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Review paper

IMPACT OF SILICON VALLEY BANK COLLAPSE ON GLOBAL FINANCIAL MARKETS

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Abstract:

This paper examines the systemic implications of inadequate risk management practices within the banking sector, with a focus on the 2023 collapse of Silicon Valley Bank (SVB) as a critical case study. The analysis examines how concentrated exposure to interest rate-sensitive assets, combined with insufficient liquidity buffers and weak governance mechanisms, precipitated the bank's rapid failure. Positioned within the broader context of global financial stability, the study underscores the fragility of financial markets in the face of a poorly managed institutional risk. The findings highlight the urgent need for robust risk governance, effective asset-liability management, and proactive regulatory intervention. SVB's collapse serves as a cautionary example of how erosion of investor confidence—amplified by modern digital dynamics—can trigger widespread market disruptions. The paper concludes with key policy recommendations designed to enhance resilience in the global financial system.

Keywords:

risk management, bank failure, Silicon Valley Bank (SVB), financial market stability, regulatory oversight.

1. INTRODUCTION

In recent years, the resilience of global financial systems has been increasingly tested by unexpected shocks, revealing significant vulnerabilities in risk management across the banking sector. Among the most illustrative examples is the collapse of Silicon Valley Bank (SVB) in March 2023, which marked the largest U.S. bank failure since the 2008 financial crisis. Despite operating in one of the world's most advanced financial markets, SVB's downfall was driven by fundamental shortcomings in its risk management framework—specifically, its failure to mitigate interest rate risk, lack of portfolio diversification, and inadequate liquidity preparedness. This incident underscores how rapidly instability can emerge when key principles of risk governance are neglected, even in banks perceived as financially sound. The broader impact of SVB's collapse extended beyond institutional boundaries, triggering panic in financial markets and raising concerns over regulatory oversight, investor confidence, and systemic risk. This paper aims to analyze the causes and consequences of SVB's failure, situating it within the wider context of financial market dynamics. By evaluating the bank's strategic missteps and the regulatory environment in which it operated, the study provides insights into how similar failures can be prevented and how risk management practices in banking can be significantly enhanced.

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2. LITERATURE REVIEW

The collapse of Silicon Valley Bank (SVB) in March 2023 has generated significant academic and professional attention, with scholars emphasizing both internal mismanagement and external macroeconomic factors.

According to Metrick (2024), a central cause of SVB's downfall was the asset–liability mismatch, where long-term securities became highly vulnerable following the Federal Reserve's sharp interest rate hikes. Similarly, Mattarocci (2023) highlights the lack of portfolio diversification, particularly the bank's heavy exposure to long-maturity mortgage-backed securities (MBS), which limited flexibility and amplified liquidity risks. Tomas (2024) further argues that the rapid growth of deposits during the pandemic, followed by deteriorating macroeconomic conditions, created structural weaknesses that left the bank highly exposed to sudden shocks.

From a market perspective, Pandey *et al.* (2023) show that SVB's closure triggered widespread panic and sharp declines in equity markets worldwide, with developed economies being most affected. Yadav *et al.* (2023) confirm this pattern, noting that U.S. and European markets experienced the strongest negative abnormal returns, while Asian markets demonstrated comparatively greater resilience. Similarly, Randewich and Valetkevitch (2023) report that U.S. banks lost more than $100 billion in market value within two days of the collapse, underscoring the scale of investor panic and systemic risk.

Other studies explore institutional and policy dimensions. Ran (2024) stresses that the Federal Reserve's restrictive monetary policy significantly pressured SVB's balance sheet, accelerating its vulnerabilities. Manda (2023) estimates that nearly 186 other U.S. banks faced potential risk of failure due to similar balance sheet structures and reliance on uninsured deposits. In addition, Vo and Le (2023) emphasize that SVB's business model—heavily concentrated on technology-sector clients and dependent on non-diversified, uninsured deposits—was inherently fragile and played a decisive role in its collapse. Taken together, this literature illustrates that SVB's failure resulted from a combination of poor risk management, adverse monetary policy conditions, and structural weaknesses in the banking system. It also highlights the broader systemic implications for global financial markets and reinforces the importance of stronger regulatory oversight and more resilient risk management frameworks in the banking sector.

