

	Silicon Valley Bank SVB	Signature Bank SBNY	First Republic Bank FRCB	City National Bank	Comments
Failure Date:	Mar 10, 2023	Mar 12, 2023	May 1, 2023		
Rank among largest failures in history	3 rd	4th	2 nd		
Assets at 12/31/22	\$209 Billion	\$110 Billion	\$213 Billion	\$6 Billion	
Headquartered in	San Francisco	New York City	Los Angeles		
# of Branches	12	40	89	94	Although the 3 failed banks are 15-30 times the size of City see how FEW branches they had! This demonstrates that didn't bank lots of small customers. (City serves about 200,000 families from 94 branches)
Tangible Common Equity Ratio	7.27%	6.62%	6.40%	8.02%	
Uninsured Deposits	Abt 90%	Abt 90%	Abt 70%	Less than 15%	Community bank depositors are MOSTLY insured by FDIC, or CDAR programs. These failed banks had mostly very large, uninsured depositors who were very rate sensitive
Asset Growth from Dec 2019 to Dec 2022	44% CAGR	29% CAGR	22% CAGR	5% CAGR	Notice how FAST these banks grew assets on a compound annual growth rate. "What looks like a weed is usually a weed."
Loans to Deposit Ratio	36%	84%	94%	75%	
Staff	7,095	2,263	7,213	970	
Profitability Measure: Return on Assets (4 th Q 2022)	.78%	1.05%	.75%	2.08%	City's profitability is unusually strong. All three failed banks SEEMED to be fine at 12/31/22 from a profitability standpoint
Spread between Asset yields and Funding costs (4 th Q 2022)	2.04%	2.27%	2.47%	3.92%	But – their incomes from loans and deposits were about ½ of City's level
Yield on Earning Assets (4 th Q 2022)	3.37%	4.12%	3.51%	4.23%	Note that their loans and investments were at least CLOSE to City's earning rates
Cost for Interest Bearing Liabilities (4 th Q 2022)	2.36%	3.11%	2.73%	35%	But – their deposits costs – by 4 th Quarter 2022 had already gotten HIGH, QUICK because their average deposit account was large, uninsured and highly rate sensitive – not like traditional community bank depositors with average balances in the \$10-20,000 range



Exhibit 2: KRE Banks & Hovde Coverage Universe – CET1 Ratio vs Percentage of Uninsured Deposits

