1%	1%	1%	0.1%	0.9%
Julius Baer	\$12	\$83	\$0.1	0.1%	1%	1%	0.1%	0.1%
Top 22 banks**	\$9,996	\$33,467	\$219.6	0.7%	5.8%	6.0%	0.5%	6.2%
All Others	na	na	\$26.5	na	na	na	na	na

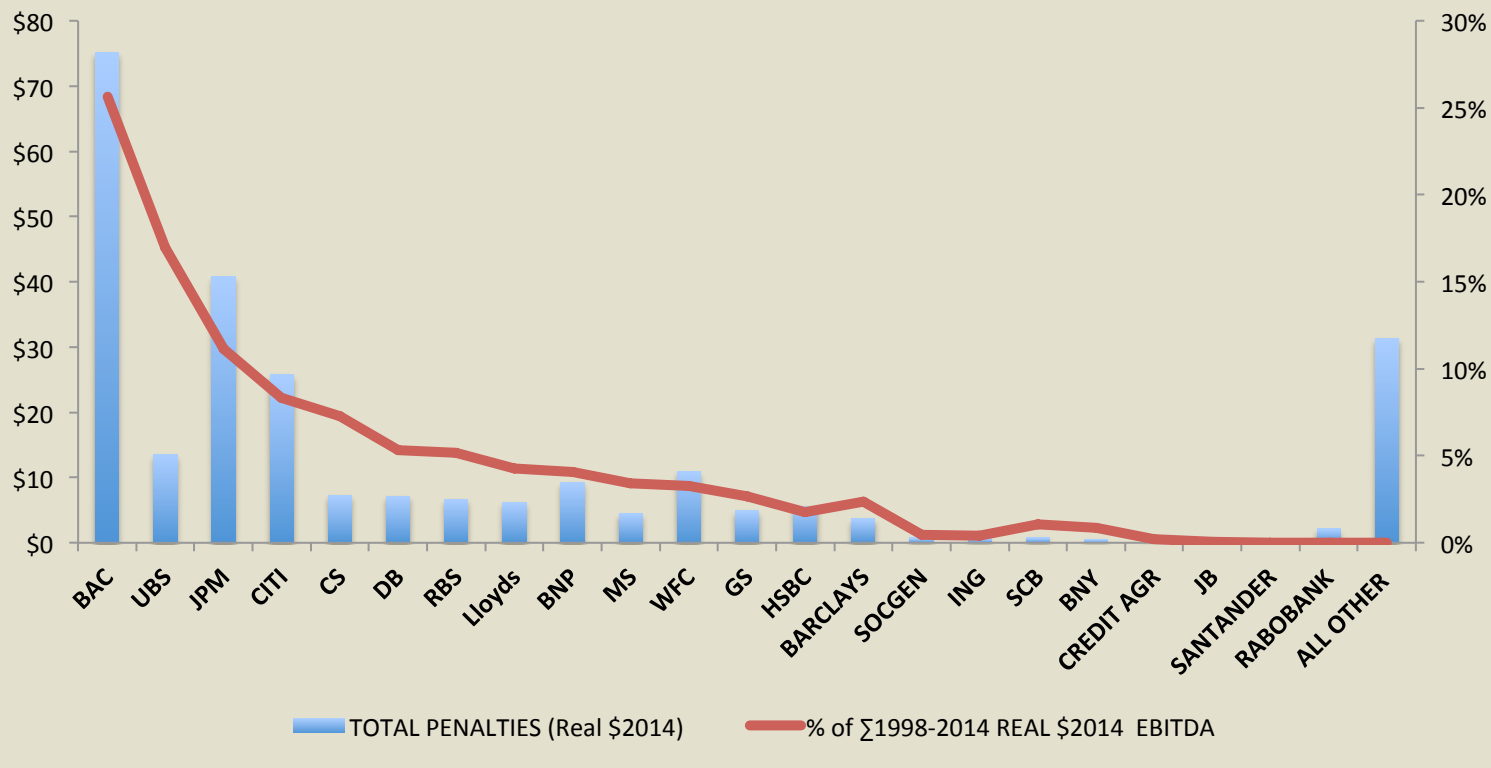
* Regulatory Fines, profit disgorgement, interest, restitution, and public suit settlements, 1998-2014

**EBITDA excludes Rabobank, a coop bank

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Source: Company 10-Ks, JSH data base on corporate financial sanctions, compiled from survey of 51 regulatory agencies in 35 countries

Top 22 Global Banks: Penalties* Vs. Cash Flow,** Cumulative Real Value, 1998-14 (%, Real \$2014 B.)



Source: SEC and company reports, for EBITDA; JSH database on bank financial Penalties (fines, disgorgement, interest, restitution, and settlements; JSH analysis

