Alternatives to Big Banks - Where to Move Your Money

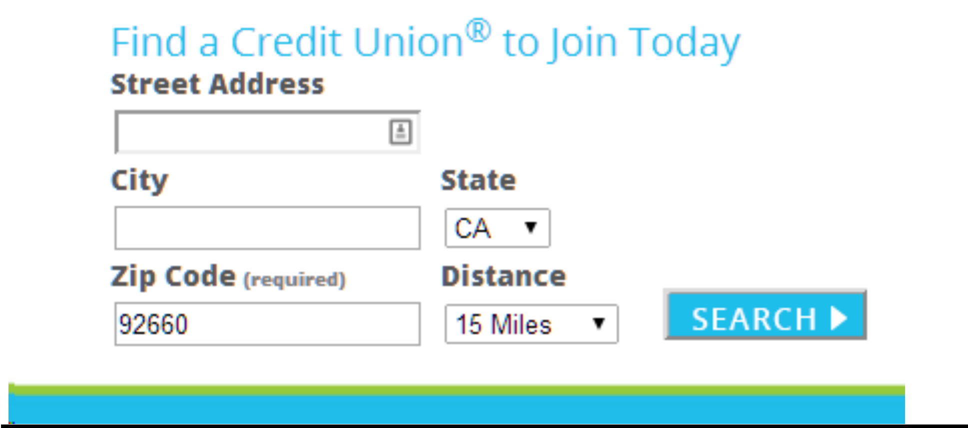
Credit Unions

<table>
<tr><th>Finding a Credit Union</th><th>How to locate the Information</th></tr>
<tr><td>

To find a local credit union go to http://www.asmarterchoice.org

Key in your zip code, select a distance and press Search.

</td><td>

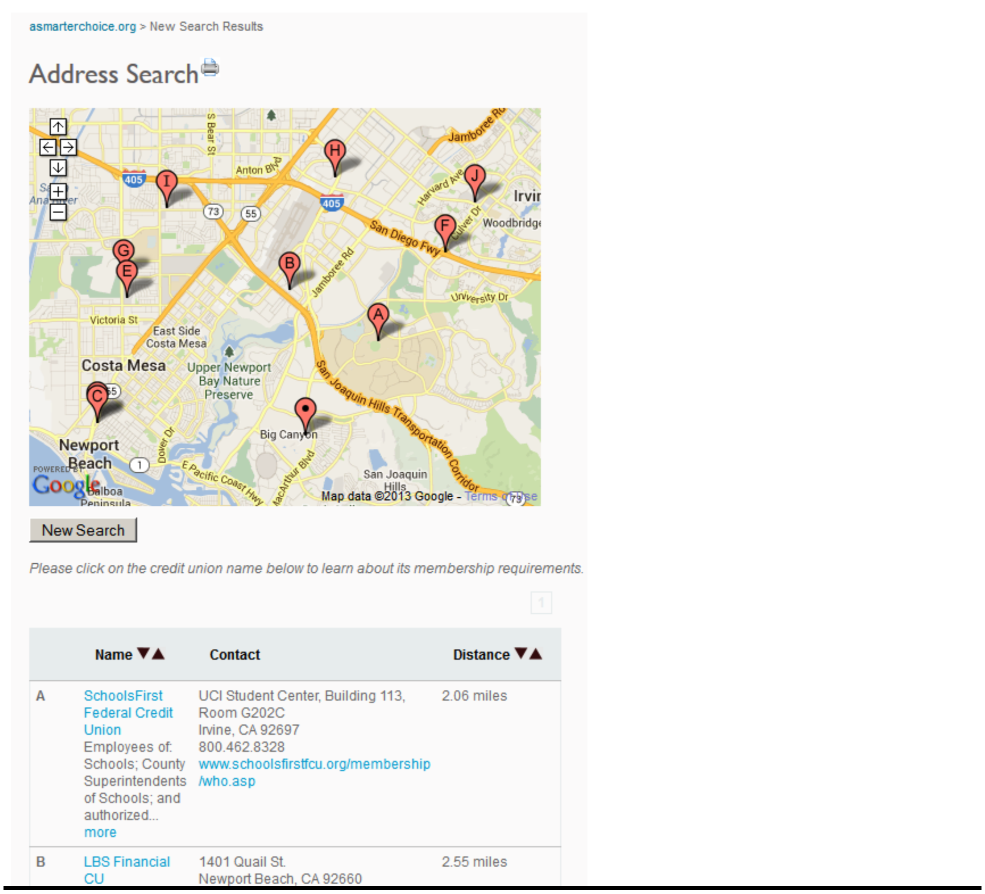


</td></tr>
<tr><td>

The "Search" will yield a screen similar to the following:

go to the credit union's website and see if you are eligible to become a member.

</td><td>



</td></tr>
</table>

After identifying a credit union where you qualify as a member, go to https://www.bankrate.com/rates/safe-sound/bank-ratings-search.aspx to see how that particular financial institution is rated.

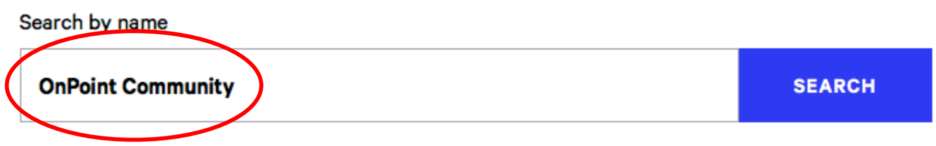
Search for Safe Financial Institutions

Updated on 11/16/2017

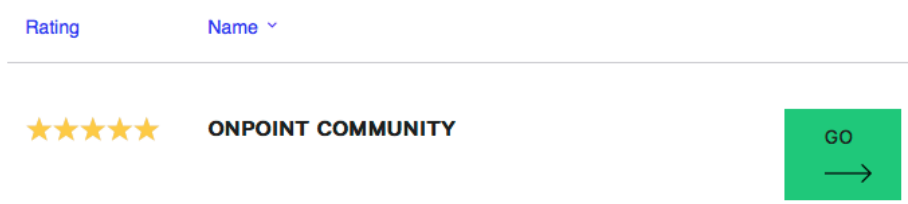
The Safe & Sound ratings system employs several tests to measure the capital adequacy, asset quality and profitability of each rated financial institution. Individual performance levels are determined from publicly available regulatory filings and are compared to industry standards and key absolute benchmarks. Combined results form the basis for our star ratings. Learn about our scoring methodology.

