Fair Value Transparency and Bank Fragility in the SVB Episode[†]

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Abstract: Using variation in mandated disclosure requirements and depositor sophistication, we examine how banks with greater transparency into their asset fair values fare during the 2023 regional banking crisis. Analyzing a sample of over 3,600 U.S. banks, we find that banks with greater transparency experienced significantly larger uninsured deposit outflows and raised rates more aggressively during the crisis episode. Hazard models reveal that these effects emerged earlier and escalated more quickly for transparent banks. These results are consistent with theories linking ease of information acquisition to bank fragility and inform the ongoing debate on the merits of fair value transparency.

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1. Introduction

This study investigates the role of fair value disclosures in the 2023 regional banking crisis. At the heart of the crisis were large unrealized losses on banks' asset holdings due to rapid interest rate increases beginning in March 2022. For instance, unrealized losses on the securities portfolio of the Silicon Valley Bank (SVB) surged from nearly $186 million at the end of 2021 to over $17 billion by the end of 2022. The mounting losses undermined depositor confidence, ultimately resulting in a run on SVB's deposits on March 10, 2023. SVB's collapse quickly sparked broader contagion, as depositors at other banks grew concerned about similar unrealized losses. Numerous media accounts indicate that, as the crisis unfolded, stakeholders actively sought to assess the magnitude of unrealized losses across the banking sector.

The salience of information about unrealized losses in shaping depositors' beliefs raises important questions. Did the public availability of fair value disclosures contribute to the unfolding of the crisis? Might the absence of such disclosures have mitigated its severity? This paper attempts to shed light on these questions by examining whether banks whose unrealized losses were more transparent to depositors experienced worse outcomes during the crisis.

At first glance, it is not obvious why unrealized losses—and their transparency—should affect depositors' perceptions of default risk. Most bank assets are loans and almost all are held to maturity. As such, unrealized losses on these assets due to rising interest rates have little direct impact on the cash flow available to repay depositors.[1] However, longstanding theories of bank fragility (e.g., Diamond and Dybvig, 1983) emphasize that depositors' perceptions of default risk

[1] There could still be a deterioration in banks' ability to repay depositors if depositors demand a higher return in times of higher interest rates. Drechsler, Savov, and Schnabl (2021), however, show that banks largely do not pass on market rate increases to depositors because of their market power/franchise value. DeMarzo, Krishnamurthy, and Nagel (2024) estimate that this franchise value declined during 2022 by an average of 2.2% of assets, but the remainder of the franchise value was substantial enough to support long-term solvency.

depend not only on the cash generating potential of assets when held on the balance sheet (i.e., value-in-use) but also on liquidation values. As liquidation values fall, depositors become more anxious about the possibility of others withdrawing their funds. They fear that if a sufficiently large mass of other depositors withdraw money, the bank will be forced to liquidate loans at the exit prices, which will not generate enough money to pay all depositors, leading to default if they are too late to withdraw. Such fears can turn self-fulfilling, resulting in deposit withdrawals even in the absence of liquidity needs or concerns about long-term solvency—so called panic withdrawals. Crucially, theory suggests that greater visibility into liquidation values can heighten a bank's vulnerability to such panic (He and Manela, 2016).

To explore our research question, we need measures of transparency. We expect the magnitude of unrealized losses to be more transparent to depositors (i) when bank disclosures reveal this information with greater precision and (ii) when depositors have greater ability to process the disclosed information. We explore both dimensions of transparency. For the first dimension, we exploit variation in disclosure requirements within the U.S. banking sector. Under U.S. GAAP, nearly all publicly traded banks are required to disclose the fair values of their loan portfolios in the notes to their financial statements. By contrast, most private banks—hereafter, *non-disclosing banks*—are exempt. Importantly, other regulatory disclosure obligations—such as the filing of detailed financial statements through call reportsFirst—are broadly similar across the two groups. While depositors could, in principle, estimate unrealized losses for non-disclosing banks, such estimates are likely to be noisy and would require (costly) effort. As a result, information about unrealized losses is more readily and reliably available for public banks. For the second dimension of depositor sophistication, we exploit geographic variation in the education-level of banks'

depositor base. All else equal, we expect depositors in more highly educated counties to be more capable of understanding and reacting to signals of unrealized losses.

We relate these transparency measures to two key bank outcomes during the SVB crisis: (i) uninsured deposit outflows and (ii) deposit rate changes. If greater visibility into fair value losses heightened vulnerability to panic, we expect more transparent banks to suffer greater outflows and to offer higher deposit rates to stem the funding loss.

We use a large sample of over 3,600 banks for which the requisite financial data are available. We explore banking outcomes for a comprehensive window surrounding the regional banking crisis beginning with 2022Q1—the quarter when rates started increasing—to 2023Q1—the quarter ending after the collapse of SVB on March 10th, 2023. Consistent with prior work (e.g., Hoffman et al., 2024; Wexler, 2024), our exploratory analysis confirms that the banking system experienced significant deposit outflows even prior to the SVB failure, highlighting the importance of using a longer window. We also explore outcomes for 2023Q1, the quarter in which the collapse of SVB intensified outflows and created concerns of a systemic crisis. Both windows yield similar inferences.

We begin by confirming stylized facts. Banks with greater asset duration (and thus larger unrealized losses) and heavier reliance on uninsured deposits experience larger outflows. Interestingly, aside from the 7 largest institutions (assets > $250 billion) that are typically considered too big to fail, larger banks experienced worse outcomes. Although size is typically associated with stability, larger banks are also more transparent and subject to greater scrutiny—consistent with our core hypothesis.

We then directly test the link between transparency and crisis outcomes. Banks required to disclose fair values suffered uninsured deposit outflows about 50 percent above the sample

average, compared to non-disclosing banks with similar unrealized losses and observable characteristics. These banks also raised core and large time deposit rates by additional 12% and 8% of the average changes in these rates. The depositor sophistication measure yields similar results: a one standard deviation increase in depositor sophistication is associated with additional uninsured deposit outflows equivalent to 35% of the average outflow, and increases in core and large time rates equivalent to 14% and 6% of the average changes in these rates.

The above results suggest that transparent banks experienced significantly greater strains in their deposit funding during the regional banking crisis. One may wonder how the presence of stock prices for the disclosing banks, and absence for non-disclosing banks, affects inferences. To the extent stock prices summarize and lend greater visibility to information in fair value disclosures, it is not clear if prices confound our inferences. Nevertheless, we analyze two within-group variations that hold stock price presence constant.

First, we examine differences in disclosure *informativeness* within the subset of exchange-listed banks. Using pre-crisis textual analysis of financial statements, we construct measures of the depth and salience of fair value discussions. Even within this smaller sample, banks with more informative disclosures experienced significantly worse deposit outcomes. Second, we study depositor sophistication within the sample of private banks, for which no stock price exists. Here too, banks in more educated counties suffered worse outcomes.

In our final set of analyses, we explore temporal variation in the effects. We expect deposit outflows and rate increases to occur faster in banks with greater visibility into their liquidation values. Using a dynamic model where banks can differ in how fast they experience depositor runs, He and Manela (2016) formally show that time to panic withdrawals decreases as depositors can more easily acquire information about liquidation values. We find strong evidence in favor of this

prediction. Descriptively, among banks that experienced significant deposit outflows even prior to the SVB collapse, the fraction of transparent banks is disproportionately higher (25% as compared to 16% for all banks), suggesting that trouble started brewing first at transparent banks. We also estimate more refined hazard rate models that explore the quarterly variation in the data. We find that more transparent banks experienced significant outflows and rate increases much faster.