3. METHODOLOGY

The methodological framework of the study is based on a combination of qualitative and descriptive approaches, aiming to cover the theoretical understanding of risk in banking operations and its concrete manifestation through a case study. The work employs the method of content analysis of professional and scientific literature, including both domestic and international sources, in order to systematize definitions, classifications, and mechanisms of managing banking risks. Additionally, the method of comparison is applied by examining regulatory frameworks (e.g., Basel I, II, and III standards) as well as practical experiences. A special place in the methodology is occupied by the case study of the SVB collapse, through which a detailed analysis of publicly available reports, media publications, regulatory responses, and expert commentaries identifies the key causes of the collapse and their impact on financial markets. Moreover, the study uses an event study methodology to examine the timeline and market reaction to specific events related to the SVB bank failure, including changes in the value of banking stocks, market volatility, and regulatory responses. In this way, the study does not rely solely on theoretical modeling but combines theory with a real event to demonstrate the complexity of risk management in practice. Furthermore, elements of a systemic approach are used, allowing for an understanding of the interaction between different actors—banks, regulators, investors, and markets—under conditions of increased volatility and risk. Secondary data sources include scientific papers, regulatory documents, bank financial statements, and market data relevant to the period under analysis.

This methodological approach enables understanding of not only the specific cause of a single bankruptcy but also the broader context of systemic weaknesses that may lead to the destabilization of financial markets, and it forms the basis for formulating recommendations to improve risk management in the banking sector.

4. RESULTS AND DISCUSSION

4.1. CASE STUDY – SILICON VALLEY BANK

SVB was founded in 1983 in Santa Clara, California, to support innovation and entrepreneurship in the technology sectors through an initial plan to provide support to the startup industry. At the time of its founding, traditional banks were still unaware of the need for venture capital and its potential. SVB quickly grew into a key financial institution for innovative companies and venture capital funds, with clients such as Tesla, Uber, and Google. Its strong focus on the technology sector, rapid adaptability to change, and expansion of services contributed to its growth, reaching a peak in 2022 when it became the 16th largest bank in the United States with $209 billion in assets (Vo & Le, 2023).

After a major deposit outflow on March 10, 2023, it was closed by the California Department of Financial Protection and Innovation (CDFPI), which appointed the Federal Deposit Insurance Corporation (FDIC) as the receiver. Several factors led to the collapse of the bank, including the sharp rise in interest rates by the Federal Reserve, which negatively affected SVB's income and balance sheet, poor management of maturity mismatches by the bank's leadership, the failure of regulatory bodies to detect and address the issues in time, the bank's failure to meet requirements designated for large banks, insufficient capitalization, lack of depositor diversification, excessive reliance on uninsured deposits, and the role of social media in rapidly spreading news about the bank's troubles.

4.2. FINANCIAL ANALYSIS OF SVB

To understand the underlying causes of the collapse of SVB, it is essential to examine the bank's financial structure in the period leading up to the crisis. A brief overview of these key financial indicators is provided below.

An analysis of SVB's balance sheet before and after the pandemic reveals key structural changes that contributed to the bank's collapse. As of December 31, 2019, the bank's total assets amounted to $70 billion, with the largest share allocated to loans—primarily credit lines tailored to the needs of startup clients. Securities accounted for around 40% of total assets, while cash holdings stood at $6 billion. Notably, approximately 94% of SVB's deposits were uninsured. During the pandemic, low interest rates and increased investor interest in the tech sector led to a surge in deposits, which the bank largely redirected into long-term securities rather than expanding its loan portfolio. By the end of 2022, total assets had grown to $209 billion, with securities increasing disproportionately compared to loans. Although the bank appeared solvent on a book-value basis, with $15 billion in capital, a mark-to-market valuation revealed substantial unrealized losses on its bond holdings. This revaluation indicated that SVB was effectively insolvent as of December 31, 2022, with a negative capital position of $3 billion.