By clicking the "Search" button below, I agree that I have read and agree to the Terms of Use of Safe & Sound Ratings and Reports, as well as Bankrate.com's Terms of Use. By clicking the "Search" button below, I also agree that I have read and understand Bankrate's Privacy Policy.

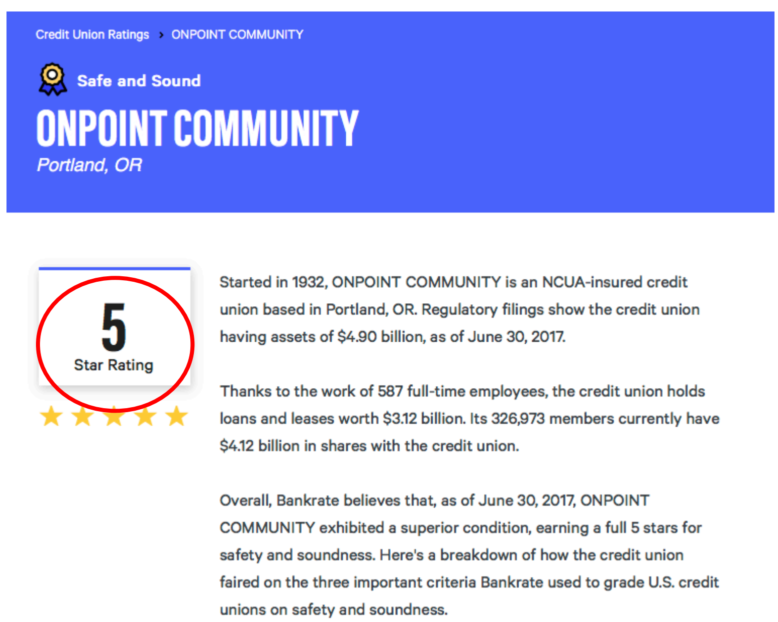
Key in the credit union's name and hit Search.



Select the Credit Union by clicking the Go key.



Stick to 4 or 5-star credit unions if possible. A 3-star institution, while not as desirable, is still far better than a big bank to avoid becoming a victim of a Bail-In.



Started in 1932, ONPOINT COMMUNITY is an NCUA-insured credit union based in Portland, OR. Regulatory filings show the credit union having assets of $4.90 billion, as of June 30, 2017.

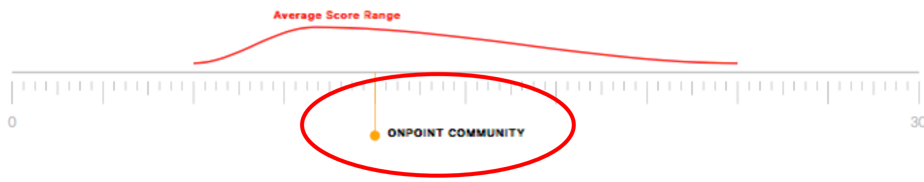
Thanks to the work of 587 full-time employees, the credit union holds loans and leases worth $3.12 billion. Its 326,973 members currently have $4.12 billion in shares with the credit union.

Overall, Bankrate believes that, as of June 30, 2017, ONPOINT COMMUNITY exhibited a superior condition, earning a full 5 stars for safety and soundness. Here's a breakdown of how the credit union faired on the three important criteria Bankrate used to grade U.S. credit unions on safety and soundness.

Page down from the first page of the report and you will see additional financial scores relevant to the selected institution. These include: 1. Capital Score 2. Asset Quality Score 3. Earnings Score	(see right column content below)

THE INSTITUTION'S SCORE

Capital Score

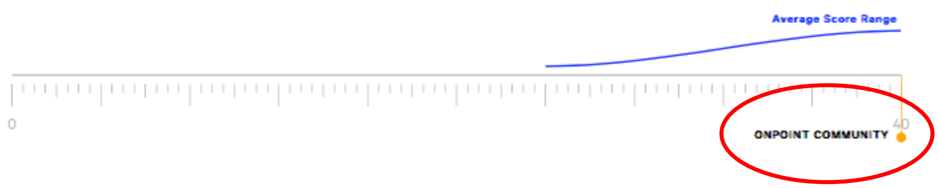


Capital works as a buffer against losses and as protection for members when a credit union is struggling financially. It follows then that when it comes to measuring an an institution's financial stability, capital is crucial. When looking at safety and soundness, more capital is better.

ONPOINT COMMUNITY came in below the national average of 15.26 on our test to measure capital adequacy, racking up 12 out of a possible 30 points.

ONPOINT COMMUNITY's capitalization ratio of 11.00 percent in our test was below the average for all credit unions, a sign that it could be less resilient in a crisis than its peers.

Asset Quality Score



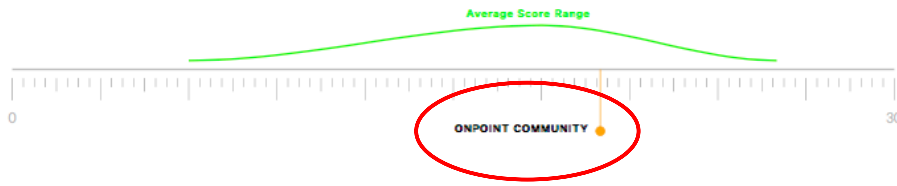
In this test, Bankrate tries to determine the effect of troubled assets, such as unpaid loans, on the credit union's capitalization and allocated loan loss reserves.

Having lots of these types of assets may eventually force a credit union to use capital to absorb losses, decreasing its equity buffer. It also means that there are likely to be many assets that are in non-accrual status and no longer earning interest for the credit union, resulting in diminished earnings and potentially more risk of a future failure.

On Bankrate's test of asset quality, ONPOINT COMMUNITY scored 40 out of a possible 40 points, above the national average of 38.15 points.

A lower-than-average ratio of problem assets of 1.00 percent in our test was potentially indicative of superior financial strength compared to other credit unions.

Earnings score



A credit union's profitability has an effect on its safety and soundness. A credit union can retain its earnings, increasing its capital buffer, or use them to deal with problematic loans, likely making the credit union better able to withstand financial trouble. Losses, on the other hand, reduce a credit union's ability to do those things.