Our findings contribute to ongoing debates about the merits of fair value transparency in banking. Several observers have argued that the lack of transparency into fair values—particularly from absence of income statement recognition for most fair value losses—contributed to the SVB episode. They contend that timely recognition of fair value losses would have forced banks (e.g., SVB) to confront and avoid these losses earlier (e.g., through prudent interest rate risk management), possibly easing the severity of the crisis. Critics of fair values, on the other hand, have for long argued that these disclosures can magnify banking instability by creating depositor panic over information that does not necessarily reflect long-term bank fundamentals (Chen, Vashishtha, and Wang, 2025). The evidence we present supports the arguments made by critics. That said, we do not assess the *ex-ante* benefits of transparency (e.g., through improved risk management), which may offset the observed *ex-post* vulnerabilities. Future research quantifying these tradeoffs would enrich the policy discussion.

Although our evidence shows that transparent banks fared worse during the crisis, we caution that our estimates are not causal. Ideally, one would like to observe the responses of two identical group of banks operating under two different disclosure regimes—a counterfactual not available in archival data. We take a second-best approach by leveraging available variation in disclosure requirements and depositor sophistication and interpreting the results through the lens of bank-run theory. Better identification remains a fruitful venue for future research.

2. Prior Literature and Contributions

Our paper relates to a growing literature on the role of information during financial crises. One strand of this work studies regulatory attempts to manage depositor behavior by controlling information flows. For example, Anderson and Copeland (2023) find that suspending the publication of bank balance sheet data reduced deposit outflows during the 1933 banking crisis. Similarly, Gorton and Mullineaux (1987) and Kroszner (1999) document how nineteenth-century city clearinghouses suppressed disclosures about member banks to avert broader panic. Like us, these studies highlight the potential benefits of opacity in mitigating depositor runs, but they focus on earlier historical episodes with vastly different institutional contexts and generally treat information flows in aggregate, without distinguishing among types of accounting disclosures or measurement approaches.

A second stream focuses on the informativeness of bank earnings. Beatty and Liao (2011) and Bushman and Williams (2015) exploit variation in how quickly earnings reveal information about impending loan defaults. They show that banks with more transparent earnings experience favorable outcomes during downturns—such as smaller contractions in lending and lower declines in equity market liquidity. Our paper differs in two crucial respects. First, these studies focus on equity or lending outcomes while we focus on depositors—the primary actors in theories of bank runs and in crisis episodes.

Second, these studies emphasize transparency about the value-in-use of assets, as reflected in earnings, while we focus on transparency about liquidation values, as reflected in fair values. The distinction is important because the two constructs convey different information and operate through distinct channels. Earnings provide signals about the cash-generating potential of assets (e.g., loan quality), which can enhance monitoring and discipline banks—consistent with the

beneficial effects documented in Beatty and Liao (2011) and Bushman and Williams (2015). By contrast, Chen et al. (2025) find that loan fair values contain minimal information about loan quality but shape depositors' beliefs about the withdrawal decisions of others by providing information about liquidation values. He and Manela (2016) caution, however, that such visibility into liquidation values can trigger inefficient runs, exposing otherwise solvent banks to destabilizing withdrawals. This tension lies at the heart of current policy debates on fair value transparency.

It is also worth articulating our distinction over Chen et al. (2025). Their study examines the information content of loan fair values (and their usefulness for depositors) for the subset of banks that disclose this information. Our focus is on the availability of fair value information itself, and how that shapes outcomes during crisis. To that end, we compare banks for which fair values are available (the sample in Chen et al., 2025) to those for which they are not. Furthermore, consistent with the differences in research objectives, Chen et al. (2025) offer a broad sample analysis primarily containing non-crisis periods, while we focus on a crisis episode. As discussed in the introduction, in normal times fair value transparency can potentially have beneficial effects that need to be weighed against the negative effects we document during the crisis. The two types of periods, therefore, need to be studied separately and one cannot draw conclusions about one from the other.

Our study also relates to several papers on the SVB episode. Based on estimates of unrealized losses from interest rate increases, Jiang et al. (2024) conclude that many banks were vulnerable to self-fulfilling runs. We show that this vulnerability is amplified when depositors can learn about unrealized losses with greater ease. Several other studies touch upon the role of information in this episode. Cookson et al. (2023) find that banks with greater pre-existing twitter exposure

experienced larger stock market declines and stronger deposit outflows during the quarter of SVB collapse. Chen, Chen, and Vashishtha (2024) find that banks attempted to calm depositor panic using carefully crafted public announcements. Granja et al. (2024) find that banks reclassified a portion of their securities as held-to-maturity (HTM) to minimize the impact of rising interest rates on their capital ratios. None of these studies, however, examine the role of fair value transparency mandates.

3. Institutional Background and Conceptual Underpinnings

3.1. Regional Banking Crisis and its Connection to Bank Fragility Theories

The regional banking turmoil of 2023 had its roots in the sharp and sustained increases in interest rates that began in March 2022 (see Figure 1). As the Federal Reserve raised policy rates to combat inflation, the market value of banks' long-duration assets plummeted, generating large unrealized losses across the sector. These valuation losses, combined with rising depositor concerns, set the stage for significant outflows from the banking system even before SVB's collapse (see Figure 2). The run on SVB's deposits on March 10, 2023 and its failure further eroded depositor confidence in other banks with similar exposures, triggering more than $220 billion in outflows from regional banks over the following two weeks and leading to the collapse of two additional institutions: Signature Bank and First Republic Bank.

In response, regulators announced blanket insurance of all deposits at both SVB and Signature and introduced the Bank Term Funding Program to provide short-term liquidity. To further calm markets, U.S. Treasury Secretary Janet Yellen testified before Congress that America's banks remained sound and, on March 21, signaled that regulators stood ready to protect deposits at other banks if necessary.

The three failed banks in crisis – SVB, Signature, and First Republic – shared two common features: (i) heavy reliance on uninsured deposit financing and (ii) large unrealized losses, indicating that their liquidation values were well below the value-in-use. As theories of bank fragility highlight (e.g., Diamond and Dvbvig, 1983), these are precisely the features that make banks vulnerable to depositor coordination failures or panic.[2] When liquidation values are sufficiently below the value-in-use, depositors become concerned that if a large mass of other depositors withdraw, a bank may be forced to liquidate assets at low prices and default on depositors who are too late to withdraw. Bank-run theories show that such fears can become self fulfilling, resulting in "panic-based" deposit withdrawals even when the bank is solvent.

Particularly relevant to our study, He and Manela (2016) extend the classic bank-run models by introducing depositor uncertainty about banks' liquidity (i.e., asset liquidation values). In their framework, depositors must incur costs to acquire this information. A central insight of their model is that when depositors can more easily learn about liquidation values, even fundamentally safe banks may become vulnerable to panic. This mechanism provides a natural foundation for examining the role of fair value transparency in shaping depositor behavior during the crisis.

3.2. Accounting Background

Banks provide disclosures about their asset fair values through two main channels: regulatory filings (i.e., Call Reports and Y-9C reports) and annual or quarterly financial statements prepared under U.S. GAAP. While regulatory reports provide a disclosure baseline for all banks, the annual and quarterly financial statements of publicly traded banks offer far greater transparency. Our

[2] Although traditional run models appeal to the liquidity discount to motivate the wedge between value-in-use and liquidation values, run motives will arise so long as the wedge exists, regardless of its source. Recent models by Jiang et al. (2024) and Drechsler, Savov, Schnabl, and Wang (2023) confirm that (market) rate-driven declines in loan exit price can trigger panic-based withdrawals just like an increase in liquidity discount.

research design leverages these key differences in disclosure requirements to create variations in fair value transparency.