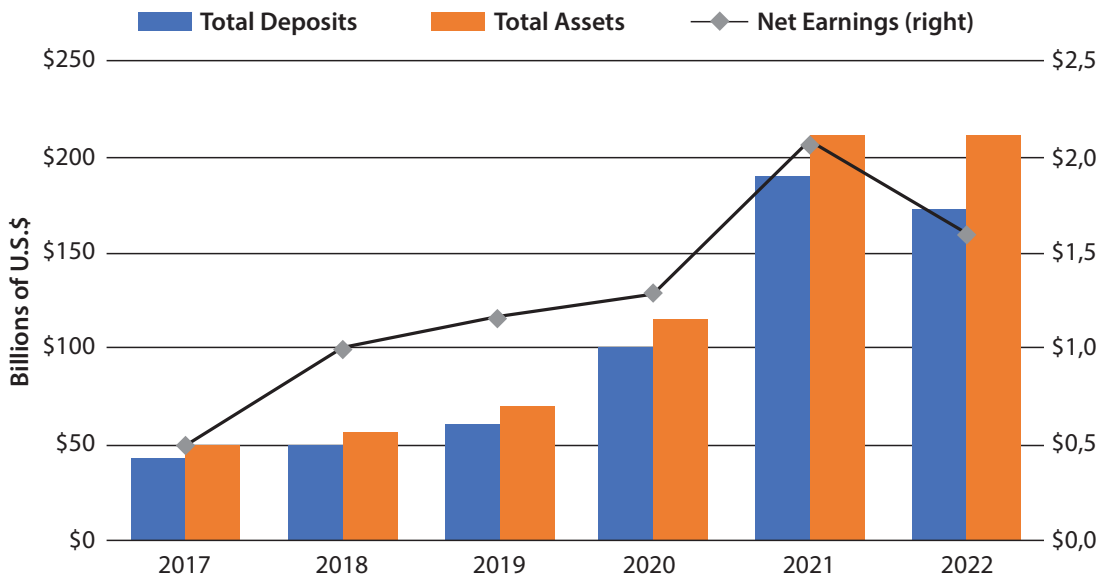
Table 1. SVB's Balance Sheet Before and After the COVID-19 Pandemic

31 December 2019. (billions $)			
Assets		**Liabilities + Equity**	
Cash	6	Deposits	63
Securities	28	Other debt	2
Loans	33	Total liabilities	65
Other	3	Capital	5
Total	**70**	**Total**	**70**
31 December 2022. (billions $)			
Assets		**Liabilities + Equity**	
Cash	13	Deposits	175
Securities	117	Other debt	19
Mark-to-market	***99***	Total liabilities	194
Loans	74	Capital	15
Other	5	***Mark-to-market***	***-3***
Total	**209**	**Total**	**209**
Mark-to-market	***191***	***Mark-to-market***	***191***

Source: Adapted from Metrick, 2023

An analysis of SVB's balance sheet trends from 2017 to 2022 highlights a period of rapid growth in deposits, total assets, and net income throughout 2020 and 2021, primarily driven by the effects of the COVID-19 pandemic and an environment of historically low interest rates. Favorable market conditions, including a booming U.S. equity market and a strong investor appetite for technology-focused ventures, led to substantial capital inflows—particularly from venture capital firms and startups. As a key player in the startup ecosystem, SVB was one of the main beneficiaries of this trend. However, in 2022, rising inflation and aggressive interest rate hikes by the Federal Reserve marked a turning point. Deposits began to decline, asset growth stagnated, and net income fell due to increased interest expenses. A growing imbalance emerged between the expanding asset base and a contracting deposit base. This deterioration intensified in the months leading up to the collapse, culminating in an unprecedented $42 billion withdrawal request on March 9, 2023. Ultimately, the shift from a low-rate to a high-rate environment exposed SVB's vulnerabilities and halted its previously sustained balance sheet expansion. This can be seen in the following chart.