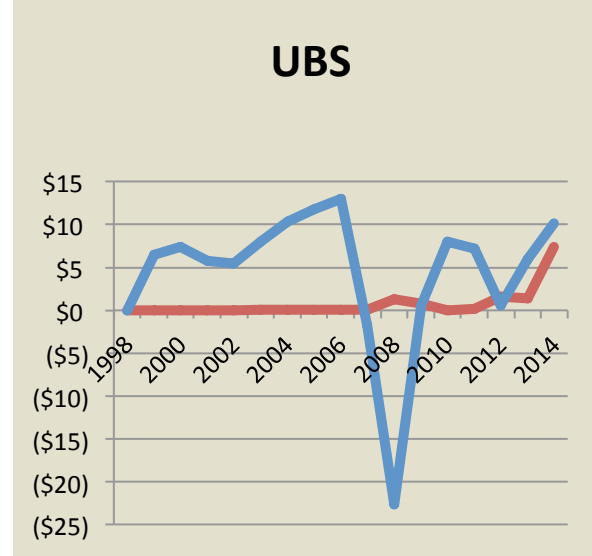
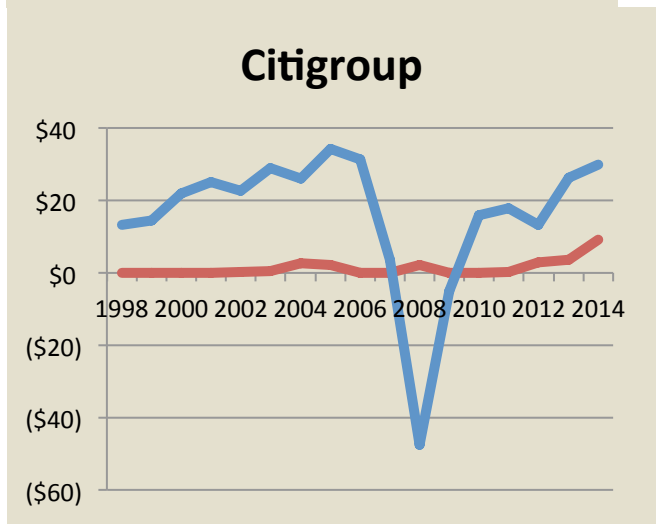
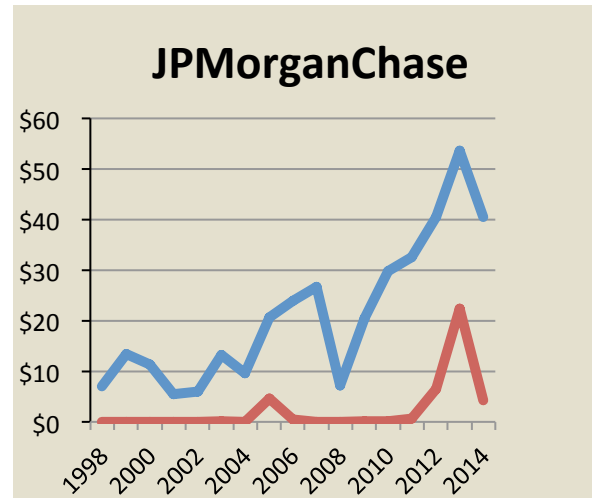
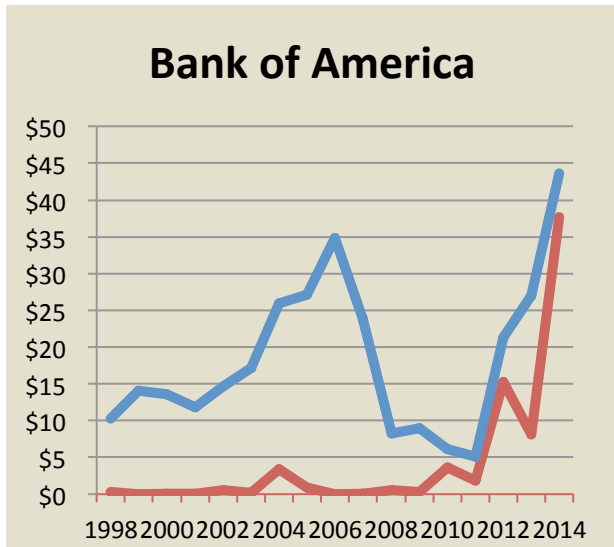
16. Global Haven Industry: Cash Flow Vs. Penalties,** 1998=2014 (22 Global Haven Banks, Current \$Billions)



**Earning before interest, taxes, and depreciation (“EBIDTA”); “penalties” = total fines, restitution, back interest, disgorgement, and reported private settlements, as of the date reported.

