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# **Checklist for Banks in the Wake of SVB and Signature Bank Failures**

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In the wake of recent banking industry events, below are six takeaways that banks can take into consideration now.

1. **Plan for the resources that you would tap into in the event of significant customer withdrawal demands**, *e.g.*, new Fed loan program (some narrowness of acceptable collateral), existing Fed programs, Fed Home Loan Bank advances, and timely new capital raising.
2. **Plan for Asset and Liability Management to transition to higher interest rates in investment portfolio.** Is your plan sufficient -and flexible enough- to accommodate an anticipated degree of rate uncertainty going forward?
3. **Closely monitor the strength of bank counterparties to whom you extend credit** (as unsecured lender, depositor, repo counterparty, swap counterparty, etc.), particularly in light of the most significant metrics in the current environment of unrealized investment losses and degree of uninsured deposit funding.
4. **Consider if new capital is important to your institution and which form would have priority.** Some ideas could involve acquisition partners, bringing on a new significant minority partner, or public and private underwritten offerings for larger institutions.
5. **Understand the deposit insurance characteristics of your institution.** This includes a thorough understanding of what is covered and what is not, which can be a complex question especially in cases of affiliated parties having separate deposit accounts. Also consider what exactly are the insured deposits, including accounts where some of the assets are insured but others may not be.
6. **Get good data**, often available but not easy to obtain without expert help, and consult your attorney on legal issues.

Quarles continues to monitor and share updates on the banking industry as events unfold. For additional insights or guidance relative to your specific business needs, please contact your Quarles attorney or:

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