Regulatory filings establish a common disclosure floor for all banks, both public and private. In these reports, banks must disclose the fair values of all securities, including those recognized at fair values on their balance sheets (e.g., trading and available-for-sale securities) as well as those carried at amortized cost (i.e., held-to-maturity securities). However, a critical piece of information is absent from these filings: the fair value of loans held for investment, which are measured at amortized cost and constitute the majority of a typical bank's assets.

The GAAP financial statements required for public companies fill this crucial information gap and provide deeper contextual details. Under SFAS 107 (now codified in ASC 825-10), public banks must disclose the fair values of all financial instruments, including their entire portfolio of loans held for investment. Furthermore, SFAS 157 (now codified in ASC 820) mandates extensive footnote disclosures for items measured or disclosed at fair value, providing users with insights into valuation techniques, inputs, and the degree of estimation uncertainty. Specifically, banks must classify assets and liabilities within the fair value hierarchy (Level 1, Level 2, or Level 3), describe the valuation methods and inputs used, and explain significant transfers between levels. For assets measured at fair value on a nonrecurring basis, banks must also disclose the specific reasons for the measurement.

In summary, publicly traded banks provide more extensive and transparent disclosure about their asset fair values than those found in regulatory filings. They not only disclose the fair value of their loan portfolio, a significant blind spot in regulatory filings, but also provide detailed context around their fair value measurement, allowing users to assess the judgments and assumptions made in the valuation process as well as the uncertainty inherent in the fair value

measurement. Our research design exploits these differences in both the scope (what instruments are disclosed) and depth (how much information is disclosed) of fair value disclosures across banks.

4. Data and Design

4.1. Regression Specification

To address our research question, we compare deposit outcomes during the regional banking crisis between banks with varying levels of transparency into their asset fair values. If greater visibility into fair value losses heightened depositor concerns, we expect more transparent banks to suffer greater deposit outflows and offer higher deposit rates to stem the funding loss. We test this hypothesis using the following cross-sectional regression:

$$\Delta Y_i = \alpha_0 + \beta_1 Transparency_i + \Gamma X_i + \varepsilon_i, \qquad (1)$$

where *i* indicates the bank; ΔY_i is the change in either uninsured deposits (*ΔUninsured Deposits (22Q1 – 23Q1)*) or deposit interest rates (*ΔCore Rates (22Q1 – 23Q1)* and *ΔLT Rates (22Q1 – 23Q1)*) from 2022 Q1, when market interest rates started increasing, to 2023 Q1, the quarter ending after the collapse of SVB on March 10th, 2023. The coefficient of interest is β_1, which captures the differential change in bank outcomes between transparent and opaque banks.

Transparency measures the salience of fair value information to depositors as of 2022 Q1, the onset of the interest rate hikes. We explore two dimensions of transparency. First, we measure the availability of information about bank asset fair values in banks' mandatory GAAP financial statements (*Mandatory FV Disc*). As discussed in Section 3.1., under ASC 825-10, publicly traded banks are required to disclose the fair values of all of their financial instruments in the notes to the financial statements. In contrast, private banks, which are not required to publicly file their financial statements, are exempt from this requirement. Importantly, other regulatory disclosure

obligations—such as the filing of detailed financial statements through call reports—are broadly similar across the two groups. While depositors could, in principle, estimate unrealized losses for non-disclosing banks, such estimates are likely to be noisy and would require financial expertise. As a result, information about unrealized losses is more readily and reliably available for public banks. Accordingly, our first proxy for transparency, *Mandatory FV Disc*, is a dummy equal to one for public banks and zero for private banks.

Our second dimension of transparency explores the extent to which depositors are able to process disclosed financial information by assessing the bank depositors' education levels (*Depositor Soph*). We expect depositors in more highly educated counties to be more capable of understanding and reacting to signals of unrealized losses. As such, we measure *Depositor Soph* as the average percentage of the population over age 25 with a bachelor's degree or higher in the counties the bank operates in from 2018 to 2022.

Transparent and opaque banks could differ, however, along a number of dimensions that might be correlated with the outcome variables and hence bias the estimates. To address this issue, we control for a vector of banks' initial characteristics (X) measured as of 2022 Q1 that prior literature has shown to affect deposit flows and deposit rates (e.g., Acharya and Mora, 2015; Chen, Goldstein, Huang, and Vashishtha, 2022, 2024; Chen, Vashishtha, and Wang, 2025). These controls include (i) return on equity (*ROE*), (ii) real estate loan share calculated as the amount of loans secured by real estate divided by total assets (*Real Estate Loans*), (iii) capital ratio defined as the book value of capital scaled by total assets (*Capital Ratio*), (iv) wholesale funding scaled by total assets (*Wholesale Fund*), (v) the ratio of total unused commitments divided by the sum of total loans and unused commitments (*Unused Commitment*), and (vi) the standard deviation of write-offs over the preceding 12 quarters (*Std Write-off*). These controls ensure that our estimates are not

driven by pre-crisis differences in banks' ability to retain deposits due to heterogeneous distributions of bank characteristics, such as default risk or asset composition. Furthermore, we control for the estimated magnitude of unrealized losses, proxied by asset durations following Dreschler et al. (2021), to isolate the role of transparency by holding the level of unrealized losses constant across banks. We also control for the total amount of uninsured deposits as of 2022 Q1 (*Uninsured Deposits*) as prior research (e.g., Jiang et al., 2024) shows that banks with large uninsured deposits have greater run risk during the regional banking crisis.

4.2. Data and Descriptive Statistics

We obtain bank financial data from Reports of Condition and Income (Call Reports) provided by the Federal Financial Institutions Examination Council (FFIEC). Call Reports are available at the commercial bank level. Because bank holding companies file financial statements that contain fair value disclosures, we aggregate Call Report data to the top holding company level for banks belonging to a holding company (following Kashyap et al., 2002; Acharya and Mora, 2015).[3] For stand-alone commercial banks, we maintain the unit of analysis at the commercial bank level. Throughout the paper, we use "bank" to refer to this consolidated unit of analysis. Our final sample consists of 3,657 banks with requisite data available for the period 2021 Q4 to 2023 Q4. We winsorize all continuous variables at the 1% and 99% levels.

Table 1, Panel A, presents the summary statistics for the main variables. On average, uninsured deposits account for 37% of total assets as of 2022 Q1. From 2022 Q1 to 2023 Q1, this ratio declined by 2.26 percentage points. The bulk of this decline (77%, or 1.75 percentage points) occurred during the quarter of the SVB collapse. However, banks had already started losing deposits even before depositors' attention to fair values was intensified by the SVB collapse: on

[3] We use data from Call Reports at the commercial bank level instead of from Y9-C reports filed by bank holding companies (BHC) because Y9-C does not contain information about total insured vs. uninsured deposits.

average, banks' ratio of uninsured deposits to assets dropped 0.51 percentage points from 2022 Q1 to 2022 Q4. Due to these deposit outflows and market interest rate increases, from 2022 Q1 to 2023 Q1, banks on average raised core deposit rates by 83 basis points (about 2.5 times the core deposit rates as of 2022 Q1) and large time deposit rates by 215 basis points (about 2.8 times the large time deposit rates as of 2022 Q1).[4] Regarding our transparency measures, 16% of our sample is public banks, which are required to disclose the fair values of all financial instruments per ASC 825-10 (SFAS 107). The mean *Depositor Soph* is 28, meaning that the average bank operates in counties where 28% of the population over age 25 has a bachelor's degree or higher. *Depositor Soph* exhibits significant variation, with a standard deviation of 10.