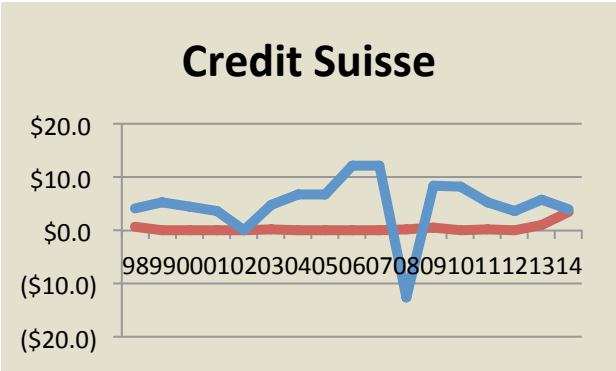
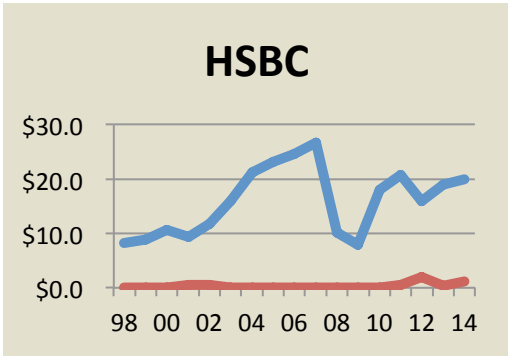
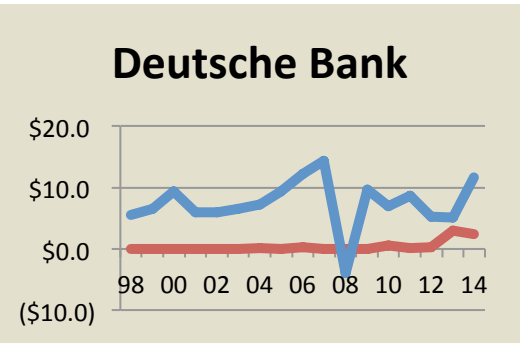
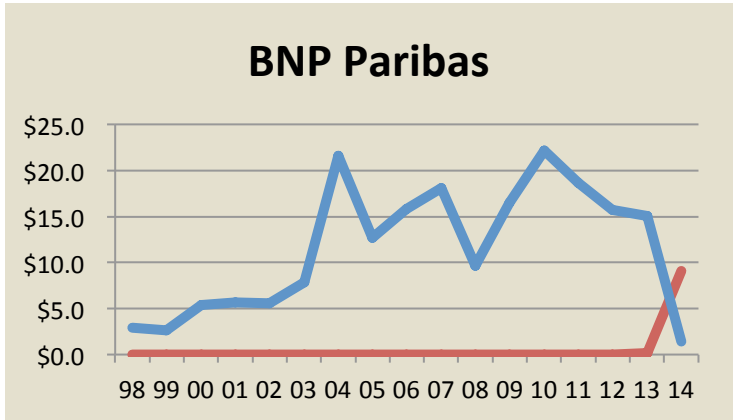
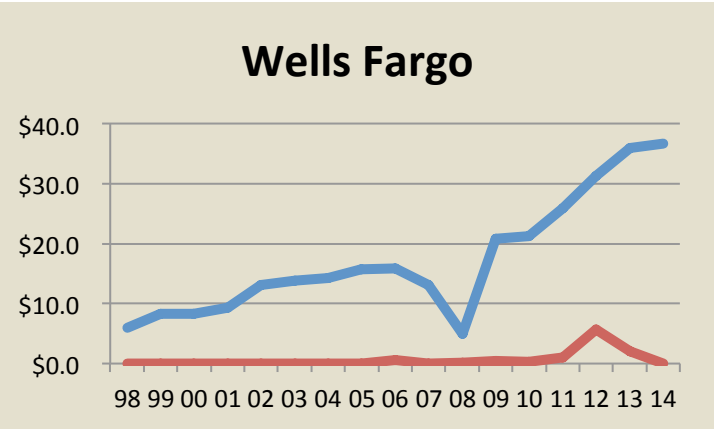
Source: SEC financial data and company reports by bank, 1998-2014; database on all reported penalties from regulatory Press releases and financial press report, s compiled by the author, 1998-2014; JSH analysis

17. Cash Flow (\$B) vs. Penalties (\$B), Major Banks 1998-2014 (Current B.)



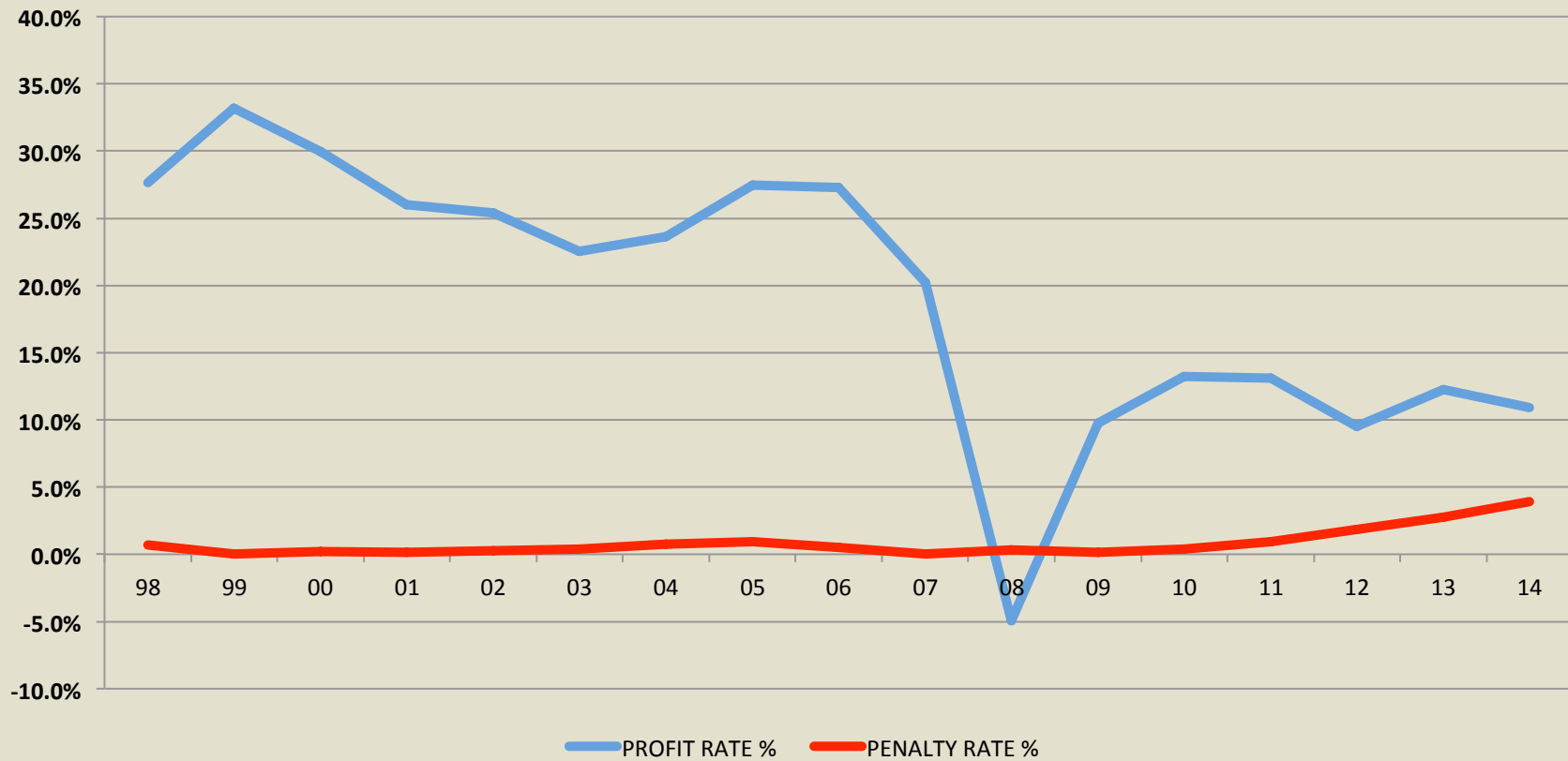
Source: SEC reports, financial data by bank, 1998-2014; JSH database on fines and settlements; JSH analysis © JSH 2015

