

Chris Padgett
Arkansas Community Bankers Association
501-246-4975
chris@arcommunitybankers.com



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For Immediate Release

Arkansas' Community Banks Showcase Strength, Stability.

Arkansas, Little Rock - The community banks of Arkansas are proving their strength and stability in the face of large, tech-based banks that chased risky, nontraditional banking assets like crypto and new tech startups. Arkansas' community banks, with vastly more stable and diverse assets, remain the backbone of the financial system in Arkansas.

"Community banks are the heart and soul of our local economies," said Gary Head, President of the Arkansas Community Bankers Association and Chairman and CEO of Arkansas based Signature Bank. "They are committed to investing in our communities, supporting small businesses and families, and providing the personalized service that is so critical to their success."

In fact, over the last four years, Arkansas banks have had a higher return on assets, higher net interest margin, more available capital, lower noncurrent loans, and more capital set aside for loan losses than the US average. Simply put, Arkansas' banks are the best capitalized, best positioned banks, by almost every banking metric, in the US. Period. Arkansans have absolutely no reason to be concerned about their money.

The two bank closures making headlines; California's Silicon Valley Bank (SVB) and Signature Bank, New York, NY (no affiliation to Signature Bank of Arkansas). SVB's asset size ballooned from \$60 billion in 2020 to \$200 billion today, and a vast majority of its assets were in new, technology start-up companies, which, are not only typically riskier, but new start-up companies have more exposure to increases in interest rates. As these startups began withdrawing more funds, the bank, to make good on those withdraws, had to sell its bond portfolio at a steep loss. Clients fearing the viability of SVB, withdrew even more money, and the "run" was on. SVB's share price fell by 60% last Thursday and by Friday trading was halted and the FDIC had taken over. Signature Bank, New York, NY was a large \$110 billion asset cryptocurrency bank. Their customers, being spooked by the collapse of SVB, withdrew \$10 Billion in deposits in just a couple of days, with regulators quickly taking control.

Every depositor of Signature Bank, New York, NY and SVB "will be made whole, with no losses to the taxpayer", the Treasury Department and other bank regulators said in a joint statement.

In contrast, community banks have long been known for their commitment to serving their local communities, providing personalized service and a focus on relationships that larger institutions cannot match. Community banks know their customers! This approach has helped Arkansas' community banks weather economic storms for over one hundred years. And while rising interest rates may pose some risk to the overall economy, Arkansas depositors should rest assured that Arkansas' banks are strong, capitalized, and ready to do business.