ONPOINT COMMUNITY received above-average marks on Bankrate's earnings test, achieving a score of 20 out of a possible 30.

One sign that the credit union is outperforming its peers in this area was its earnings ratio of 12.00 percent in our test, above the average for all credit unions.

Community Banks

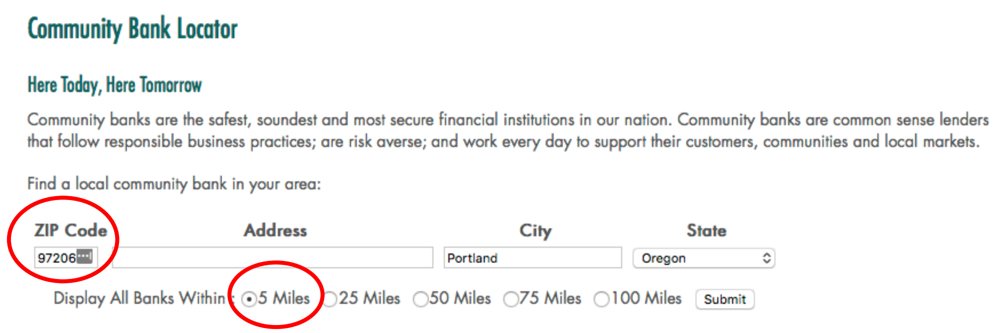
<table>
<tr><th>Finding a Community Bank</th><th>How to locate the Information</th></tr>
<tr><td>

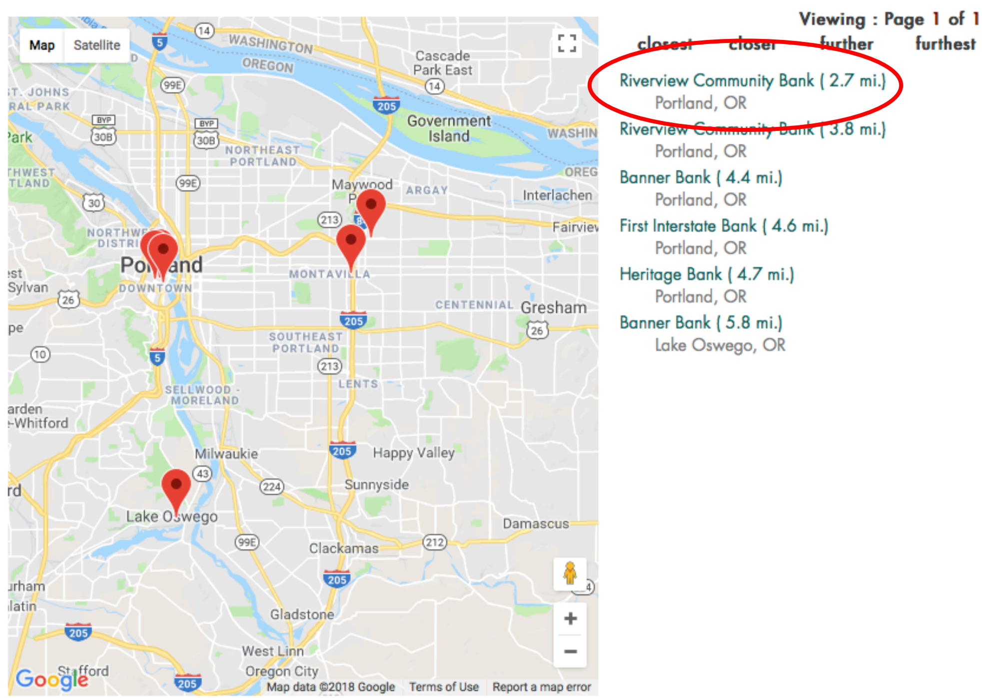
To find a community bank go to the locator at http://www.icba.org/go-local/take-part/bank-locator

Key in your zip code, select a distance and press Submit.

The “Submit” will yield a report similar to the one on the right. Print this screen.

</td><td>





</td></tr>
</table>

Search for Safe Financial Institutions

Updated on 11/16/2017

After identifying a possible community bank to deposit your money, go to https://www.bankrate.com/rates/safe-sound/bank-ratings-search.aspx to see how that particular financial institution is rated.

The Safe & Sound ratings system employs several tests to measure the capital adequacy, asset quality and profitability of each rated financial institution. Individual performance levels are determined from publicly available regulatory filings and are compared to industry standards and key absolute benchmarks. Combined results form the basis for our star ratings. Learn about our scoring methodology.

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Key in the bank's name and hit Search. Be sure to type only the name and not the word bank.

Search by name

Riverview Community

SEARCH

Search for Safe Financial Institutions

Updated on 11/16/2017

The Safe & Sound ratings system employs several tests to measure the capital adequacy, asset quality and profitability of each rated financial institution. Individual performance levels are determined from publicly available regulatory filings and are compared to industry standards and key absolute benchmarks. Combined results form the basis for our star ratings. Learn about our scoring methodology.

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Search by name

Riverview Community	SEARCH

Rating	Name	
★★★★☆	**RIVERVIEW COMMUNITY**	GO →
★★★★☆	**Riverview Community Bank**	GO →

There may be many banks listed. Find the correct one by hitting the Go key and reviewing the information. In this case the first entry is located in Saint Clair, MI and the second is in Vancouver, WA. Since we are looking of a community bank in Portland Oregon, the 2nd entry is the valid one.

Community banks are analyzed differently than credit unions. Only a 4 or 5-star institution should be selected but other things need to be considered.

Bank Ratings › Riverview Community Bank

Safe and Sound

Riverview Community Bank

Vancouver, WA

4

Star Rating

★★★★☆

Riverview Community Bank is a Vancouver, WA-based, FDIC-insured bank started in 1923. The bank has equity of $133.2 million on $1,124,026,000 in assets, according to June 30, 2017, regulatory filings.

U.S. bank customers have $981.0 million on deposit at 19 offices in multiple states run by 254 full-time employees. With that footprint, the bank currently holds loans and leases worth $787.7 million, $703.9 million of which are for real estate.

Overall, Bankrate believes that, as of June 30, 2017, Riverview Community Bank exhibited a good condition, earning 4 out of 5 stars for safety and soundness. Keep reading for a look at how the bank faired on the three key criteria Bankrate used to score American banks.