18. Cash Flow (\$B) vs. Penalties (\$B), Major Banks 1998-2014 (Current \$B.)



Source: SEC reports, financial data by bank, 1998-2014; JSH database on fines and settlements; JSH analysis © JSH 2015

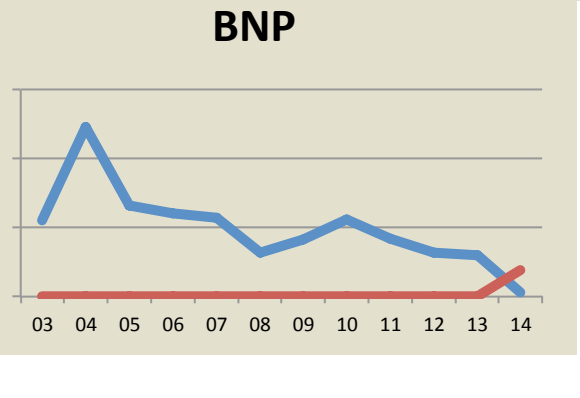
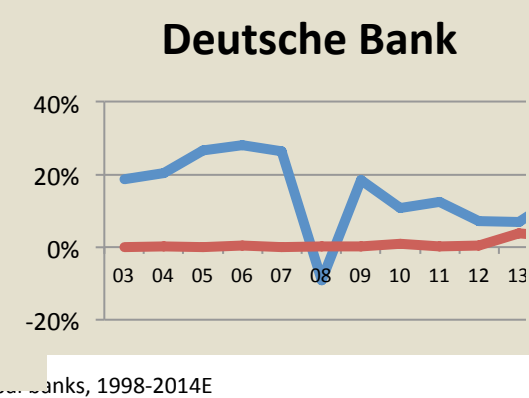
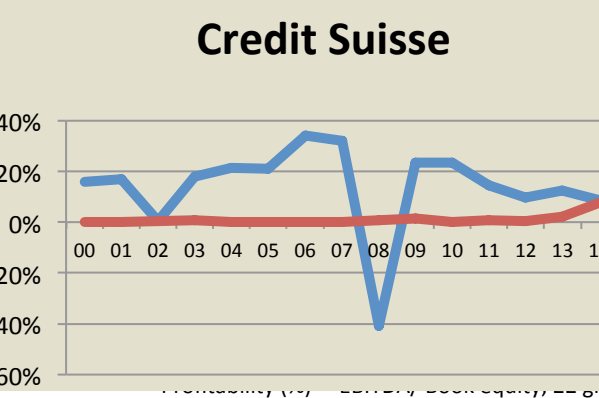
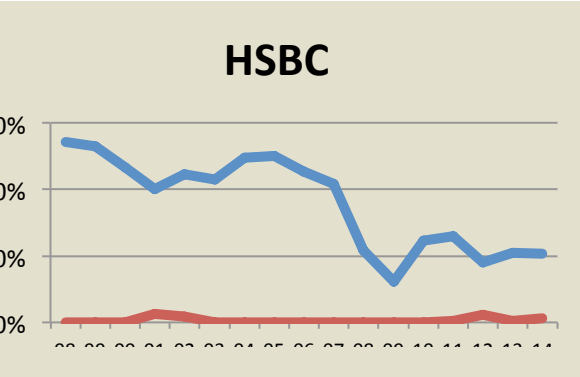
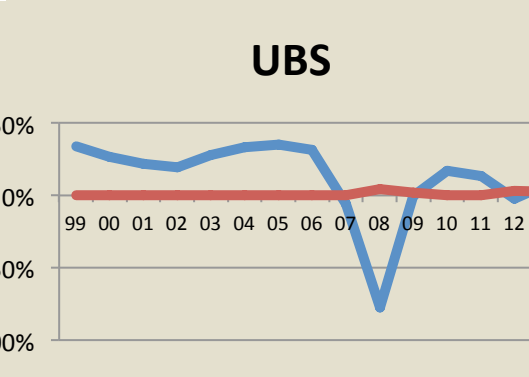
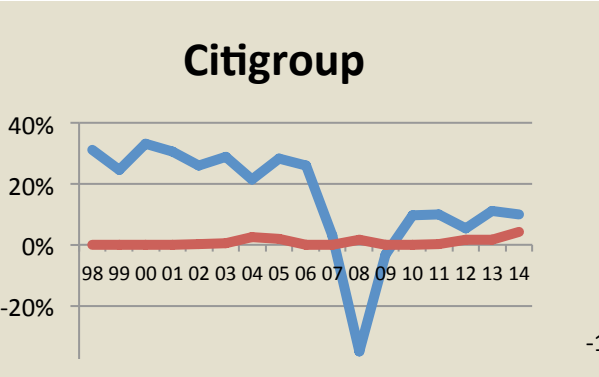
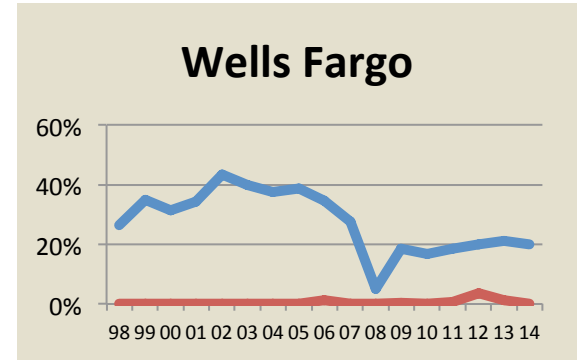
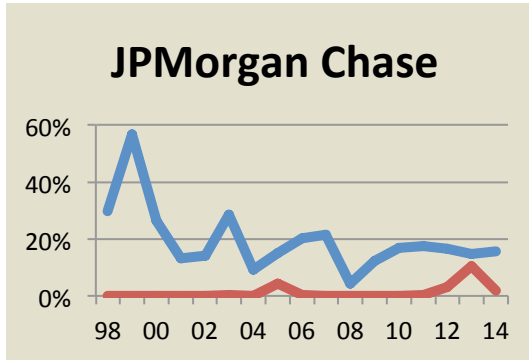
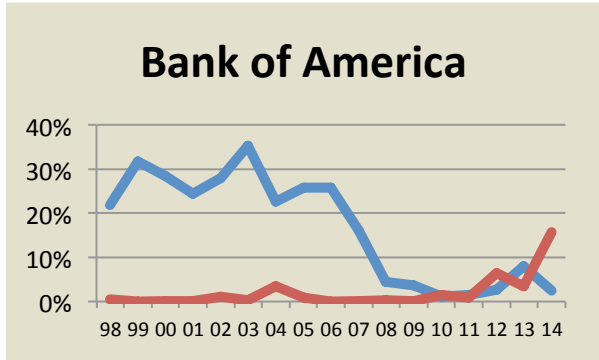
19. Profit Rate vs. Penalty Rate**: 22 Global Banks, 1998-2014 (% of book equity)