While ASC 825-10 requires all public banks, whether listed on an exchange or traded over the counter, to disclose the fair values of their financial instruments, we manually verify compliance with this requirement using banks' 2022 annual reports and summarize the results in Table 1, Panel B. We find that 30 out of 588 public banks did not provide the mandated disclosures, and all of these banks trade on over-the-counter (OTC) markets. Institutions in OTC markets are generally subject to weaker financial reporting and corporate governance standards. For instance, firms quoted on the Pink Open Market (commonly known as the "Pink Sheets") must prepare annual and quarterly reports in accordance with U.S. GAAP, but these reports are not required to be audited.[5] This lack of public monitoring likely contributes to the absence of detailed fair value disclosures among OTC banks. We also identify three private banks in our sample that voluntarily provide these disclosures, even though ASC 825-10 does not obligate them to do so.

[4] As a benchmark, fed funds rate increased from 0.20% as of 2022 Q1 to 4.65% as of 2023 Q1.

[5] Financial reports of companies traded on OTCQX and OTCQB markets are required to be audited. While OTC Markets, a tailored platform for OTC companies to publish their financial reports, monitor company disclosure, it does not conduct merit reviews. Its "automated processes and analyst procedures are designed to monitor that a baseline of required information is publicly available in a consistent format." (Heese, 2021) Prior research has shown that companies traded on over-the-counter markets with less transparent disclosures exhibit worse market quality (e.g., Brüggemann et al., 2018; White, 2016).

5. Results

5.1. Effects of Fair Value Transparency on Bank Outcomes

We begin by providing stylized facts on changes in uninsured deposits following the SVB failure. In Table 2, we examine how the change in uninsured deposits from 2022 Q1 to 2023 Q1 varies with different bank characteristics. In Column (1), we focus on two key determinants of deposit flows during the regional banking crisis, highlighted by prior research (e.g., Jiang et al., 2024): uninsured deposit funding and asset unrealized losses. We regress *ΔUninsured Deposits (22Q1 – 23Q1)* on uninsured deposit funding (*Uninsured Deposits*), average duration for loans (*Duration (Loans)*), and average duration for securities (*Duration (Securities)*). Consistent with prior research on the crisis, banks with heavier reliance on uninsured deposits faced greater run risk: a one standard deviation increase in *Uninsured Deposits* is associated with a 2 percentage point increase in uninsured deposit outflows, equivalent to 88% (=2/2.26) of the average uninsured deposit outflows during the crisis. This result suggests that depositors are more likely to run when they expect others to have strong incentives to withdraw due to lack of deposit insurance, consistent with panic-driven withdrawals documented in the literature on bank fragility (e.g., Chen, Goldstein, Huang, and Vashishtha, 2024; Chen, Vashishtha, and Wang, 2025). We also find that longer loan duration, indicating greater unrealized losses, predicts larger outflows, consistent with evidence that depositors pay attention to banks' loan liquidation values (Chen, Vashishtha, and Wang, 2025). Interestingly, although the public narrative emphasized unrealized losses on securities as the catalyst for the crisis, *Duration (Securities)* is not statistically associated with uninsured flows after controlling for *Uninsured Deposits* and *Duration (Loans)*. This finding is

consistent with Cagilo et al. (2023) and Cipriani et al. (2024) and could possibly reflect the fact that securities account for a relatively small faction of bank assets.[6]

In Column (2), we investigate how uninsured deposit flows varies with asset size and find that larger banks experienced greater outflows. These banks are more transparent and subject to greater scrutiny, consistent with our core hypothesis that transparent banks were more vulnerable during the crisis. The coefficient estimate on *Ln(Assets)* is -1.609 (p-value < 0.01), suggesting that a one standard deviation increase in asset size is associated with a 1.609 percentage point decline in uninsured deposit flows, which is equivalent to 71% (=1.609/2.26) of the average uninsured deposit outflows during the crisis. In Column (3), we introduce indicator variables for asset quartiles and observe uninsured outflows increase monotonically with asset quartiles.

At first glance, this evidence seems inconsistent with Caglio et al. (2023), who document a flight to safety by depositors to large banks in early 2023. To reconcile the inconsistency, we distinguish between "large" and "extremely large" institutions. In Column (4), we regress *Uninsured Deposits (22Q1 – 23Q1)* on *Ln(Assets)* and an indicator variable for large banks with assets above $250 billion (*Extremely Large*). The coefficient estimate on *Extremely Large* is significantly positive (p-value < 0.05), consistent with depositors reallocating to the very largest banks in Caglio et al. (2023). The coefficient on asset size (*Ln(Assets)*) remains negative and stable, suggesting that aside from the very largest institutions, the broader pattern holds: larger, more transparent banks experienced more outflows during the crisis.[7]

[6] In our sample, AFS and HTM securities account for 26% of total assets, while loans account for 57%.

[7] In Table A1, we examine whether the same patterns exist in non-crisis period by replicating this analysis for uninsured deposit flows over the period 2021 Q1 to 2022 Q1 before the SVB collapse. In this period, uninsured flows are uncorrelated with asset size, suggesting that visibility of large banks likely had a destabilizing effect only during the crisis.

In Column (5), we bring all bank characteristics, including control variables discussed in Section 4.1., into one regression. The main patterns persist, with one exception: *Duration (Loans)* loses significance once we control for *Real Estate Loans*, which are strongly correlated with duration because they typically have longer maturities than other asset classes.

Table 3 examines our main hypothesis regarding whether banks required to disclose fair values experience more or less uninsured deposit outflows than comparable non-disclosing banks with similar estimated unrealized losses and observable characteristics using Equation (1). Column (1) regresses the change in uninsured deposits from 2022 Q1 to 2023 Q1 on *Mandatory FV Disc*. The coefficient estimate on *Mandatory FV Disc* is positive and significant at 1% level (Coef. = 2.864), suggesting that banks required to disclose fair values experience greater deposit outflows: compared to non-disclosing banks, disclosing banks have 2.864 percentage point greater uninsured deposit outflows, equivalent to 127% (=2.864/2.26) of the average change in uninsured deposits. Column (2) includes controls for bank characteristics and levels of asset durations (and thus unrealized losses). The inferences remain unchanged. The coefficient on *Mandatory FV Disc* is 1.137 (p-value < 0.01), corresponding to 50% of the average change in uninsured deposits.

Furthermore, according to prior work on bank fragility (e.g., Chen, Goldstein, Huang, and Vashishtha, 2024; Chen, Vashishtha, and Wang, 2025), holding banks' fair value disclosure constant, uninsured depositors should still have a greater incentive to run when banks rely more on uninsured deposit financing. As such, in Column (3), we add an interaction term *Mandatory FV Disc* × *Uninsured Deposits* and examine whether the effect of mandatory disclosure is amplified by reliance on uninsured funding. The coefficient on *Mandatory FV Disc* × *Uninsured Deposits* is significantly negative (Coef. = -1.276; p-value < 0.01), suggesting that the effect is more

pronounced among banks that rely more on uninsured deposits and are more subject to panic run risk.