Page down from the first page of the report and you will see additional financial scores relevant to the selected institution. These include:

1. Capital Score
2. Asset Quality Score
3. Earnings Score

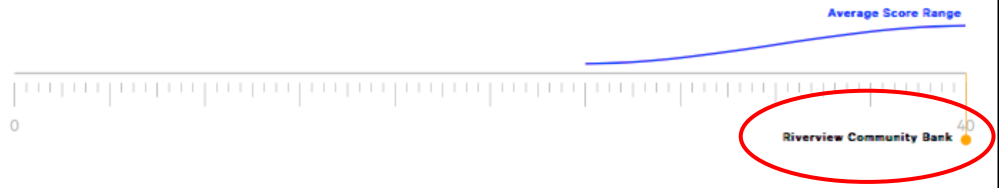
Capital Score

When it comes to measuring an an institution's financial strength, capital is key. It works as a buffer against losses and affords protection for depositors when a bank is experiencing financial trouble. From a safety and soundness perspective, the higher the capital, the better. Riverview Community Bank received a score of 10 out of a possible 30 points on our test to measure capital adequacy, less than the national average of 13.38.

One way to measure this buffer is looking at a bank's Tier 1 capital ratio. Riverview Community Bank's Tier 1 capital ratio was 13.16 percent, higher than the 6 percent level considered adequate by regulators, but below the national average of 25.16 percent. The higher the capital ratio, the better the bank will be able to stand up to financial headwinds.

Overall, Riverview Community Bank held equity amounting to 11.85 percent of its assets, which was lower than the national average of 12.10 percent.

Asset Quality Score



This test is intended to try to understand how the bank's reserves set aside to cover loan losses, as well as overall capitalization could be affected by problem assets, such as unpaid mortgages.

A bank with a large number of these types of assets could eventually be required to use capital to absorb losses, decreasing its cushion of equity. Many of those assets are also likely to be in non-accrual status and thus aren't earning interest for the bank, diminishing earnings and increasing the chances of a failure in the future.

Riverview Community Bank scored above the national average of 37.62 on Bankrate's asset quality test, racking up 40 out of a possible 40 points .

The percentage of problem assets a bank holds compared to its total assets is a widely used indicator of asset quality.As of June 30, 2017, 0.35 percent of Riverview Community Bank's loans were noncurrent -- in other words, they were more than 90 days past due or were in non-accrual status. That's below the national average of 1.04 percent.

Banks keep a reserve known as an "allowance for loan and lease losses" to deal with problem assets . That reserve's size can be a handy indicator when evaluating a bank's ability to manage problem assets, especially when compared to the total amount of problematic loans. Unfortunately, the FDIC did not provide information on Riverview Community Bank's loan loss allowance in its most recent filings.

Earnings score

A bank's earnings performance has an effect on its safety and soundness. Earnings can be retained by the bank, boosting its capital buffer, or be used to deal with problematic loans, likely making the bank better prepared to withstand economic trouble. Losses, on the other hand, reduce a bank's ability to do those things.

Riverview Community Bank scored 16 out of a possible 30 on Bankrate's earnings test, less than the national average of 16.52.

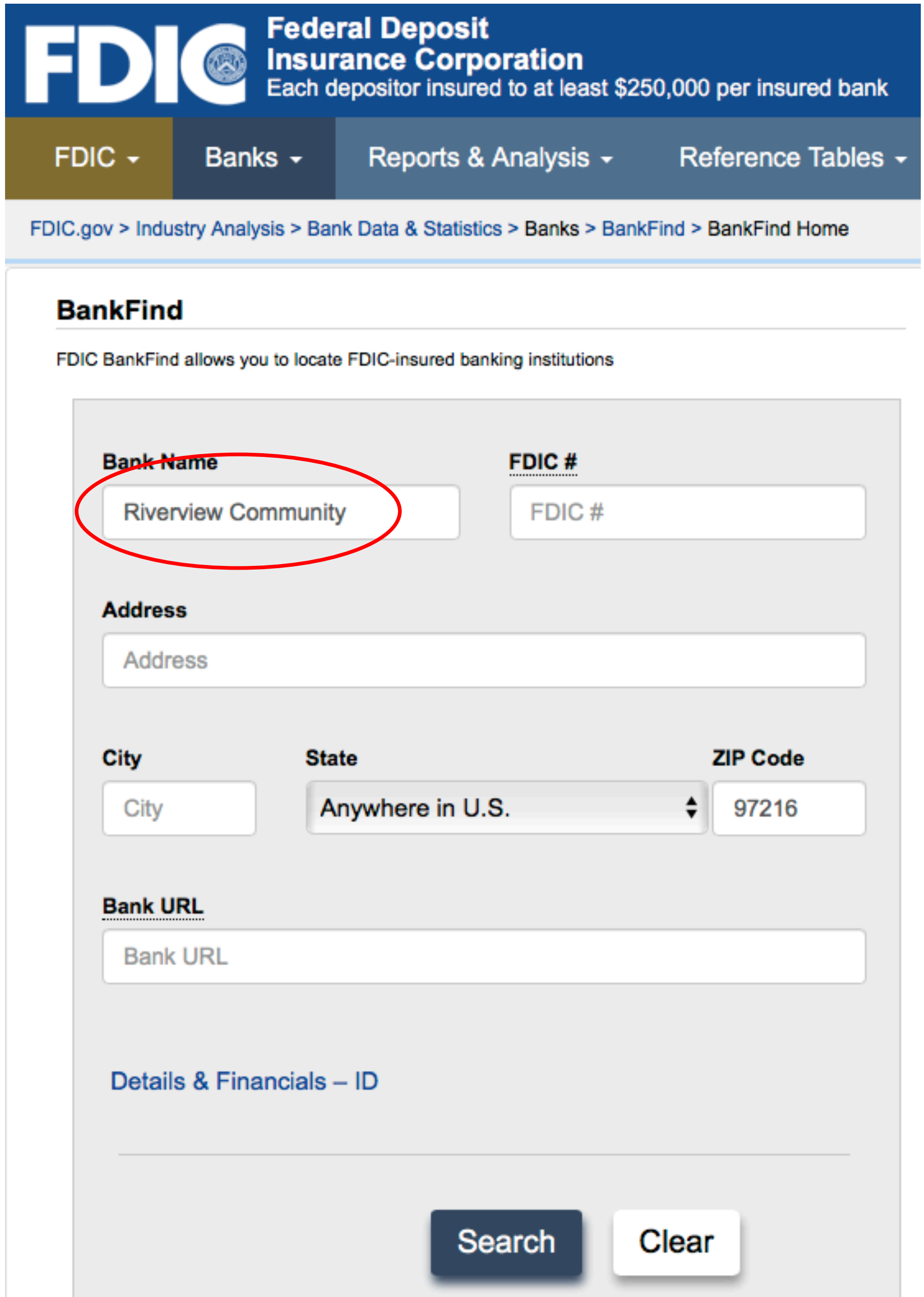
Return on equity, calculated by dividing net income (profit, essentially) by total equity, is one important way to measure a bank's earnings. Riverview Community Bank's most recent annualized quarterly return on equity was 7.69 percent, below the national average of 9.28 percent.

