

THE 30 BANKS TO AVOID



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Dear Reader,

Welcome to *The Control Report*.

In a recent confession, U.S. Treasury Secretary Janet Yellen dropped a bombshell, indicating that only the "too big to fail" banks are safe, an admission that casts a pall over the entire U.S. banking system:

"It looks like only the top four banks — JPMorgan Chase, Wells Fargo, Bank of America and Citibank — those that are 'too big to fail,' are safe."

This statement raised eyebrows about the Biden administration's approach toward financial stability. It suggests an unsettling bias towards the 'Big Four,' sidelining smaller, community-focused banks.

It's enough to make you question: Is your money safe if it's not in these 'Big Four' banks?

What will happen to your hard-earned money once a crisis strikes?

And most important of all, what does this mean for your financial freedom?

Our analysis will shed light on the inherent risks associated with small banks, explaining why they may be less safe compared to their larger counterparts.

Thank you for joining us on this journey towards wealth-building and financial security. We are committed to helping you navigate the complex world of finance and achieve your goals.

The Vulnerability of Banks

In the midst of a turbulent financial landscape, the once-sturdy foundations of the banking sector are revealing concerning signs of weakness. Recent events, such as the collapse of Silicon Valley Bank, have shaken investors' confidence in these institutions, raising widespread fear throughout the industry.

There have been similar patterns in the withdrawals that led to the downfall of banks like Silicon Valley Bank and Signature Bank. Investors withdrew a staggering \$100 billion from First Republic in March, sparking concerns of a domino effect across the financial sector.

These worries have been exacerbated by the continuous increase in interest rates. Silicon Valley Bank, with its substantial holdings of low-yield mortgage-backed securities, suffered substantial losses when these securities were sold to meet the demands of depositors following the decline in their value due to interest rate hikes.

The consequences of this financial turmoil have been felt in the stock market as well. Financial stocks, including regional bank stocks, have experienced significant declines, with a drop of 18% in financial stocks and a steep plunge of 26% in regional bank stocks, as reported by Morningstar data as of April 28.

The Difference in Policy: Big Four vs Non-Big Four

Non-big four banks have historically faced higher failure rates, with over 500 small banks failing since 2000, while major banks have been safeguarded by government interventions.

A significant distinction lies in the current policies applied to small banks compared to large banks.

This distinction was apparent during the 2008 financial crisis when the U.S. government implemented a "too big to fail" policy, providing substantial support to major banks such as JPMorgan Chase, Wells Fargo, Bank of America, and Citibank.

Bank of America, for instance, received \$45 billion in TARP funds, averting a potential collapse that could have had catastrophic effects on the global financial system.

In contrast, other banks usually do not receive the same level of direct financial support from the government during crises.

Instead, the Federal Deposit Insurance Corporation (FDIC) steps in to manage the process of bank failure, as seen with regional and community banks during the 2008 financial crisis.

Washington Mutual, a bank heavily involved in subprime mortgages, faced the largest bank failure in U.S. history in 2008.

The FDIC eventually stepped in, seizing the bank and subsequently selling its assets to JPMorgan Chase.

The Implications

The consequences of small bank failures have severe implications for consumers and investors.

Local communities can lose access to banking services, disrupting their financial lives.

Moreover, small businesses, reliant on relationships with local banks for loans, may struggle to secure funding, impeding recovery in affected areas.

Investors, including shareholders and bondholders, face substantial financial losses, with shareholders often losing their entire investment and bondholders receiving only a fraction of their initial investment.

Although the FDIC ensures access to insured deposits up to \$250,000 per depositor, creditors may receive varying percentages or even no repayment at all.

Finding a Solution: Introducing the Unbanked Survival Guide

As the instability within our banking sector continues to escalate, the demand for reliable alternatives becomes increasingly crucial.

The global digital currency market, valued at over \$600 billion by 2022, reflects a significant shift away from traditional banking systems, emphasizing the growing need to get “unbanked”.

The Unbanked Survival Guide is the perfect solution to protect your financial well-being from potential banking system collapses.

This comprehensive guide equips you with the knowledge and strategies to achieve financial independence and security, freeing you from the vulnerabilities of our banking system.

From exploring the realm of cryptocurrencies to understanding the intricacies of precious metals space, the Unbanked Survival Guide provides the essential tools to safeguard your wealth.

The time for action is now. Safeguard your financial future from the impending crisis. Take control of your financial destiny and liberate yourself from the uncertainties of failing banks and an administration that may not prioritize your interests.

Banks to Avoid: Assessing the Risks

In the table below, we present a comprehensive list of banks to avoid, ranked based on their level of risk from Risk Level 5 (lowest) to Risk Level 1 (highest).

These banks have been rigorously vetted using our data on their past performance and business model.

Please note that the banks not included in this list carry a risk level too high for consideration in our assessment.