Figure 1. Analysis of balance sheet trends



Source: Tomas, 2024

Another critical issue at the time of the deposit withdrawal was the ratio of HTM and AFS securities.

Chart 2 shows that both AFS and HTM securities tripled in value during the observed period. The key difference between AFS and HTM securities lies in their valuation methods: AFS securities are measured at fair value using the mark-to-market approach, meaning any changes in their value directly impact the bank's financial performance. In contrast, HTM securities are valued at amortized cost using a linear method, so declines in their market value do not appear on the income statement, resulting in unrealized losses that remain hidden unless the securities are sold. As of that time, AFS assets amounted to $21.6 billion (12% of total assets), whereas HTM securities were valued at $91.3 billion, representing 43% (Mattarocci, 2023). By the end of 2022, the average maturity of SVB's HTM assets had increased from 4.1 to 6.2 years (Shen, 2024). In 2022, U.S. Treasury securities made up 62% of AFS holdings, while MBS accounted for 75% of HTM bonds (Mattarocci, 2023). The lack of diversification in HTM assets posed a significant risk, as these long-term investments were effectively "locked in," and in times of liquidity needs, they would have to be sold at a loss. Compounding the issue, a substantial portion of SVB's investments were tied to long-maturity MBS (10 years or more), limiting flexibility and increasing vulnerability.

Unrealized losses represent the difference between the book value and the market value of assets.

Following the increase in interest rates in March 2022, the market value of bonds issued before that date declined. Bonds bearing interest rates below current market levels must be sold at a discount relative to their original purchase price. Until such assets are sold, the resulting loss remains unrealized.

Unrealized losses began to emerge in the fourth quarter of 2021, eventually reaching a total of 17 billion USD (Tomas, 2024).

4.3. COLLAPSE OF SVB

A "bank run" refers to a situation in which a large number of depositors simultaneously, or within a short timeframe, seek to withdraw their funds from a bank due to concerns about the bank's ability to meet its financial obligations. Given that banks, by the nature of their operations, retain only a fraction of deposited funds in liquid form, allocating the remainder to lending and investment activities, such a surge in withdrawals can create significant liquidity pressures and potentially lead to insolvency. In this context, it was both anticipated and ultimately realized that, amid rising interest rates, depositors would reallocate their funds in pursuit of higher yields.

As highlighted in the balance sheet analysis, the bank was already insolvent as of December 2022. However, the collapse occurred only on March 8, 2023. Why? In March, the bank issued a statement revealing that it had sold a portion of its portfolio at a loss of $1.8 billion— a loss that had previously been invisible in the bank's financial statements. Unrealized losses became realized.

Depositors withdrew $42 billion on March 9. Once this information spread, even more depositors sought to do the same. By March 10, the bank was taken over by the FDIC. The FDIC informed depositors that insured depositors would have full access to their funds on Monday, while uninsured depositors would receive an advanced dividend the following week. For the remaining portion of their deposits, uninsured depositors would receive "receivership certificates," which would entitle them to future dividend payments as the FDIC begins to liquidate SVB's assets. The FDIC invoked the "systemic risk exception," which allowed it to bypass the "least-cost" rule (Metrick, 2024). On March 12, the Federal Reserve announced the creation of the Bank Term Funding Program, which marked a significant expansion of emergency lending capabilities.

When SVB Bank was no longer able to meet the demand for deposit withdrawals from its cash reserves, it decided to liquidate a portion of its investment portfolio. This transaction resulted in a realized loss of $1.8 billion but generated $21 billion in liquidity. Concurrently, the bank sought to raise $2.25 billion through the issuance of common equity and convertible preferred shares. Following the public disclosure of this information, the bank experienced a heightened outflow of deposits, and its share price declined by over 60%, closing at $106.

