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MEDIA ALERT

Wolters Kluwer Compliance Solutions shares insights in response to Silicon Valley Bank and Signature Bank collapse

Washington, DC — **March 21, 2023** — In the wake of the recent collapse of Silicon Valley Bank (SVB) and Signature Bank—and subsequent banking industry developments in the U.S. and elsewhere—markets and the public should be reassured by the response of federal regulators to cover depositors and to help maintain confidence and stability in the resilient U.S. banking system amid challenging economic times. That's according to a senior regulatory compliance expert at Wolters Kluwer Compliance Solutions.

"Identifying the root causes leading to the collapse of Silicon Valley Bank and Signature Bank is still very much a work in progress. Significant, meaningful efforts are underway in the federal government to comprehensively investigate and review these failures and help avert additional problems," said Timothy Burniston, Senior Advisor, Regulatory Strategy for Wolters Kluwer Compliance Solutions. "However, what we can point to in the early days of these developments is that regulators and major banks are collectively working to stem further losses and instill confidence."

Federal regulators moved promptly following the failures of SVB and Signature to ensure that customers were able to access all of their deposits, beyond the $250,000 insured by the Federal Deposit Insurance Corporation. First Republic Bank, meanwhile, received $30 billion in deposits from 11 major banks as part of an effort to support that institution.

"This past weekend, we saw further mitigation efforts by the Federal Reserve and five central banks across the globe with the announcement of a coordinated expansion in the frequency of dollar swap line arrangements to help boost liquidity as part of a growing response to banking industry turmoil. We also saw UBS announce its acquisition of Credit Suisse to help shore up global markets," he noted. "And we expect more positive measures by regulators and the industry to address and calm the current turbulence in the industry in the days to come."

Burniston cites economic factors that may have played a role in these collapses, reinforced by Wolters Kluwer's most recent Regulatory & Risk Management Indicator survey, the results of which indicated that 73% of respondents were highly concerned about interest rate increases.

He emphasized that for each failed institution, resolution and review processes should be allowed to play out and that close attention should be paid to the lessons learned to help others avoid the same fate.

"Although there are many open questions that will be answered in the coming weeks, we should be encouraged by the regulators and industry leaders that stepped forward assertively and decisively to help prevent far greater detrimental effects to the banking industry," said Burniston.

Wolters Kluwer Compliance Solutions is a market leader and trusted provider of risk management and regulatory compliance solutions and services to U.S. banks, credit unions, insurers and securities firms. The business, which sits within Wolters Kluwer's Financial & Corporate Compliance (FCC) division, helps these financial institutions efficiently manage risk and regulatory compliance obligations, and gain the insights needed to focus on better serving their customers and growing their business.

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About Wolters Kluwer
Wolters Kluwer (EURONEXT: WKL) is a global leader in professional information, software solutions, and services for the healthcare, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG sectors. We help our customers make critical decisions every day by providing *expert solutions* that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2022 annual revenues of €5.5 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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