For the twelve months ended June 30, 2017, the bank recorded net income of $5.0 million on total equity of $133.2 million. The bank had an annualized return on average assets, or ROA, of 0.93 percent, below the 1 percent deemed satisfactory in accordance with industry standards and below the average for U.S. banks of 1.14 percent.

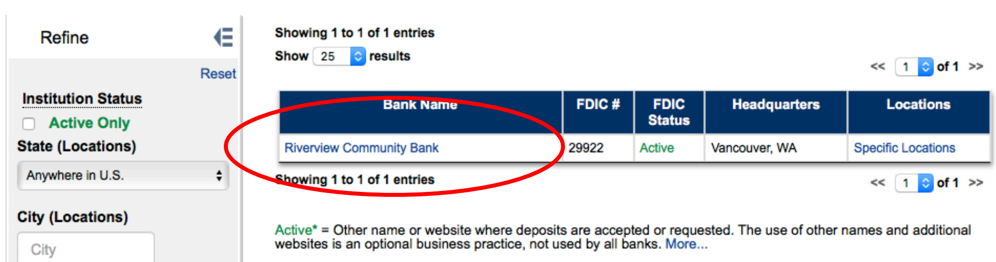
The FDIC website also needs to be searched to scrutinize the derivatives activity at the candidate bank.

Go to https://research.fdic.gov/bankfind/

Key in the bank name & zip code and click “Search”

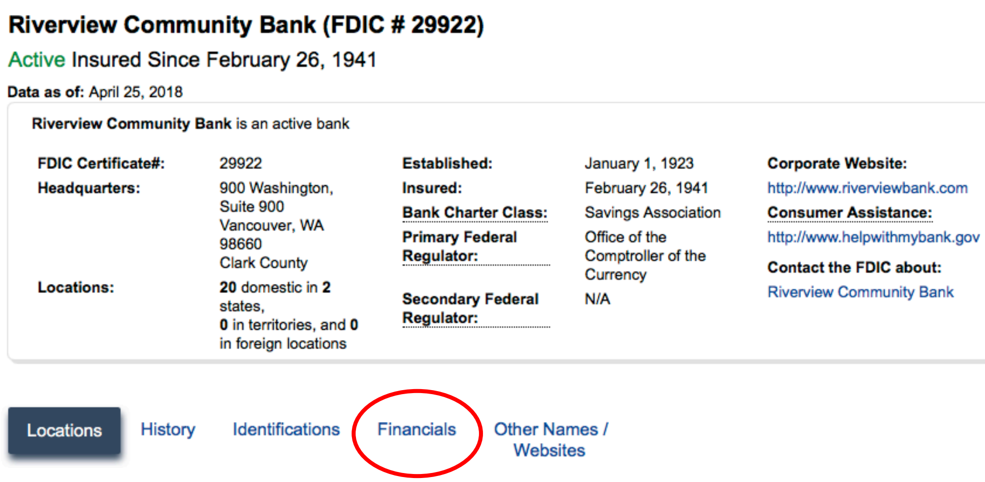


When the results appear, select the appropriate bank from the list. Occasionally there will be more than one institution listed. If so, check the box “Active Only” to narrow the search.

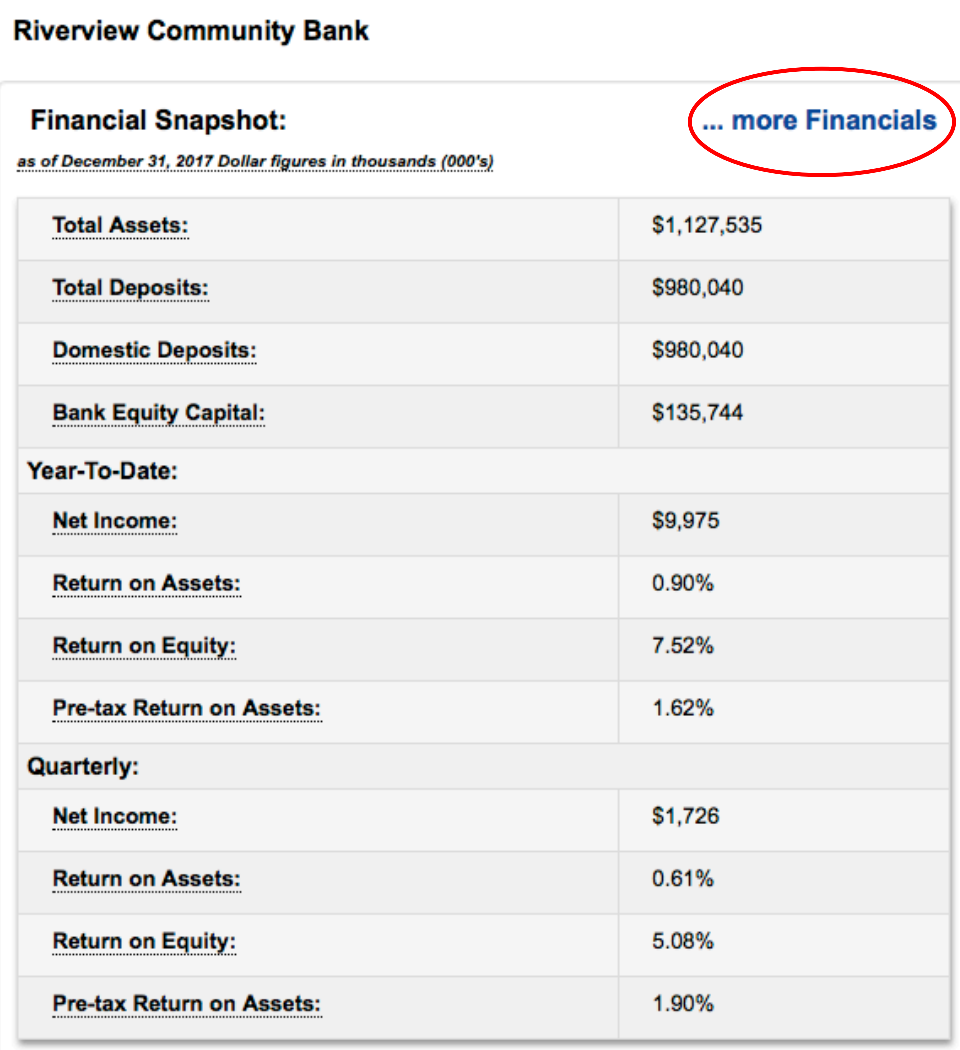


summary screen will appear.