First Citizens BancShares Inc., the largest family-controlled bank in the United States, announced on March 26 its acquisition of SVB. The agreement includes the purchase of approximately $72 billion in SVB assets at a discount of $16.5 billion, which represented an irresistible offer for First Citizens. Approximately $90 billion in securities and other assets will remain under FDIC receivership for further disposition. Additionally, the federal agency acquired the right to increase its equity stake in First Citizens by up to $500 million (FCB, 2023). The agreement also includes a $70 billion credit facility, with a guarantee covering losses exceeding $5 billion on commercial loans over the next five years, as well as an additional $35 billion in promissory note loans to the bank (Bloomberg, 2023a).

4.4. IMPACT OF SVB'S COLLAPSE ON FINANCIAL MARKETS

Banking collapses can have a profound impact on global equity markets, disrupting the financial system and undermining investor confidence. Bank stocks on global exchanges experienced a sharp decline following the closure of SVB, triggering panic among traders and investors. The failure of several major U.S. banks within just five days reminded the world of the risks and vulnerabilities within the banking sector, marking a return of financial stress to the banking system.

The collapse of SVB immediately triggered negative effects on global equity markets, lasting for nearly four trading days (T+4). Developed economies were more affected than emerging markets (Pandey *et al*., 2023). The impact on European markets was more prolonged, while Chinese markets experienced the least disruption (Yadav *et al.*, 2023).

In their study, Yadav *et al.* examine the impact of the SVB collapse on selected capital markets using an event study methodology based on adjusted average returns. The analysis was conducted on nine major stock market indices: NASDAQ Composite (United States), Nikkei 225 (Japan), Hang Seng (Hong Kong), SSE Composite Index (China), FTSE 100 (United Kingdom), Euronext 100 (Europe – pan-European), NIFTY (India), TSX60 (Canada), and SZSE 100 (China). The estimation period covers 120 trading days, from t–128 (September 6, 2022) to t–9 (February 27, 2023), while the event window spans from t–8 (February 28, 2023) to t+8 (March 22, 2023). The results of abnormal returns and t-statistics showed that each stock exchange recorded a negative abnormal return on the event day, although the magnitude varied depending on the specific exchange. For example, the Hang Seng Index experienced the most significant negative abnormal return at –3.05%, while, on the other hand, the SZSE 100 did not exhibit a statistically significant decline.

