

CONTACT:

Airen Washington, Director of Communications

National Bankers Association (NBA)

(202) 615-0701

press@nationalbankers.org | awashington@nationalbankers.org

Statement from the National Bankers Association on Silicon Valley Bank and Signature Bank

Today, National Bankers Association (NBA) President & CEO Nicole Elam Esq. and Chairman Robert James II released the following statement regarding Silicon Valley Bank (SVB) and Signature Bank.

“In light of recent industry events, the National Bankers Association wants to assure consumers that your money is safe with minority banks. Minority depository institutions are very different from both SVB and Signature Bank which had high concentrations in crypto deposits and volatile venture capital. Minority banks are not exposed to riskier asset classes and have the capital and strong liquidity to best serve consumers and small businesses. If you’re looking for a place to bring your deposits and have greater impact, bring your deposits to minority banks” said Nicole Elam, President and CEO of the National Bankers Association.

“The Biden-Harris Administration, FDIC, and Federal Reserve worked hard this weekend to make sure that these bank failures are the exception, not the rule, and that all Americans can continue to have confidence in our banking system. I also applaud bipartisan leaders in Congress for keeping stakeholders informed about how hard-earned deposits are being kept safe.” said Robert James, II, Chairman of the National Bankers Association, President & CEO, Carver Financial Corporation

The National Bankers Association is the nation’s leading trade association for the country’s minority depository institutions (MDIs). MDIs have always focused on safety and soundness as a part of our conservative, relationship-based business model. We continue to monitor SVB’s impact on large corporate deposit concentrations, fintech, tech companies, and larger financial institutions that have partnerships with MDIs or who have made investments in MDIs.

MDIs are in the strongest position ever to support their customers and here’s why:

- **Traditional Banking Model with Diverse & Secure Assets:** MDIs are diversified in terms of their assets, predominately focused on well-collateralized loans, and are not exposed to riskier asset classes. Unlike both SVB and Signature Bank, MDIs have very limited exposure to the venture capital industry and crypto.
- **Well-Capitalized and Strong Liquidity:** MDIs are in the strongest position ever. The sector is exceptionally well capitalized, enjoys substantial liquidity overall, and has grown by 33% over the last three years in total assets. Nearly \$4 billion in new, permanent capital has flowed to MDIs and currently, the median MDI common equity ratio is 16.4% versus 14.8% for non-MDIs.
- **Positioned for Impact:** 77% of MDI branches are in areas with a higher average share of minorities compared to 31% for all FDIC-insured depository institutions. According to a Dallas Fed Study in 2022, MDIs originate almost 40% of their mortgages to minority borrowers, versus only 10% by other banks. Additionally, MDIs originate 30% of small business loans to low- to moderate-income communities in comparison to 20% at community banks and 24% at large banks. Customer deposits are not only extremely safe in an MDI but are far more likely to have a positive impact in the community.