Click on the “Financials” Tab ===➔



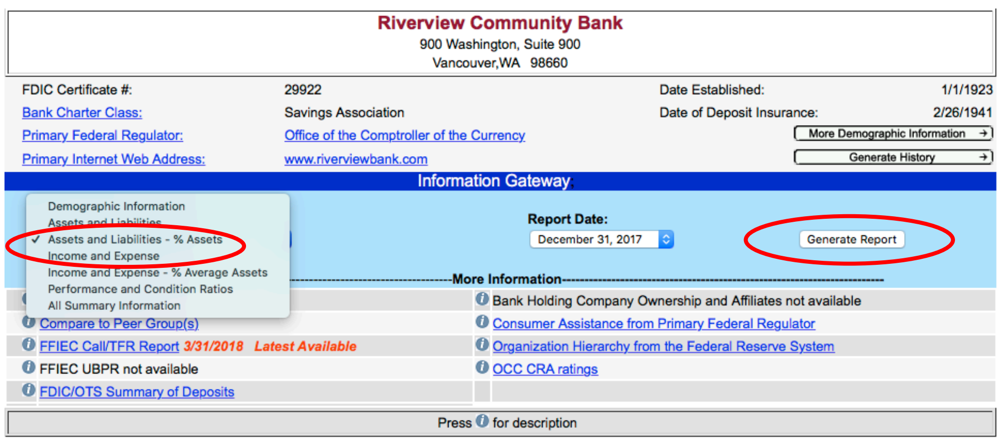
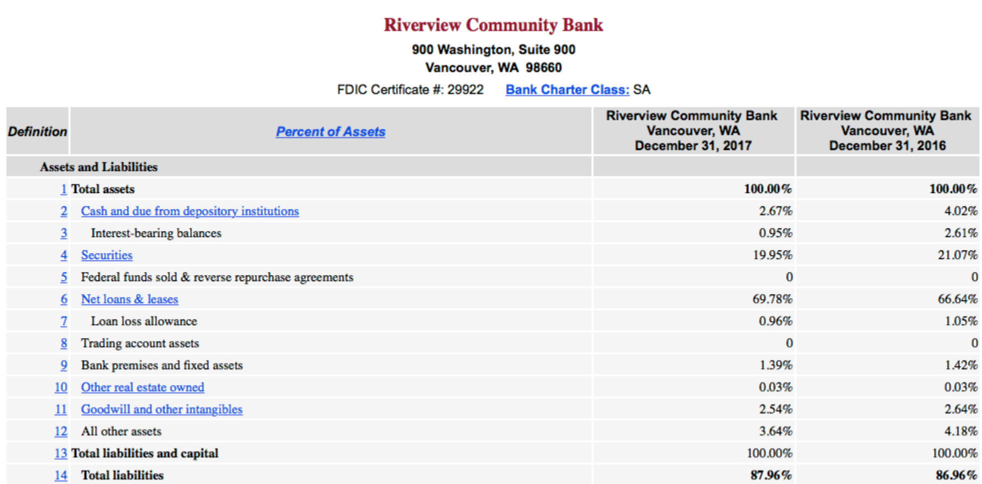
Click on “… more Financials” which should be just to the right of the phrase “Financial Snapshot.” ===➔


Riverview Community Bank

Financial Snapshot: ... more Financials

as of December 31, 2017 Dollar figures in thousands (000's)

Total Assets:	$1,127,535
Total Deposits:	$980,040
Domestic Deposits:	$980,040
Bank Equity Capital:	$135,744
Year-To-Date:	
Net Income:	$9,975
Return on Assets:	0.90%
Return on Equity:	7.52%
Pre-tax Return on Assets:	1.62%
Quarterly:	
Net Income:	$1,726
Return on Assets:	0.61%
Return on Equity:	5.08%
Pre-tax Return on Assets:	1.90%

Click the down arrow of the "ID Report Selections" field. ==================➔	
In the drop down box click on the selection, "Assets and Liabilities - % Assets"=====➔ Then click on the "Generate Report" button.	
This will generate a report revealing the bank's financial health. Banks are required to give these numbers to the FDIC at the end of every quarter.	

Riverview Community Bank
900 Washington, Suite 900
Vancouver, WA 98660
FDIC Certificate #: 29922 Bank Charter Class: SA

Definition	Percent of Assets	Riverview Community Bank Vancouver, WA December 31, 2017	Riverview Community Bank Vancouver, WA December 31, 2016
	Assets and Liabilities		
1	**Total assets**	**100.00%**	**100.00%**
2	Cash and due from depository institutions	2.67%	4.02%
3	Interest-bearing balances	0.95%	2.61%
4	Securities	19.95%	21.07%
5	Federal funds sold & reverse repurchase agreements	0	0
6	Net loans & leases	69.78%	66.64%
7	Loan loss allowance	0.96%	1.05%
8	Trading account assets	0	0
9	Bank premises and fixed assets	1.39%	1.42%
10	Other real estate owned	0.03%	0.03%
11	Goodwill and other intangibles	2.54%	2.64%
12	All other assets	3.64%	4.18%
13	**Total liabilities and capital**	100.00%	100.00%
14	**Total liabilities**	**87.96%**	**86.96%**

Page down until you find the entry "Total bank equity capital."
=====================➔

This number should be above 14. If it is less than 14 you shouldn't consider the bank to be a viable candidate for depositing your money.

Looking at assets & liabilities tells only part of the story since derivatives are off-balance sheet items.