Table 2. Analysis of Cumulative Abnormal Returns Across Different Markets

Day	NASDAQ	Nikkei	Hang-Seng	SSE	FTSE 100	Euronext 100'	NIFTY	TSX 60	SZSE 100
t-8	-0.0012 (-0.72)	0.0007 (0.60)	-0.0086*** (-4.55)	0.0082*** (7.80)	-0.0120*** (-9.86)	-0.0087*** (-6.49)	-0.0025** (-3.28)	-0.0081*** (-6.23)	0.0079*** (5.59)
t-7	-0.0069 (-4.09)***	0.0028 (2.26)*	0.0412 (21.88)***	0.0197 (18.77)***	0.0047 (3.88)***	0.0028 (2.07)*	-0.0065 (-8.41)***	0.0046 (3.52)***	0.0230 (16.40)***
t-6	0.0071*** (4.20)	-0.0051*** (-4.01)	-0.0093*** (-4.92)	-0.0072*** (-6.84)	-0.0049*** (-4.03)	-0.0001 (-0.10)	0.0096*** (12.33)	0.0043*** (3.35)	-0.0128*** (-9.09)
t-5	0.0193*** (11.46)	0.0220*** (17.47)	0.0068*** (3.61)	0.0065*** (6.18)	0.0076*** (6.21)	0.0098*** (7.35)	-0.0079*** (-10.16)	0.0120*** (9.20)	0.0022 (1.60)
t-4	-0.0014 (-0.81)	0.0106*** (8.45)	0.0017 (0.89)	-0.0054*** (-5.14)	-0.0049*** (-3.98)	0.0044*** (3.26)	0.0223*** (28.80)	-0.0043*** (-3.31)	-0.0048*** (-3.43)
t-3	-0.0128*** (-7.58)	-0.0065*** (-5.15)	-0.0034 (-1.79)	-0.0156*** (14.81)	-0.0186*** (-15.30)	-0.0215*** (-16.08)	0.0036*** (4.65)	-0.0227*** (-17.42)	-0.0237*** (-16.87)
t-2	0.0037* (2.21)	0.0032** (2.60)	-0.0238*** (12.64)	0.0011 (1.03)	0.0015 (1.23)	-0.0020 (-1.48)	-0.0007 (-0.93)	-0.0002 (-015)	-0.0023 (-1.65)
t-1	-0.0210*** (-12.46)	0.0150*** (11.91)	-0.0062*** (3.31)	-0.0040*** (-3.82)	-0.0004 (-0.33)	-0.0004 (-0.32)	-0.0116*** (-14.97)	-0.0147*** (11.27)	-0.0029* (-2.09)
t+1	0.0042* (2.52)	0.0022 (1.81)	0.0196*** (10.39)	0.0203*** (19.29)	-0.0146*** (11.95)	-0.0193*** (-14.43)	-0.0197*** (-25.46)	-0.0027* (-2.11)	0.0139*** (9.90)
t+2	0.0209*** (12.44)	-0.0300*** (-23.77)	-0.0235*** (-12.48)	-0.0104*** (-9.87)	0.0087*** (7.13)	0.0149*** (11.10)	-0.0081*** (-10.38)	0.0070*** (5.39)	-0.0101*** (-7.20)
t+3	0.0003 (0.17)	0.0063*** (5.05)	0.0149*** (7.90)	0.0000 (-0.0020)	-0.0478*** (-39.26)	-0.0492*** (-36.78)	-0.0133*** (-17.16)	-0.0210*** (-16.15)	-0.0074*** (-5.26)
t+4	0.0242*** (14.40)	-0.0105*** (-8.31)	-0.0174*** (9.21)	-0.0097*** (-9.19)	0.0113*** (9.25)	0.0182*** (13.60)	0.0025** (3.21)	0.0114*** (8.76)	-0.0137*** (-9.78)
t+5	—0.0077*** (-4.55)	0.0264*** (20.95)	0.0163*** (8.65)	0.0091*** (8.62)	-0.0056*** (-4.60)	-0.0062*** (-4.59)	0.0065*** (8.36)	-0.0093*** (-7.17)	0.0042** (2.99)
t+6	0.0036* (2.15)	-0.0107*** (-8.46)	-0.0259*** (-13.75)	-0.0036*** (-3.40)	0.0165*** (13.52)	0.0145*** (10.79)	-0.0079*** (-10.14)	0.0115*** (8.87)	-0.0006 (-0.41)
t+7	0.0155*** (9.18)	0.0181*** (14.38)	0.0129*** (6.86)	0.0056*** (5.33)	0.0116*** (9.50)	0.0150*** (11.20)	0.0035*** (4.54)	0.0034** (2.62)	0.0162*** (11.53)
t+8	-0.0164*** (-9.74)	0.0030* (2.44)	0.0170*** (9.00)	0.0036*** (3.41)	0.0071*** (5.79)	0.0113*** (8.44)	0.0032*** (4.17)	-0.0079*** (-6.10)	0.0062*** (4.38)

Source: Adapted from Vo & Le (2023)

From the table, we can conclude that developments before the event (day t) affected the stock markets during the period from t–8 to t–1. The impact varied across different indices—some were significantly affected, while others experienced little to no notable change.