THE 30 RISKIEST BANKS

FROM BAD TO WORST

Risk Level 6	Risk Level 5	Risk Level 4	Risk Level 3	Risk Level 2	Risk Level 1
NO.	BANK	RISK	FURTHER EXPLANATION		
#30	Morgan Stanley	Risk Management & Compliance	<p>Morgan Stanley, as an investment bank, is exposed to high levels of market risk due to heavy involvement in trading and securities underwriting activities.</p> <p>Its insufficient stress testing and risk modelling can lead the bank to underestimate potential losses from a market downturn.</p>		
#29	Capital One	Risk Management & Compliance	<p>Capital One, with its heavy emphasis on credit card lending, is exposed to significant credit risk.</p> <p>Capital One's 2019 data breach exposed flaws in its cybersecurity risk management.</p> <p>Capital One has also faced regulatory scrutiny and fines for deceptive marketing and billing practices, indicating risk management failures.</p>		
#28	State Street Corporation	Legal or Regulatory Issues	<p>State Street is exposed to significant operational and counterparty risk along with interest rate risk, particularly in its securities portfolio.</p> <p>State Street faced fines and penalties in relation to deceptive practices in its transition management business</p>		
#27	American Express	Legal or Regulatory Issues	<p>The company appears to have relatively high credit risk, particularly in its card business, and may not be fully prepared for a spike in default rates.</p> <p>American Express has faced various regulatory fines and settlements, such as for unfair billing practices and deceptive marketing.</p> <p>It also contains cybersecurity risks, having experienced a data breach in 2018,</p>		

#26	Charles Schwab Corporation	Legal or Regulatory Issues	<p>Charles Schwab Corporation is exposed to significant market risk due to its heavy involvement in the brokerage industry. This reliance on equity markets makes it susceptible to market volatility.</p> <p>Schwab faced regulatory penalties for providing misleading information to clients about its proprietary financial product in 2011.</p>
#25	The Bank of New York Mellon	Legal or Regulatory Issues	<p>BNY Mellon faces substantial operational, counterparty risks and interest risks.</p> <p>BNY Mellon faced legal trouble in 2011 for misleading clients about the performance of its foreign exchange business.</p> <p>The bank had experienced several operational issues, including an accounting error in 2015 that disrupted the pricing of mutual funds and ETFs.</p>
#24	Citizens Financial Group	Legal or Regulatory Issues	<p>Citizens Financial Group has substantial exposure to residential real estate loans. This focus can lead to industry-specific risks and potential downturns in the housing market.</p> <p>Citizens faced regulatory fines for not properly managing its retail checking account and overdraft protection programs.</p>
#23	Fifth Third Bank	Legal or Regulatory Issues	<p>Fifth Third Bank's risk management practices could be lacking in terms of geographic diversification. Their heavy concentration in the Midwest exposes them to local economic downturns.</p> <p>Fifth Third faced a regulatory penalty for unfair and deceptive practices in its auto lending business</p>
#22	BMO USA	Legal or Regulatory Issues	<p>BMO USA has a significant exposure to the commercial real estate sector.</p> <p>Their risk management practices might not be robust enough to safeguard against downturns in the real estate market.</p> <p>BMO has faced fines and settlements related to misleading sales practices.</p>

#21	USAA	Legal or Regulatory Issues	<p>USAA's business model caters largely to military personnel and their families. While this model is a strength in its targeted niche, it exposes the bank to sector-specific risks and possible downturns in the defense sector.</p> <p>USAA has faced regulatory scrutiny and fines for issues related to its risk management and compliance practices, such as its handling of disputes about reported account errors.</p>
#20	UBS	Risk Management & Compliance	<p>As an investment bank, UBS is exposed to significant market risk due to its involvement in trading activities and securities underwriting.</p> <p>The bank has also faced several scandals over the years, such as the manipulation of benchmark rates, pointing to compliance and risk management failures.</p>
#19	Ally Financial	Legal or Regulatory Issues	<p>Ally Financial has a heavy concentration in automotive finance. Significant downturns in the automotive industry or shifts in consumer behavior could lead to increased default rates and financial instability for the bank.</p> <p>The bank has faced regulatory scrutiny and fines for its auto lending practices.</p>
#18	KeyCorp	Legal or Regulatory Issues	<p>KeyCorp's significant commercial real estate lending exposes it to sector-specific risks. If the real estate market faces a downturn, the bank could face significant financial pressure.</p> <p>KeyCorp has faced regulatory fines for unfair and deceptive practices in its debt collection practices</p>
#17	M&T Bank	Legal or Regulatory Issues	<p>M&T Bank has significant exposure to commercial and residential real estate loans, which may expose the bank to industry-specific risks and potential downturns in the real estate market.</p> <p>M&T Bank has faced regulatory scrutiny and penalties for its anti-money laundering practices.</p> <p>In 2015, M&T Bank was penalized for misleading investors about the performance of its proprietary.</p>