**"Profit Rate (%)" = EBITDA / Book equity, 22 global banks, 1998-2014E; "Penalty Rate" (%) = fines, other penalties, and settlements reported divided by book equity.

Source: SEC and company financial reports, financial data by bank, 1998-2014; JSH database on fines and settlement JSH analysis

20. Profit Rates** vs. Penalty Rates, 1998-2014 (%)



Profit Rates (%) = Net Income / Total Book Equity, all global banks, 1998-2014E
 Source: SEC reports, financial data by bank, 1998-2014; JSH database on fines and settlements; JSH analysis
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21.

Tax havens

The missing \$20 trillion

How to stop companies and people dodging tax, in Delaware as well as Grand Cayman

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OFFSHORE FINANCIAL ASSETS - HIGH NET WORTH INDIVIDUALS

	DECEMBER \$TR							
	2002	2004	2005	2006	2007	2008	2009	2010
BIS Non-Bank Offshore Deposits	\$2.98	\$4.05	\$4.68	\$5.97	\$7.43	\$6.93	\$6.59	\$7.01
Liquidity Ratio²								
>Minimum ³	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
>Max (ML/CG Ave) ⁴	3.0	5.0	4.9	4.6	4.5	3.6	3.8	4.5
Total Financial Assets								
>Minimum	\$10.4	\$12.1	\$14.0	\$17.9	\$22.3	\$20.8	\$19.8	\$21.02
>Max (ML/CG Ave)	\$8.9	\$20.2	\$22.9	\$27.5	\$33.4	\$24.9	\$24.7	\$31.53
Est Average	\$9.7	\$16.2	\$18.5	\$22.7	\$27.9	\$22.9	\$22.2	\$26.3

Source: BIS('04-'10) data, ML/CapGemini ('04-'10) HNWI asset allocations, our analysis

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¹ BIS Table 1: external deposit liabilities to non-banks

² Yearly average portfolio ratio, deposits to total liquid financial assets (including tradeable equities and fixed income)

³ Using TJN's very conservative assumption for the liquidity ratio, based on the 2004 McKinsey study

⁴ Using ML/CapGemini's average portfolio allocation for HNWIs, 2004-2010

23.