Period from t–8 to t–1:

The most affected markets during this pre-event window were NASDAQ, Hang Seng, FTSE 100, Euronext 100, and TSX 60, as they exhibited the most pronounced and statistically significant negative abnormal returns. These markets were under considerable pressure even before the main event.

- **NASDAQ** experienced its largest negative returns on t–1 (–0.0210***) and t–3 (–0.0128***), indicating a notable decline before the event. It also had a significant drop on t–7 (–0.0069***).
- **Hang Seng** recorded significant negative returns on t–8 (–0.0086***), t–3 (–0.0065***), and t–2 (–0.0238***), pointing to a continuous downward trend leading up to the event.
- **FTSE 100** saw substantial declines on t–8 (–0.0120***), t–3 (–0.0186***), and t–2 (–0.0015), though not all days were statistically significant.
- **Euronext 100** showed a clear negative trend on t–8 (–0.0087***), t–3 (–0.0215***), and t–1 (–0.0193***).
- **TSX 60** was affected on several days, including t–8 (–0.0081***), t–3 (–0.0227***), and t–1 (–0.0147***).

Period from t+1 to t+8:

- **FTSE 100** recorded a negative and significant abnormal return on t+1, indicating that the UK market felt a sharp decline immediately following the SVB collapse.

- **Euronext 100** also experienced a negative and significant abnormal return on t+1, pointing to a strong impact on European markets.
- **NIFTY (India)** had a significant negative abnormal return on t+1, reflecting a market reaction in India.
- **TSX 60 (Canada)** posted a negative and significant abnormal return on t+1, showing the considerable impact on the Canadian market.

Period t+7 and t+8:

- **NASDAQ** showed a significant and positive reaction on t+7 and t+8, suggesting that investors in the U.S. market responded positively in the longer term.
- **Nikkei 225** also recorded positive and significant abnormal returns on t+7 and t+8, indicating a recovery in the Japanese market.
- **Hang Seng** saw positive returns on t+7 and t+8, potentially reflecting a restoration of investor confidence in Hong Kong after the initial panic.

The most severely affected markets on **t+1** were **FTSE 100, Euronext 100, NIFTY**, and **TSX 60**, all of which experienced significant negative abnormal returns in the days immediately following the SVB collapse.

In contrast, the best-performing markets on **t+7** and **t+8—NASDAQ, Nikkei, Hang Seng**, and **SSE**—reported positive abnormal returns, signaling market recovery and a shift in investor sentiment during that period.

In summary, the most substantial negative impact was felt by the **FTSE 100, Euronext 100, NIFTY**, and **TSX 60** immediately after the SVB collapse, while **NASDAQ, Nikkei, Hang Seng**, and **SSE** demonstrated a positive trend in the subsequent days.