Prior studies find that banks experiencing loss of uninsured depositors offer higher interest rates to attract depositors (e.g., Chen, Goldstein, Huang, and Vashishtha, 2022; Chen, Vashishtha, and Wang, 2025). In Table 4, we examine whether banks with mandatory fair value disclosure raise their deposit rates in response to heightened uninsured deposit outflows. We model changes in core and large time deposit rates (*ΔCore Rates (22Q1 – 23Q1)* and *ΔLT Rates (22Q1 – 23Q1)*) as the dependent variables and estimate Equation (1). The coefficients on *Mandatory FV Disc* are significantly positive in Columns (2) and (5), indicating that disclosing banks raise deposit rates more than non-disclosing banks. Specifically, they raise core and large time deposits by additional 0.101 and 0.169 percentage points, equivalent to 12% (=0.101/0.83) and 8% (=0.169/2.15) of the average changes in core and large time deposit rates, respectively. In addition, Columns (3) and (6) show that, the increase in rates associated with transparency is stronger for banks that rely more heavily on uninsured deposits, reflecting stronger incentives to offset larger outflows.[8]

Next, we explore depositor sophistication as a second dimension of transparency, focusing on its link with crisis outcomes. Table 5, Panel A, examines whether banks with different depositor sophistication levels experience differential changes in uninsured deposits during the crisis. We regress *ΔUninsured Deposits (22Q1 – 23Q1)* on *Depositor Soph* and bank-level controls. Estimates in Columns (1) and (2) both show *Depositor Soph* is negatively associated with *ΔUninsured Deposits (22Q1 – 23Q1)* (Coefficients = -1.461 and -0.798, respectively) with

[8] In Table A2, we analyze whether crisis outcomes differ between exchange-listed banks and OTC-listed banks, both of which are required to disclose asset fair values on their annual and quarterly financial reports in accordance with U.S. GAAP. We find that exchange-listed banks experienced greater uninsured outflows, consistent with exchange-listed banks being more transparent and subject to more public monitoring. They also increased core deposit rates more aggressively to retain retail deposits than OTC-listed banks, whereas the latter increased large time deposit rates more, possibly due to differences in banks' preferences for funding sources.

significance at less than 1% levels. The estimate with controls included indicates that a one standard deviation increase in depositor sophistication is associated with a 0.798 percentage point increase in uninsured deposit outflows, which is equivalent to 35% (=0.798/2.26) of the average change in uninsured deposits. To test whether the effect of depositor sophistication is amplified by reliance on uninsured funding, Column (3) introduces an interaction term (*Depositor Soph* × *Uninsured Deposits*). The coefficient on *Depositor Soph* × *Uninsured Deposits* is significantly negative (Coef. = -0.552; p-value < 0.01), suggesting the effect is more pronounced for banks that depend more on uninsured deposits and are thus more vulnerable to panic-driven runs.

Table 5, Panel B, presents results on the association between *Depositor Soph* and changes in deposit rates. The coefficient estimates on *Depositor Soph* are significantly positive across four columns, suggesting that banks with more sophisticated depositors—who withdraw more aggressively—raise deposit rates more to attract depositors. Estimates show that a one standard deviation increase in depositor sophistication is associated with a 0.113 (0.125) percentage point increase in core (large time) rates, which are equivalent to 14% (=0.113/0.83) and 6% (=0.125/2.15) of the average change in core (large time) deposit rates. In addition, Columns (3) and (6) show that, the rate increases tied to transparency are greater for banks more reliant on uninsured deposits and subject to greater panic run risk.

The results thus far indicate that transparent banks attempt to raise deposit rates to attract depositors and offset the loss of uninsured funds. In Table 6, we explore whether such costly strategies are effective by examining changes in insured deposits and total deposits. Columns (1)–(4) show that *Mandatory FV Disc* and *Depositor Soph* are significantly positively associated with *ΔInsured Deposits (22Q1 – 23Q1)*, suggesting that transparent banks substitute lost uninsured deposits with greater inflows of insured deposits. However, in Columns (5) – (8), *Mandatory FV*

Disc and *Depositor Soph* are significantly negatively associated with *ΔTotal Deposits (22Q1 – 23Q1)*: even though these banks successfully attract some insured depositors, they still suffer a net loss of deposits, underscoring the costs of transparency during the crisis.

5.2. Additional Analyses

The above results suggest that transparent banks experienced significantly greater strains in their deposit funding during the regional banking crisis. A potential concern is that banks required to disclose asset fair values are publicly traded, while non-disclosing banks are not. Depositors of disclosing banks may glean information about banks' default risk from stock prices. In this case, disclosing banks experience greater deposit outflows not because their fair value disclosures inform depositors of their asset liquidation values but because stock prices provide an alternative signal. However, to the extent stock prices summarize and lend greater visibility to information in fair value disclosures, prices could just be a transmission mechanism that amplifies the effect of fair value disclosures. Nevertheless, we address this concern by conducting additional analyses to show that our results are more likely to be explained by the salience of fair value disclosures rather than by the presence of stock prices alone.

First, we explore variation in fair value disclosure informativeness within the subset of exchange-listed banks. In accordance with ASC 825-10 (Financial Instruments—Overall) and ASC 820 (Fair Value Measurement), public banks are required to provide fair values of all financial instruments as well as disclosures about their fair value measurements, including measurement by levels (e.g., Level 1, Level 2, or Level 3), valuation techniques (e.g., valuation inputs and assumptions), and impact of market conditions, in their 10-Ks and 10-Qs. We expect that when banks' financial statements contain greater discussion and information about their asset fair values, their depositors are better able to assess their banks' default risk and withdraw money as the banks'

asset values decline leading up to the crisis. In Table 7, we use both large language models (LLMs) and traditional keyword-based textual analysis to develop measures of banks' fair value disclosure informativeness and examine how they vary with changes in uninsured deposits. To alleviate the concern that banks may strategically alter their disclosures as the crisis unfolds, we focus on banks' 10-K filings as of 2021 Q4 and hold informativeness levels constant.

For our first informativeness measure, we leverage the latest large language models (LLMs), specifically ChatGPT, to read banks' 10-K filings and rate the intensity of each bank's fair value disclosure. We obtain the raw 10-K filings from the Notre Dame Software Repository for Accounting and Finance, established by Loughran and McDonald (2016). We then clean the filings by removing uninformative content, such as XML or HTML-style tags, extra whitespaces, and symbols. We instruct ChatGPT to provide an intensity score from 1 to 10 for the fair value disclosure as well as an explanation for the score. Table A4 details the GPT prompt used for assessment. Column (1) shows that this score is negatively associated with *ΔUninsured Deposits (22Q1 – 23Q1)* (Coef. = -0.338; p-value < 0.10), suggesting that banks with more informative fair value disclosures in 10-K filings experience greater uninsured outflows during the crisis.

As ChatGPT-assigned scores may vary depending on who submits the requests and when, we also use related keyword counts in 10-K filings to produce more stable measures of disclosure informativeness. In Column (2), we measure disclosure informativeness as the count of "fair value" and "fair values" in the 10-K filing scaled by the 10-K file size. In Column (3), we add "unrealized gains" and "unrealized losses" to our key word list, and in Column (4) we further add "interest rate risk." Across all three columns, disclosure informativeness (in deciles) is negatively associated with *ΔUninsured Deposits (22Q1 – 23Q1)*, consistent with our conjecture that

uninsured outflows during the crisis were driven by the information content of banks' fair value disclosures.

Our second analysis to rule out stock prices as a driver of uninsured outflows examines the association between depositor sophistication and crisis outcomes among private banks. If our main results are primarily explained by the existence of stock prices informing depositors' decisions, we should not observe variation in crisis outcomes among private banks, which do not have stock prices. Yet, Table 8, Panel A, shows that uninsured deposit outflows are significantly negatively correlated with depositor sophistication within private banks, ruling out stock prices as a key determinant of deposit flows. Accordingly, Panel B shows that private banks with more sophisticated depositors raise core rates and large time rates more to retain deposits.