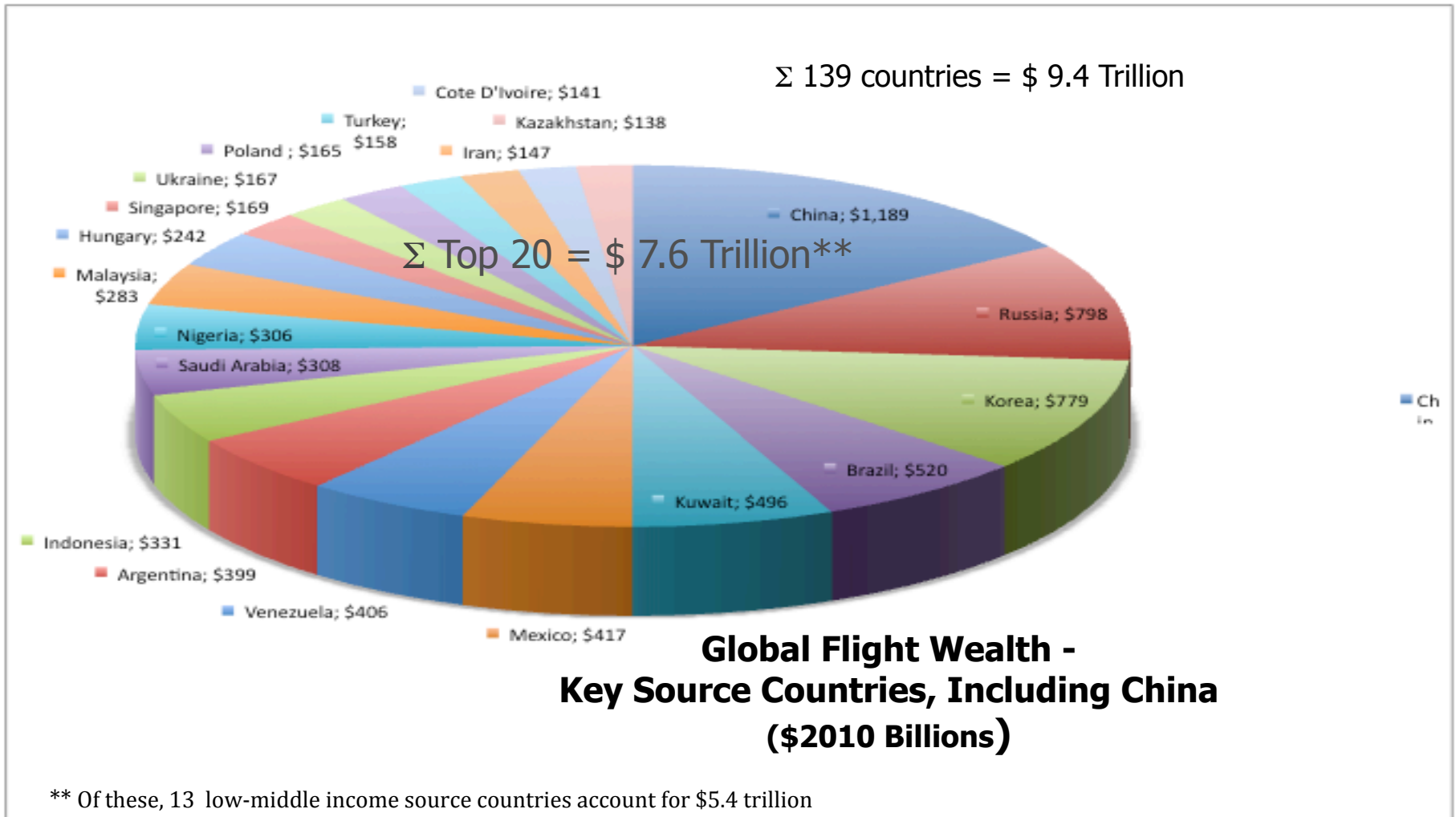
Global Distribution, Net Financial Assets - 2010

		Total Number	Ave. Net Financial Worth Per Capita (\$MM)	Total Liquid Net Worth (\$Tr.)	Of Which: "Offshore" (\$Tr.)	% of All Global Net Financial	% of All People
"Happy Few"	>\$30 MM	91,186	\$183.1	\$16.7	\$9.8	30.3%	0.001%
"Just Rich"	>\$5-\$30 MM	839,020	\$12.8	\$10.7	\$5.1	19.4%	0.01%
"Barely Rich"	>\$1-\$5 MM	8,419,794	\$2.1	\$17.4	\$4.7	31.6%	0.13%
GLOBAL ELITE	All >\$1 MM	9,350,000	\$4.4	\$44.8	\$19.6	81.3%	0.14%
EVERYONE ELSE		6,643,863,592	\$0.0016	\$10.3	\$1.0**		99.86%
TOTAL		6,653,213,592	\$0.01	\$55.1	\$20.6	100%	100%

** Foreign currency (mainly dollars and euros)

Source: ML/Cap Gemini (2001-09); World Bank data; UN Wider (07); US Treasury (09); our analysis