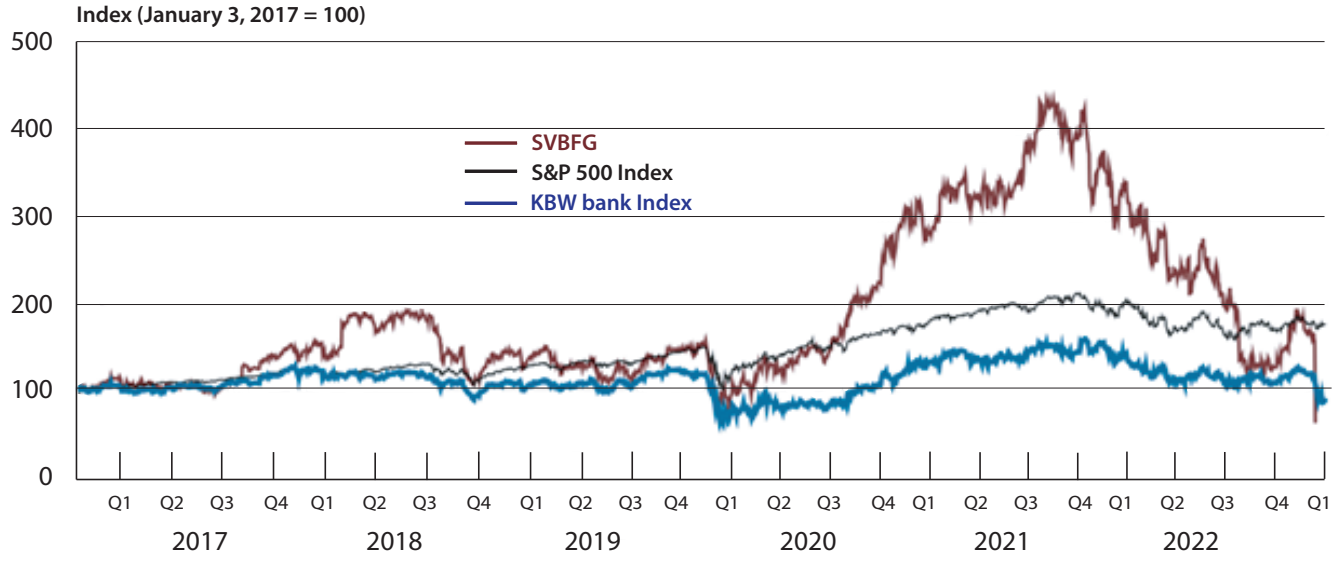
4.5. THE IMPACT OF THE SVB COLLAPSE ON THE U.S. BANKING SECTOR

Reuters estimated that within just two days, U.S. banks saw their market value drop by more than $100 billion, while European banks lost an additional $50 billion (Randewich & Valetkevitch, 2023). On March 9, 2023, SVB's stock plunged 60%, and trading was suspended the very next day. Moody's downgraded the stock to "junk" status, classifying it as high-risk, which triggered its immediate suspension (Ran, 2024). Early studies indicated that in the aftermath of SVB's collapse, nearly 186 U.S. banks were at risk of failure (Manda, 2023). The S&P 500 regional banking index declined by 4.3%, culminating in a weekly loss of 18%—the sharpest drop since 2009 (Randewich & Valetkevitch, 2023).

Figure 2. Movement of the S&P Bank Indices After the Closure of SVB

Source: Randewich & Valetkevitch, 2023

Figure 3. Fluctuations in SVB Stock Prices



Source: Adapted from the Board of Governors of the Federal Reserve System, 2023

5. CONCLUSION

Risk management in the banking sector represents not only a technical task but also a strategic challenge for financial institutions operating in a modern and often volatile market environment. A theoretical review of concepts, regulatory frameworks, and risk management instruments highlights that an effective system for identifying, measuring, monitoring, and controlling risks must be comprehensive, adaptive, and tailored to the specific operations of each bank.

The case of Silicon Valley Bank (SVB) clearly demonstrates how a combination of inadequate governance structures, an excessive concentration of deposits within a single client segment, and misjudgments of interest rate and liquidity risks can culminate in a sudden and destabilizing collapse. Although SVB was not globally systemically important, its failure triggered a domino effect across U.S. financial markets and raised concerns about the resilience of regional banks to monetary shocks and changes in the macroeconomic environment. This case further underscores the importance of timely regulatory intervention and the necessity for banks to develop more resilient business models, supported by a holistic risk management approach. Such an approach should integrate not only quantitative indicators but also assessments of organizational weaknesses, digital vulnerabilities, and reputational risks.

The analysis suggests that the key components of a successful risk management system include strategic planning, a clearly defined risk appetite, a functional structure of internal controls, ongoing communication with regulators, and transparent reporting. Moreover, the regulatory framework must continuously evolve to address challenges brought by digitalization, market volatility, and increasingly complex banking operations. This study may serve as a foundation for future research on bank behavior in post-crisis periods, as well as the development of predictive models aimed at the early detection of potential systemic vulnerabilities in the banking sector.

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