In our final set of analyses, we explore temporal dynamics in deposit flows and interest rates throughout the crisis. Using a dynamic model where banks can differ in how fast they experience depositor runs, He and Manela (2016) formally show that time to panic withdrawals decreases as depositors can more easily acquire information about liquidation values. We first test for this idea in Table 9 by examining whether early deposit outflows—i.e., outflows even before the SVB collapse—were concentrated among transparent banks. Specifically, we test whether *Mandatory FV Disc* and *Depositor Soph* are associated with changes in uninsured deposits, core rates, and large time rates from 2022 Q1 to 2022 Q4, the quarter prior to the SVB failure. Results show that both mandatory fair value disclosure and depositor sophistication are linked to greater deposit outflows and larger increases in core and large time rates even before the SVB collapse.[9]

Finally, we estimate Cox proportional hazard models to examine whether greater transparency is associated with the timing of crisis outcomes. The Cox specification allows us to model the

[9] Table A3 shows that these results hold for 2023 Q1, the quarter when the regional banking crisis unfolded, suggesting that fair value transparency continued to contribute to bank fragility during the crisis.

hazard rate—the conditional probability that a bank experiences a crisis outcome at time *t*, given that it has not already experienced one. We define a major crisis outcome as the first occurrence of the following events: i) a drop in uninsured deposits of five percentage points or more, ii) an increase in core deposit rates of one percentage point or more, and iii) an increase in large time deposit rates of one percentage point or more.

Table 10 reports the results. Across all three outcomes, our measures of transparency are significantly associated with the hazard of crisis events. In other words, higher transparency is linked to an earlier arrival of economically significant stress events. For example, in Panel A, Column (2), the coefficient on *Mandatory FV Disc* is 0.427, which corresponds to a hazard ratio of exp(0.427) = 1.533. This implies that banks subject to mandatory disclosure requirement face a 53.3% higher hazard of experiencing a major outflow of uninsured deposits in any given quarter between 2022 Q2 and 2023 Q1, relative to banks not subject to the requirement.

Figures 3-5 visualize these dynamics by plotting the estimated likelihood that a bank experiences a crisis outcome between 2022 Q2 to 2023 Q1, comparing banks subject to mandatory disclosure requirement to those not. Note that the crisis outcome is defined relative to 2022 Q1, so both groups start with identical likelihoods at that date. The figures illustrate a widening gap well before the SVB failure, consistent with the interpretation that trouble started brewing first at transparent banks. Furthermore, following the SVB failure, outcomes deteriorated even more for transparent banks.

Figures 6-8, which plot uninsured deposits and deposit rates over time, show a consistent pattern. Transparent banks began losing uninsured deposits and raising rates prior to the SVB failure and continued to do so in its aftermath. Furthermore, their rate response was sharp: whereas

transparent banks maintained lower deposit rates well before the crisis, they were subsequently forced to raise them above their private counterparts to stem deposit flight.

6. Conclusion

This paper examines the role of fair value transparency in shaping depositor behavior and bank outcomes during the 2023 regional banking crisis. Using variation in mandated disclosure requirements and depositor sophistication, we find consistent evidence that greater visibility into asset fair values amplified banks' vulnerability to funding stress. Transparent banks suffered significantly larger uninsured deposit outflows, raised deposit rates more aggressively, and experienced these strains earlier in the crisis relative to less transparent peers. These effects hold within bank groups, and they are unlikely to be explained by the presence of stock prices alone.

Our results provide empirical support for theoretical predictions that visibility into liquidation values can heighten the risk of inefficient depositor runs. By showing that transparency accelerated deposit outflows and forced costly funding adjustments during the crisis, our study adds to the policy debate on the merits and drawbacks of fair value disclosures. While transparency may foster *ex-ante* discipline and better risk management, our evidence highlights its potential to exacerbate fragility in times of stress.

We caution that our estimates are not causal, and that our analyses do not capture the full set of trade-offs associated with fair value reporting. Nonetheless, the patterns we document underscore the need for regulators and standard setters to carefully weigh the destabilizing effects of transparency during crises against its possible benefits in normal times. Future research that further quantifies these trade-offs, or that exploits natural experiments in disclosure regulation, would offer valuable insights for policy design.

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Appendix A: Variable Definitions

	Definitions	Sources
Δ*Uninsured Deposits (22Q1 – 23Q1)*	Change in the ratio of uninsured deposits to total assets (in %) from 2022 Q1 to 2023 Q1. Uninsured deposits: RCONF051 + RCONF047 Total assets: RCFD2170 or RCON2170	Call Reports
Δ*Core Rates (22Q1 – 23Q1)*	Change in annualized average interest rate on core deposits (in %) from 2022 Q1 to 2023 Q1. Core deposit quarterly interest expense: RIAD4508 + RIAD0093 + RIADHK03, adjust year-to-date reporting to within quarter. Core deposit balance: RCON3485 + RCONB563 + RCONHK16	Call Reports
Δ*LT Rates (22Q1 – 23Q1)*	Change in annualized average interest rate on large time deposits (in %) from 2022 Q1 to 2023 Q1. Large time deposit quarterly interest expense: RIADHK04, adjust year-to-date reporting to within quarter. Large time deposit balance: RCONHK17.	Call Reports
Mandatory FV Disc	An indicator variable equal to one for public banks, which are subject to additional fair value disclosure requirements under U.S. GAAP, and zero for private banks.	S&P Capital IQ PRO database (formerly SNL), CRSP-FRB Link table
Depositor Soph	Average percentage of the population over age 25 with a bachelor's degree or higher in the counties the bank operates in from 2018 to 2022.	Summary of Deposits, Census Bureau data table S1501 – Educational Attainment
Uninsured Deposits	Ratio of uninsured deposits to total assets (in %).	Call Reports
Ln(Assets)	Natural log of total assets.	Call Reports
Extremely Large	An indicator variable for large banks with assets above $250 billion.	Call Reports
Capital Ratio	Ratio of equity to asset. Equity: RCFD3210 or RCON3210	Call Reports
ROE	*ROE* (in %, annualized): $Net\ Income_{i,t}/Equity_{i,t-1} * 400\%$. Net income: RIAD4300, adjust year-to-date reporting to within quarter.	Call Reports
Unused Commitment	Unused commitments ((RCFD3814 or RCON3814) + (RCFD3815 or RCON3815) + (RCFD 3817 + RCON3817) + (RCFDF164 + RCONF164) + (RCFDF165 + RCONF165) + (RCFD6550 + RCON6550) + (RCFDJ457 + RCONJ457) + (RCFDJ458 + RCONJ458) + (RCFDJ459 + RCONJ459)) divided by the sum of loans (RCFD2122 or RCON2122) and unused commitments.	Call Reports
Real Estate Loans	Loans secured by real estate ((RCFDF158 or RCONF158) + (RCFDF159 or RCONF159) + (RCFD1420 or RCON1420) + (RCFD1797 or RCON1797) + (RCFD5367 or RCON5367) + (RCFD5368 or RCON5368) + (RCFD1460 or RCON1460) + (RCFDF160 or RCONF160) + (RCFDF161 or RCONF161)) divided by total assets.	Call Reports
Wholesale Fund	Wholesale funds divided by total assets. Wholesale funds: RCONJ474 + RCFN2200 + (RCFD3200 or RCON3200) + (RCONB993 + RCFDB995) + (RCFD3190 or RCON3190)	Call Reports