#16	Discover Financial	Risk Management & Compliance	<p>Discover Financial has an over-reliance on consumer lending, particularly credit cards, which make up a significant portion of their revenue.</p> <p>If left unaddressed, these flaws could result in substantial loan losses during economic downturns, potentially jeopardizing the bank's financial health.</p>
#15	First Citizens BancShares	Risk Management & Compliance	<p>First Citizens BancShares seems to have an overexposure to commercial real estate loans.</p> <p>Overexposure to CRE loans could lead to significant losses if the real estate market falters, affecting the bank's stability and potentially leading to a confidence crisis among depositors.</p>
#14	Huntington Bancshares	Legal or Regulatory Issues	<p>Huntington Bancshares has significant exposure to commercial and residential real estate loans, which may expose the bank to industry-specific risks and potential downturns in the real estate market.</p> <p>The bank has faced regulatory scrutiny over its overdraft fees.</p>
#13	Barclays	Legal or Regulatory Issues	<p>Barclays, as a global investment bank, is exposed to significant market risk. The bank's risk management practices may not fully account for extreme market events, especially in its trading and underwriting activities.</p> <p>Barclays has faced several regulatory fines and penalties, such as for manipulating benchmark rates and poor handling of customer complaints</p>
#12	Santander Bank	Legal or Regulatory Issues	<p>Santander Bank has significant exposure to emerging markets, particularly Latin America.</p> <p>Economic instability in the emerging markets could lead to increased default rates and substantial financial losses for the bank.</p> <p>Santander has faced regulatory scrutiny and penalties for unfair and deceptive practices in its auto lending and credit card businesses.</p>

#11	RBC Bank	Legal or Regulatory Issues	<p>RBC Bank's substantial involvement in residential mortgage lending exposes it to potential downturns in the real estate market.</p> <p>The bank has faced regulatory fines for issues related to its anti-money laundering practices.</p>
#10	Ameriprise	Legal or Regulatory Issues	<p>Ameriprise, with its heavy focus on wealth management and financial planning services, might be exposed to market volatility and risks associated with fluctuations in financial markets.</p> <p>Ameriprise has faced various regulatory fines and settlements for issues ranging from inappropriate mutual fund sales practices to inadequate disclosure of conflicts of interest, suggesting risk management failures.</p> <p>The firm also faced legal action related to data breaches.</p>
#9	Regions Financial Corporation	Legal or Regulatory Issues	<p>Regions Financial Corporation, with significant exposure to the Southeastern U.S., are exposed to regional economic risks.</p> <p>The bank has faced regulatory fines for unfair and deceptive practices in its overdraft program.</p>
#8	HSBC Bank USA	Legal or Regulatory Issues	<p>As a part of a global banking group, HSBC USA could be exposed to international risks, including geopolitical uncertainties and fluctuations in global markets.</p> <p>HSBC has faced massive penalties for anti-money laundering and sanctions violations, pointing to serious failures in its risk management practices.</p>
#7	TD Bank, N.A	Risk Management & Compliance	<p>TD Bank's significant involvement in residential mortgage lending exposes it to potential downturns in the real estate market. If the real estate market suffers a significant downturn, the bank could face substantial losses, undermining its financial stability.</p>

			<p>Furthermore, TD Bank faced a hefty fine in 2010 due to its involvement in a Ponzi scheme, indicating compliance and due diligence weaknesses.</p> <p>The bank has faced criticism and legal action over its overdraft fees, suggesting flaws in its risk management and customer relations practices.</p>
#6	Northern Trust	Legal or Regulatory Issues	<p>Northern Trust, with its emphasis on asset management, is exposed to market volatility and risks associated with fluctuations in financial markets.</p> <p>Northern Trust has faced regulatory fines related to misleading pricing practices. The firm also faced criticism and legal action over its foreign exchange practices.</p>
#5	Truist Financial	Risk Management & Compliance	<p>Truist (formerly BB&T and SunTrust) faced a \$1.1 million penalty in 2020 for misleading investors, indicating shortcomings in their compliance and risk management practices.</p>
#4	PNC Financial Services	Legal or Regulatory Issues	<p>PNC had to pay a \$35 million settlement in 2013 over discriminatory lending practices, indicating a lack of oversight and effective risk management in its lending operations.</p>
#3	U.S. Bancorp	Legal or Regulatory Issues	<p>U.S. Bancorp was hit with a \$613 million penalty in 2018 for willful failures to maintain adequate anti-money laundering controls. This pointed to serious deficiencies in its risk management practices and non-compliance with banking laws.</p>
#2	Goldman Sachs	Legal or Regulatory Issues	<p>Involvement in the 1MDB scandal indicated serious flaws in Goldman Sachs's compliance and due diligence processes.</p>
#1	BNP Paribas	Legal or Regulatory Issues	<p>BNP Paribas faced massive fines for violating U.S. sanctions</p>