This field "Derivatives" should be zero. If the bank has any derivatives involvement i.e., if this field is greater than zero, then exclude the institution from further consideration. ===➔

"Because banks do not report these assets and liabilities (derivatives) in any comprehensible way, regulators and market participants cannot understand the bank's exposure to risk. Instead, the bank's approach to off-balance sheet liabilities has made their financial statements virtually useless."[1]

23	**Total equity capital**	**12.04%**	**13.04%**
24	Total bank equity capital	12.04%	13.04%
25	Perpetual preferred stock	0	0
26	Common stock	0.00%	0.00%
27	Surplus	10.34%	11.84%
28	Undivided profits	1.70%	1.19%
29	Noncontrolling interests in consolidated subsidiaries	0	0
	Memoranda:		
30	Noncurrent loans and leases	0.24%	0.28%
31	Noncurrent loans that are wholly or partially guaranteed by the U.S. government	0	0
32	Income earned, not collected on loans	0.31%	0.29%
33	Earning assets	90.68%	90.32%
34	Long-term assets (5+ years)	51.23%	54.42%
35	Total risk weighted assets	70.44%	71.45%
36	Adjusted average assets for leverage capital purposes	99.09%	96.96%
37	Life insurance assets	2.51%	2.58%
38	General account life insurance assets	2.10%	2.12%
39	Separate account life insurance assets	0	0
40	Hybrid life insurance assets	0.41%	0.46%
41	Volatile liabilities	1.08%	0.80%
42	Insider loans	0.39%	0.46%
43	FHLB advances	0.09%	0
44	Loans and leases held for sale	0.03%	0.17%
45	Unused loan commitments	14.69%	13.64%
46	Tier 1 (core) risk-based capital	9.73%	10.49%
47	Tier 2 risk-based capital	0.88%	0.90%
48	Total unused commitments	14.69%	13.64%
49	Derivatives	0.14%	0.38%

[1] "Bring Transparency to Off-Balance Sheet Accounting," by Frank Partnoy & Lynn Turner, Roosevelt Institute White Paper, March 2010. http://www.rooseveltinstitute.org/policy-and-ideas/ideas-database/bring-transparency-balance-sheet-accounting I highly recommend reading this document as it provides a good explanation, in easy to understand language, how off-balance sheet accounting has allowed banks to literally hide their derivative liabilities. Here are some excerpts;
"Banks use financial engineering to make it appear they are better capitalized and less risky than they really are. Most people and businesses include all of their assets and liabilities on their balance sheets. But large financial institutions do not."
"Individuals and small business owners cannot hide some of their debts merely by relabeling them."
"As a result, banks and corporations that trade swaps (derivatives) do not play by the same rules as other individuals and businesses. Banks are permitted to exclude their full exposure to swaps from their financial statements, and instead report only the "fair value" changes in those swaps over time. Such reporting is like an individual reporting only the change in their debt balances, instead of the debt themselves."
"Simply put, our biggest banks have been hiding their debts."

I have included JP Morgan Chase's FDIC report from the 4th quarter of 2017.

JPMorgan Chase Bank, National Association

Financial Snapshot:

... more Financials

as of December 31, 2017 Dollar figures in thousands (000's)

Total Assets:	$2,140,778,000
Total Deposits:	$1,534,907,000
Domestic Deposits:	$1,271,886,000
Bank Equity Capital:	$211,685,000
Year-To-Date:	
Net Income:	$18,930,000
Return on Assets:	0.89%
Return on Equity:	9.04%
Pre-tax Return on Assets:	1.39%
Quarterly:	
Net Income:	$3,161,000
Return on Assets:	0.59%
Return on Equity:	5.96%
Pre-tax Return on Assets:	1.32%

JPMorgan Chase Bank, National Association

1111 Polaris Parkway
Columbus, OH 43240

FDIC Certificate #: 628 Bank Charter Class: N

ition	Percent of Assets	JPMorgan Chase Bank, National Association Columbus, OH December 31, 2017	JPMorgan Chase Bank, National Association Columbus, OH December 31, 2016
Assets and Liabilities			
1	**Total assets**	**100.00%**	**100.00%**
2	Cash and due from depository institutions	21.72%	19.83%
3	Interest-bearing balances	20.69%	18.81%
4	Securities	11.54%	13.68%
5	Federal funds sold & reverse repurchase agreements	9.07%	9.85%
6	Net loans & leases	38.20%	37.57%
7	Loan loss allowance	0.47%	0.51%
8	Trading account assets	11.63%	11.77%
9	Bank premises and fixed assets	0.54%	0.55%
10	Other real estate owned	0.02%	0.02%
11	Goodwill and other intangibles	1.57%	1.60%
12	All other assets	5.71%	5.12%
13	**Total liabilities and capital**	100.00%	100.00%
14	**Total liabilities**	**90.10%**	**90.14%**
15	Total deposits	71.70%	71.07%
16	Interest-bearing deposits	52.39%	50.88%
17	Deposits held in domestic offices	59.41%	59.36%
18	Federal funds purchased & repurchase agreements	4.42%	3.59%
19	Trading liabilities	4.51%	5.35%
20	Other borrowed funds	5.20%	5.89%
21	Subordinated debt	0.01%	0.20%
22	All other liabilities	4.26%	4.04%
23	**Total equity capital**	**9.90%**	**9.86%**
24	Total bank equity capital	9.89%	9.85%
25	Perpetual preferred stock	0	0
26	Common stock	0.08%	0.09%

	Memoranda:		
30	Noncurrent loans and leases	0.59%	0.71%
31	Noncurrent loans that are wholly or partially guaranteed by the U.S. government	0.20%	0.26%
32	Income earned, not collected on loans	0.23%	0.21%
33	Earning assets	88.60%	88.63%
34	Long-term assets (5+ years)	20.81%	21.41%
35	Total risk weighted assets	62.40%	60.62%
36	Adjusted average assets for leverage capital purposes	98.84%	100.29%
37	Life insurance assets	0.52%	0.52%
38	General account life insurance assets	0.27%	0.27%
39	Separate account life insurance assets	0.25%	0.25%
40	Hybrid life insurance assets	0	0
41	Volatile liabilities	22.87%	21.47%
42	Insider loans	0.09%	0.07%
43	FHLB advances	2.17%	2.80%
44	Loans and leases held for sale	0.16%	0.13%
45	Unused loan commitments	21.57%	21.58%
46	Tier 1 (core) risk-based capital	8.61%	8.61%
47	Tier 2 risk-based capital	0.54%	0.25%
48	Total unused commitments	21.57%	21.58%
49	Derivatives	2,289.30%	2,305.80%

Notice that their Total bank equity capital is only 9.89% which doesn't clear our bar of 14% for viable institutions.