Std Writeoff	Standard deviation of write-off to lagged equity ratio over quarter *t-11* through quarter *t*. Loan write-offs: RIAD4635, adjust year-to-date reporting to within quarter.	Call Reports
Duration (Loans)	The weighted average of the repricing maturities of bank loans, following Drechsler et al. (2021). An asset's repricing maturity is the time until its interest rate resets. See Drechsler et al. (2021) Online Appendix for details.	Call Reports
Duration (Securities)	The weighted average of the repricing maturities of securities, following Drechsler et al. (2021). An asset's repricing maturity is the time until its interest rate resets. See Drechsler et al. (2021) Online Appendix for details.	Call Reports
Fair Value Discussion_ChatGPT (21Q4)	Intensity of fair value related discussions in 2021 10-K filing as rated by ChatGPT. Ranges from 1 to 10.	Notre Dame Software Repository for Accounting and Finance
Fair Value Discussion_1 (21Q4)	Count of "fair value" and "fair values" in 2021 10-K filing scaled by 10-K file size.	Notre Dame Software Repository for Accounting and Finance
Fair Value Discussion_2 (21Q4)	Count of "fair value", "fair values", "unrealized gains", and "unrealized losses" in 2021 10-K filing scaled by 10-K file size.	Notre Dame Software Repository for Accounting and Finance
Fair Value Discussion_3 (21Q4)	Count of "fair value", "fair values", "unrealized gains", "unrealized losses", and "interest rate risk" in 2021 10-K filing scaled by 10-K file size.	Notre Dame Software Repository for Accounting and Finance
Δ*Insured Deposits (22Q1 – 23Q1)*	Change in the ratio of insured deposits to total assets (in %) from 2022 Q1 to 2023 Q1. Insured deposits: RCONF049 + RCONF045	Call Reports
Δ*Total Deposits (22Q1 – 23Q1)*	Change in the ratio of total deposits to total assets (in %) from 2022 Q1 to 2023 Q1.	Call Reports
Δ*Uninsured Deposits (22Q4 – 23Q1)*	Change in the ratio of uninsured deposits to total assets (in %) from 2022 Q4 to 2023 Q1.	Call Reports
Δ*Uninsured Deposits (22Q1 – 22Q4)*	Change in the ratio of uninsured deposits to total assets (in %) from 2022 Q1 to 2022 Q4.	Call Reports
Exchange-Listed Bank	An indicator variable equal to one for exchange-listed banks and zero for other banks.	S&P Capital IQ PRO database (formerly SNL), CRSP-FRB Link table

Table 1: Descriptive Statistics. This table present summary statistics of bank characteristics. All variables are defined in Appendix A.

Panel A

	N	Mean	SD	Median	P25	P75
ΔUninsured Deposits (22Q1 – 23Q1)	3,657	-2.26	4.88	-1.92	-4.63	0.63
ΔCore Rates (22Q1 – 23Q1)	3,657	0.83	0.65	0.69	0.36	1.16
ΔLT Rates (22Q1 – 23Q1)	3,657	2.15	1.86	1.84	0.87	2.97
Mandatory FV Disc	3,657	0.16	0.37	0.00	0.00	0.00
Depositor Soph	3,657	27.57	10.15	25.26	19.90	33.90
Uninsured Deposits	3,657	36.52	12.62	35.29	27.99	44.04
Core Rate	3,657	0.33	0.20	0.28	0.18	0.43
LT Rate	3,657	0.78	0.51	0.68	0.44	1.00
Ln(Assets)	3,657	12.92	1.35	12.76	11.99	13.63
Extremely Large	3,657	0.00	0.04	0.00	0.00	0.00
Capital Ratio	3,657	0.10	0.03	0.09	0.08	0.11
ROE	3,657	8.85	5.46	8.64	5.34	11.88
Unused Commitment	3,657	0.16	0.08	0.16	0.11	0.21
Real Estate Loans	3,657	0.43	0.16	0.43	0.33	0.55
Wholesale Fund	3,657	0.06	0.05	0.04	0.02	0.08
Std Writeoff	3,657	0.91	1.63	0.34	0.09	0.95
Duration (Loans)	3,657	6.21	3.31	5.33	3.71	8.01
Duration (Securities)	3,657	8.54	3.79	8.46	5.83	11.13
Fair Value Discussion_ChatGPT (21Q4)	290	7.90	1.59	8.00	7.00	9.00
Fair Value Discussion_1 (21Q4)	290	5.84	2.86	5.32	3.88	7.32
Fair Value Discussion_2 (21Q4)	290	6.06	2.89	5.58	4.06	7.59
Fair Value Discussion_3 (21Q4)	290	6.31	2.91	5.78	4.33	7.89
ΔInsured Deposits (22Q1 – 23Q1)	3,657	0.78	4.35	0.64	-1.66	2.96
ΔTotal Deposits (22Q1 – 23Q1)	3,657	-1.48	3.51	-0.75	-2.98	0.64
ΔUninsured Deposits (22Q4 – 23Q1)	3,657	-1.75	3.30	-1.54	-3.37	0.16
ΔUninsured Deposits (22Q1 – 22Q4)	3,657	-0.51	3.99	-0.42	-2.70	1.84

Panel B

	Has Fair Value Disclosure in 22Q4 GAAP Financial Statements		
	Count		Fraction
	Yes	No	
Public Banks	558	30	0.95
Private Banks	3	3,066	0.00

Table 2: Deposit Outflows Following SVB. This table reports descriptive associations between bank characteristics and deposit outflows in the aftermath of the SVB crisis. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	ΔUninsured Deposits (22Q1 – 23Q1)				
	(1)	**(2)**	**(3)**	**(4)**	**(5)**
Uninsured Deposits	-2.000***				-1.640***
	(-26.23)				(-19.09)
Duration (Loans)	-0.326***				-0.107
	(-4.25)				(-1.31)
Duration (Securities)	-0.0532				0.0252
	(-0.71)				(0.34)
Ln(Assets)		-1.609***		-1.637***	-0.779***
		(-21.09)		(-21.25)	(-8.47)
Ln(Assets) Quartile 2			-1.078***		
			(-4.94)		
Ln(Assets) Quartile 3			-1.848***		
			(-8.47)		
Ln(Assets) Quartile 4			-3.981***		
			(-18.25)		
Extremely Large				4.499**	
				(2.55)	
Capital Ratio					-0.116
					(-1.50)
ROE					0.244***
					(3.05)
Unused Commitment					-0.159*
					(-1.88)
Real Estate Loans					-0.538***
					(-6.69)
Wholesale Fund					0.451***
					(6.03)
Std Writeoff					-0.0331
					(-0.45)
Observations	3,657	3,657	3,657	3,657	3,657
R^2	0.161	0.108	0.089	0.110	0.208

Table 3: Mandatory FV Disclosure and Uninsured Deposits. This table examines the association between mandatory fair value disclosure and deposit outflows in the aftermath of the SVB crisis. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	ΔUninsured Deposits (22Q1 – 23Q1)		
	(1)	**(2)**	**(3)**
Mandatory FV Disc	-2.864***	-1.137***	-0.575**
	(-13.34)	(-5.39)	(-2.53)
Uninsured Deposits		-1.808***	-1.571***
		(-21.92)	(-17.46)
Mandatory FV Disc × Uninsured Deposits			-1.276***
			(-6.42)
Capital Ratio		-0.151*	-0.0956
		(-1.94)	(-1.23)
ROE		0.104	0.0956
		(1.33)	(1.23)
Unused Commitment		-0.346***	-0.368***
		(-4.29)	(-4.59)
Real Estate Loans		-0.630***	-0.628***
		(-7.91)	(-7.92)
Wholesale Fund		0.441***	0.413***
		(5.85)	(5.50)
Std Writeoff		-0.0412	-0.0192
		(-0.56)	(-0.26)
Duration (Loans)		-0.173**	-0.190**
		(-2.12)	(-2.34)
Duration (Securities)		-0.0121	0.00130
		(-0.16)	(0.02)
Observations	3,657	3,657	3,657
R^2	0.046	0.198	0.207

