

## **VBA SCHOOL OF BANK MANAGEMENT**

**Financial Management II/Asset Liability Management: Brad E. Schwartz**  
**Home Study Zoom Review Call – TBA, September \_\_ 2023**

**This is an individual assignment. Any evidence of shared work will be considered an honor violation (i.e., cheating) and will result in a zero and VBA notification. No use of Chat GPT or any AI apps or programs.**

You can reach me by email with any questions prior to the due date at [BankerBrad84@gmail.com](mailto:BankerBrad84@gmail.com). I typically respond within 24 hours.

### **Financial Management and the Recent Failure of Silicon Valley Bank.**

Using the Federal Reserve's report as your primary source on the cause of the failure, as well as a minimum of three other references on the 3rd largest bank failure in US history, Silicon Valley Bank

Answer these 6 questions, % value in brackets. Format is college level term paper minimum of 5 pages and maximum of 8 excluding cover page and references. Proper spelling, formatting and grammar expected. Double spaced with 12 pt. font, 1" margins top and bottom. Questions 1-5 are backward looking, question 6 is where you can use your knowledge of ALCO to save this bank.

1. Discuss external marketplace factors related to the customer base, interest rates and the deposit marketplace in 2022 and 2023 (10%)
2. Discuss management of the investment portfolio during the rising rate environment and securities unrealized loss impact to capital. (10%)
3. Discuss deposit growth, insured vs uninsured deposits and overall deposit portfolio customer segmentation/diversification strategies of this bank (10%)
4. Discuss risk management at the bank and their response to regulatory matters in 2022 and 2023 (10%)
5. Discuss short sellers, media and social media impact on the bank run that led to their ultimate failure. (10%)
6. You will go back to January of 2022, which gives you 15 months to take action to prevent your bank from failing with your VBA Time Machine. You are the new CEO of Silicon Valley Bank and must prevent your bank from failing. What actions/strategies (3 at a minimum, more is better) do you take to better manage your balance sheet composition (Asset-Liability Management) knowing that interest rates will rise significantly in the coming years. Be sure to cover investment security management, deposit/funding strategies, as well as communication strategies. Spend time here discussing strategies in detail. (50%)

1. [Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank](https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf)  
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