JPMorgan Chase Bank, National Association
1111 Polaris Parkway
Columbus,OH 43240

FDIC Certificate #:	628	Date Established:	1/1/1824
Bank Charter Class:	National Bank	Date of Deposit Insurance:	1/1/1934
Primary Federal Regulator:	Office of the Comptroller of the Currency	More Demographic Information	
Secondary Federal Regulator:	The Consumer Financial Protection Bureau		
Primary Internet Web Address:	www.jpmorganchase.com	Generate History	

Information Gateway

ID Report Selections: Assets and Liabilities

Report Date: December 31, 2017

Generate Report

-----More Information-----

Current List of Offices	Bank Holding Company Ownership and Affiliates
Compare to Peer Group(s)	Consumer Assistance from Primary Federal Regulator
FFIEC Call/TFR Report *12/31/2017 Latest Available*	Organization Hierarchy from the Federal Reserve System
FFIEC Uniform Bank Performance Report (UBPR)	OCC CRA ratings
FDIC/OTS Summary of Deposits	

Press for description

Notice the Derivatives number of **2,289.30%**

Chase has leveraged derivatives to the tune of 2,289.30% of their total on-balance sheet assets.

JPMorgan Chase Bank, National Association
1111 Polaris Parkway
Columbus, OH 43240
FDIC Certificate #: 628 **Bank Charter Class:** N

Definition	*Dollar figures in thousands*	**JPMorgan Chase Bank, National Association Columbus, OH December 31, 2017**	**JPMorgan Chase Bank, National Association Columbus, OH December 31, 2016**
	Assets and Liabilities		
1	Total employees (full-time equivalent)	191,929	184,478
2	**Total assets**	**2,140,778,000**	**2,082,803,000**
3	Cash and due from depository institutions	464,923,000	413,066,000
4	Interest-bearing balances	442,980,000	391,840,000
5	Securities	247,038,000	284,932,000
6	Federal funds sold & reverse repurchase agreements	194,223,000	205,104,000
7	Net loans & leases	817,764,000	782,594,000

Realizing percentages can be deceptive, let's look at this from a dollar point of view.

In the previous steps we used an ID Report Selection of "Assets and Liabilities - % Assets" but this time we will take the default of "Assets and Liabilities" and generate the report.

50	Tier 1 (core) risk-based capital	184,375,000	179,341,000
51	Tier 2 risk-based capital	11,464,000	5,296,000
52	Total unused commitments	461,698,000	449,546,000
53	Derivatives	49,008,909,000	48,025,225,000

In this example we will use December 31, 2017 numbers from the Chase entry.

Find the Total Assets (in dollars) and record it.

Further down is the Derivatives number given in dollars, record that also.

Taking the Derivatives liability of $49,008,909,000,000 (had to add another 000 because the numbers are given in thousands) stated on the off-balance sheet entries for Chase and dividing it by the Total Assets value stated on the on-balance sheet entries for Chase of $2,140,778,000,000 we arrive at the percentage 2,289.30% which squares with the number given in the FDIC percentages report for Chase.

This means that Chase has about $2 trillion in assets but is at risk for $49 trillion in derivatives. Since derivatives are not listed on the balance sheet (they are listed as off-balance sheet items by law) you get a completely deceptive view of Chase's risk profile.

Using the December 31, 2017 FDIC reports for some of the biggest banks we find their total derivatives exposure in notional value to be $168,000,000,000,000.
That's $168 Trillion.

Notional Value
A derivative is a financial instrument whose value depends on something else—a share of stock, an interest rate, a foreign currency, or a barrel of oil, for example. One kind of derivative might be a contract that allows you to buy oil at a given price six months from now. But since we don't yet know how the price of oil will change, the value of that contract can be very hard to estimate. (In contrast, it's relatively easy to add together the value of every share being traded on the stock market.) As a result, financial experts have to make an educated guess about the total amount at stake in all these contracts. One method simply adds up the value of the assets the derivatives are based on. In other words, if my contract allows me to

Total Notional Derivatives Exposure of the Biggest US Banks, as stated on their off-balance sheets for the 4th Quarter 2017.

The numbers below are in Trillions of US Dollars.

- JP Morgan Chase ----------- $49.0 -- or 2,289% of assets
- Citibank----------------------- $46.7 -- or 3,346% of assets
- Goldman Sachs------------- $41.4 – or 25,133% of assets
- Bank of America------------ $18.4 – or 1,051% of assets
- Wells Fargo-------------------$7.5 – or 428% of assets
- HSBC Bank USA---------------$4.8 – or 2,653% of assets
- Bank of New York Mellon---$1.1 – or 366% of assets
- Total ----------------------------$168 Trillion

The world's total annual GDP is $70 Trillion[3]!

How big banks account for these derivatives on their balance sheet is also deceiving.

For example, I lease a computer from company A. Because I don't own the computer I can take the rent expense (for the lease) as a deduction on the books. However, I don't have to account for the asset or the debt so it's not on the balance sheet. This is attractive because it creates no debt on the company's books.

The lessor (company A) maintains the asset on their books and, if they financed it from another company (company B), the debt as well. Credit card issuers, mortgage companies and various other entities also use a type of off-balance-sheet financing known as asset backed securitization (ABS). The ABS process effectively allows a company to sell a portion of the loans (receivables assets) to investors, effectively removing the assets from their balance sheets (allowing a lower level of reserves, and, therefore capital) while managing the servicing of the debt.

[3] http://dcpublicbanking.org/multimedia-archive/legal-framework-for-big-banks-puts-depositors-at-risk/

buy 50 barrels of oil and the current price is $100, its "notional value" is said to be $5,000—since that's the value of the assets from which my contract derives. Chase and all other big banks are using "financial engineering to make it appear they are better capitalized and less risky than they really are. Most people and businesses include all of their assets and liabilities on their balance sheets. But large financial institutions do not.[2]" This is part of the reason why we had a market tank in 2007-2009 and major bank failures.	

[2] Ibid.