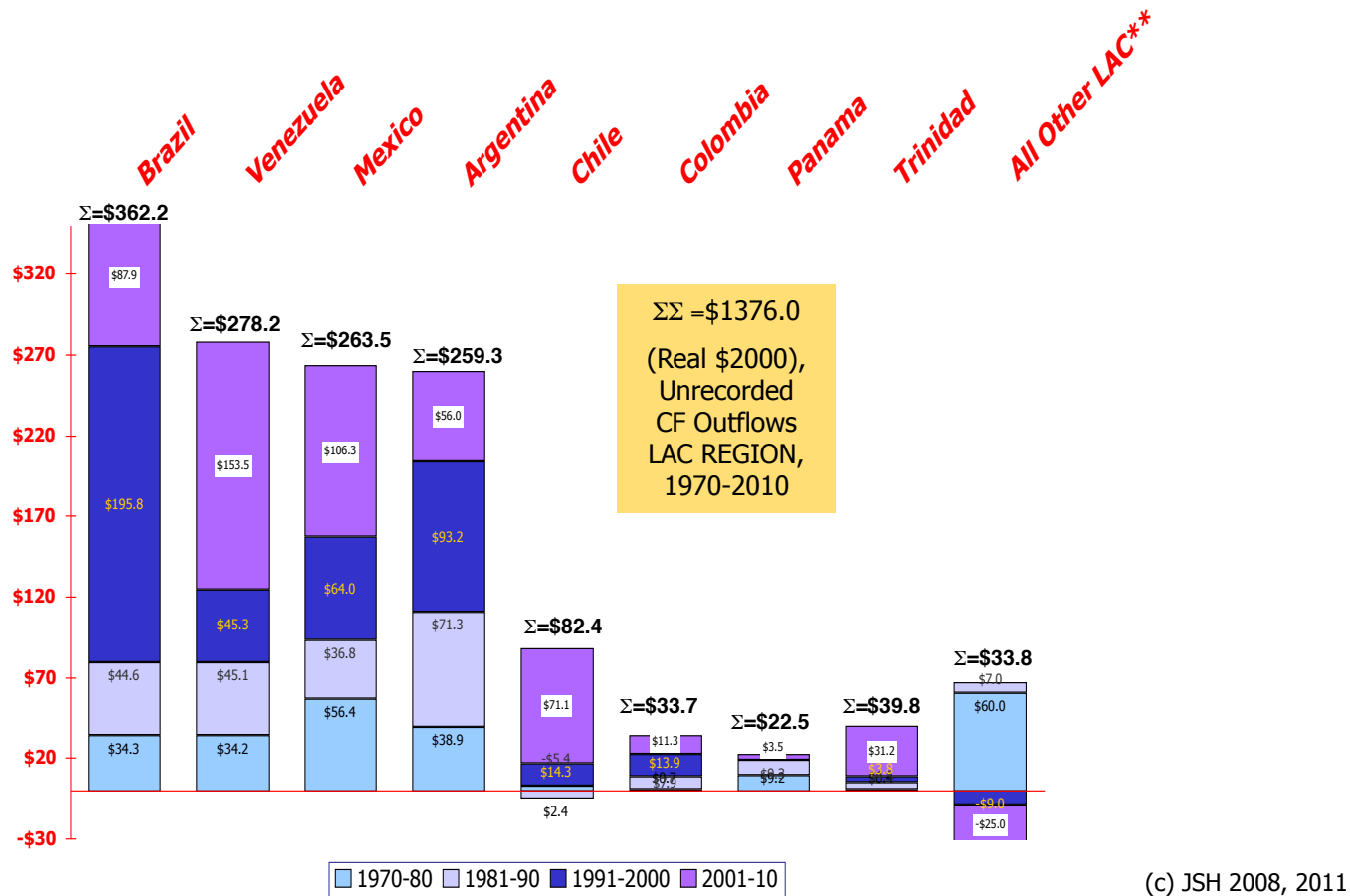
24.



Unrecorded Net Capital Outflows from Latin America, 1970-2010

(Real Value of Cumulative Net Outflows by Period, \$2000 Billions)

25



**30 other Latin American and Caribbean countries

Source: data from World Bank/ IMF (1979-2008); JSH analysis
(c) JSH 2015

UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE EARNINGS, 1970-2010

Latin American and Caribbean Region

FOREIGN DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULINGS, AND ARREARS

(Nominal and Real \$2000 Billions)
(40 countries in region - 33 with data)

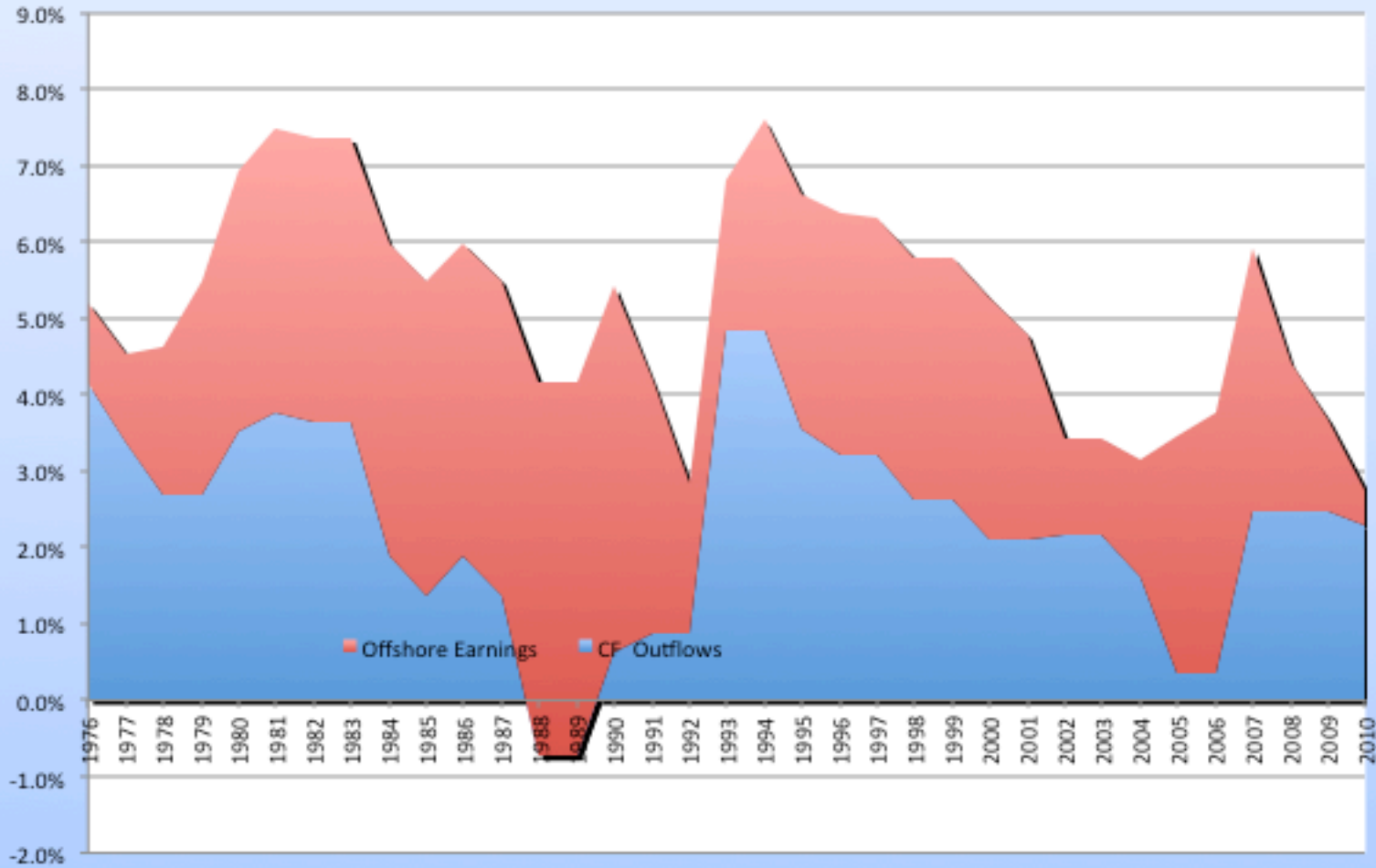
Periods	Country	Original Unrecorded Outflows		Offshore Earnings (Σ \$B.)	CF /GNI CF/Sources		Flight Stock (\$B 2010) (Nominal)	External Debt (\$B 2010) (Nominal)	CF Stock/ Ext.Debt %	Real Offshore Earnings % Orig Outflow %
		Σ Nom \$B.	Σ Real #B (\$2000)		Period Medians %	%				
1970-2010	Brazil	\$345.0	\$362.6	\$247.3	1.7%	43%	\$519.5	\$324.5	160%	68%
1970-2010	Argentina	\$213.9	\$259.3	\$272.8	3.4%	68%	\$399.1	\$129.6	308%	105%
1970-2010	Mexico	\$221.7	\$263.5	\$299.1	1.8%	36%	\$417.5	\$186.4	224%	113%
1970-2010	Venezuela	\$269.1	\$278.2	\$202.0	5.7%	82%	\$405.8	\$55.7	728%	73%
	Big Four	\$1,049.7	\$1,163.6	\$1,021.2			\$1,741.9	\$696.1	250%	88%
1975-2010	Chile	\$94.5	\$82.4	\$14.4	0.9%	43.4%	\$105.0	\$86.4	122%	17%
1970-2010	Colombia	\$32.4	\$33.7	\$21.4	0.9%	29.7%	\$47.9	\$63.0	76%	63%
1970-2010	Panama	\$14.3	\$23.3	\$37.6	9.9%	73.0%	\$37.6	\$11.4	330%	161%
1970-2010	Trinidad	\$44.3	\$39.8	\$11.6	5.4%	80.3%	\$53.0	\$4.0	1314%	29%
1970-2010	Uruguay	\$9.6	\$9.4	\$5.2	1.0%	41.5%	\$13.3	\$12.9	103%	55%
1970-2010	Dom Rep	\$7.9	\$7.9	\$3.1	1.4%	34.8%	\$10.2	\$13.1	78%	39%
1970-2010	Ecuador	\$6.3	\$11.5	\$23.6	2.1%	57.1%	\$21.6	\$14.8	146%	205%
1970-2010	Peru	\$1.7	\$3.3	\$11.7	1.68%	37.2%	\$8.1	\$36.1	22%	353%
1970-2010	El Salvador	\$8.1	\$8.5	\$5.5	1.9%	39.4%	\$11.2	\$10.1	110%	64%
1970-2010	Bolivia	\$9.5	\$11.7	\$14.3	5.2%	63.6%	\$18.4	\$5.3	349%	122%
	Next 10	\$228.6	\$231.6	\$148.3			\$326.3	\$257.0	127%	64%
	All Other LAC (n=26)	-\$23.5	-\$19.7	\$20.8	-0.6%	9.1%	-\$9.9	\$60.2	-17%	
	LAC TOTAL	\$1,255	\$1,376	\$1,190	2.5%	51%	\$2,058	\$1,013	203%	87%

Source: World Bank/IMF/ UN/central bank/CIA(data); JSH analysis

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Adjusted for Currency Composition of Debt; 75% Reinvestment Rate; Ave Yield = \$US 6 mos CD rate

New Unrecorded Capital Outflows and Imputed Offshore Earnings as a % of GNI, 1976-2010 ΣEntire LAC Region



Source: Project data models, JSH analysis