Table 4: Mandatory FV Disclosure and Deposit Rates. This table examines the association between mandatory fair value disclosure and changes in deposit rates following the SVB crisis. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	ΔCore Rates (22Q1 – 23Q1)			***ΔLT Rates (22Q1 – 23Q1)***		
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Mandatory FV Disc	0.308***	0.101***	0.0686**	0.540***	0.169*	0.0669
	(10.74)	(3.86)	(2.43)	(6.48)	(1.94)	(0.71)
Uninsured Deposits		0.175***	0.161***		0.123***	0.0802**
		(17.13)	(14.42)		(3.62)	(2.15)
Mandatory FV Disc × Uninsured Deposits			0.0734***			0.233***
			(2.97)			(2.82)
Capital Ratio		0.109***	0.106***		0.0337	0.0236
		(11.29)	(10.91)		(1.05)	(0.73)
ROE		0.102***	0.103***		0.0857***	0.0873***
		(10.54)	(10.60)		(2.65)	(2.69)
Unused Commitment		0.0634***	0.0647***		0.177***	0.181***
		(6.36)	(6.48)		(5.30)	(5.42)
Real Estate Loans		0.152***	0.152***		0.303***	0.303***
		(15.39)	(15.39)		(9.21)	(9.20)
Wholesale Fund		0.133***	0.135***		-0.0459	-0.0408
		(14.25)	(14.41)		(-1.47)	(-1.31)
Std Writeoff		0.0463***	0.0450***		0.0460	0.0419
		(5.08)	(4.94)		(1.51)	(1.38)
Duration (Loans)		-0.0790***	-0.0780***		-0.0195	-0.0164
		(-7.82)	(-7.72)		(-0.58)	(-0.49)
Duration (Securities)		0.00541	0.00464		0.129***	0.126***
		(0.59)	(0.51)		(4.20)	(4.12)
Observations	3,657	3,657	3,657	3,657	3,657	3,657
R^2	0.031	0.300	0.302	0.011	0.059	0.061

Table 5: Depositor Sophistication. This table examines the association between depositor sophistication and crisis outcomes (deposit outflows and changes in deposit rates) following the SVB crisis. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Uninsured Deposits.

	ΔUninsured Deposits (22Q1 – 23Q1)		
	(1)	**(2)**	**(3)**
Depositor Soph	-1.461***	-0.798***	-0.733***
	(-18.95)	(-9.78)	(-9.02)
Uninsured Deposits		-1.648***	-1.513***
		(-19.61)	(-17.82)
Depositor Soph × Uninsured Deposits			-0.552***
			(-8.13)
Capital Ratio		-0.0988	-0.0684
		(-1.28)	(-0.89)
ROE		-0.00182	-0.0175
		(-0.02)	(-0.23)
Unused Commitment		-0.300***	-0.317***
		(-3.76)	(-4.01)
Real Estate Loans		-0.434***	-0.409***
		(-5.27)	(-5.00)
Wholesale Fund		0.468***	0.430***
		(6.28)	(5.81)
Std Writeoff		-0.0536	-0.0441
		(-0.74)	(-0.61)
Duration (Loans)		-0.168**	-0.217***
		(-2.08)	(-2.70)
Duration (Securities)		-0.0469	-0.0393
		(-0.64)	(-0.54)
Observations	3,657	3,657	3,657
R^2	0.089	0.213	0.227

Panel B: Deposit Rates.

	ΔCore Rates (22Q1 – 23Q1)			*ΔLT Rates (22Q1 – 23Q1)*		
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Depositor Soph	0.201***	0.113***	0.106***	0.264***	0.125***	0.116***
	(19.80)	(11.25)	(10.58)	(8.65)	(3.67)	(3.41)
Uninsured Deposits		0.148***	0.134***		0.0978***	0.0802**
		(14.28)	(12.75)		(2.79)	(2.25)
Depositor Soph × Uninsured Deposits			0.0578***			0.0720**
			(6.91)			(2.53)
Capital Ratio		0.0999***	0.0967***		0.0253	0.0214
		(10.49)	(10.21)		(0.79)	(0.66)
ROE		0.117***	0.118***		0.102***	0.104***
		(12.11)	(12.35)		(3.14)	(3.20)
Unused Commitment		0.0532***	0.0551***		0.169***	0.171***
		(5.42)	(5.65)		(5.08)	(5.16)
Real Estate Loans		0.120***	0.118***		0.272***	0.269***
		(11.87)	(11.68)		(7.92)	(7.82)
Wholesale Fund		0.131***	0.135***		-0.0500	-0.0449
		(14.24)	(14.74)		(-1.61)	(-1.45)
Std Writeoff		0.0480***	0.0471***		0.0479	0.0467
		(5.35)	(5.27)		(1.58)	(1.54)
Duration (Loans)		-0.0810***	-0.0759***		-0.0205	-0.0141
		(-8.15)	(-7.66)		(-0.61)	(-0.42)
Duration (Securities)		0.00865	0.00786		0.134***	0.133***
		(0.96)	(0.88)		(4.39)	(4.36)
Observations	3,657	3,657	3,657	3,657	3,657	3,657
R^2	0.097	0.321	0.330	0.020	0.061	0.063

Table 6: Insured and Total Deposits. This table examines the association of mandatory fair value disclosure and depositor sophistication with both insured deposit flows and total deposit flows in the aftermath of the SVB crisis. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	ΔInsured Deposits (22Q1 – 23Q1)				***ΔTotal Deposits (22Q1 – 23Q1)***			
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Mandatory FV Disc	1.090***	0.346*			-1.755***	-0.835***		
	(5.60)	(1.72)			(-11.29)	(-5.29)		
Depositor Soph			0.565***	0.396***			-0.884***	-0.418***
			(7.93)	(5.07)			(-15.72)	(-6.81)
Uninsured Deposits		1.127***		1.031***		-0.619***		-0.554***
		(14.38)		(12.84)		(-10.03)		(-8.75)
Capital Ratio		0.0838		0.0526		-0.0571		-0.0357
		(1.13)		(0.71)		(-0.98)		(-0.61)
ROE		0.120		0.170**		0.195***		0.137**
		(1.61)		(2.28)		(3.33)		(2.33)
Unused Commitment		0.0702		0.0339		-0.277***		-0.268***
		(0.92)		(0.45)		(-4.60)		(-4.46)
Real Estate Loans		-0.357***		-0.466***		-0.956***		-0.867***
		(-4.71)		(-5.92)		(-16.04)		(-13.97)
Wholesale Fund		-0.111		-0.119*		0.259***		0.279***
		(-1.54)		(-1.67)		(4.59)		(4.97)
Std Writeoff		-0.0534		-0.0472		-0.0792		-0.0857
		(-0.76)		(-0.68)		(-1.44)		(-1.56)
Duration (Loans)		0.0752		0.0677		-0.102*		-0.105*
		(0.97)		(0.88)		(-1.68)		(-1.73)
Duration (Securities)		0.166**		0.177**		0.173***		0.148***
		(2.36)		(2.53)		(3.12)		(2.68)
Observations	3,657	3,657	3,657	3,657	3,657	3,657	3,657	3,657
R^2	0.008	0.086	0.017	0.091	0.034	0.133	0.063	0.137

Table 7: Fair Value Discussions in 10-Ks. This table examines the association between the intensity of fair value discussion in banks' 10-K filings and deposit outflows following the SVB crisis. Fair value discussion variables are measured as of 2021Q4, while all other independent variables are measured as of 2022Q1. All continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	ΔUninsured Deposits (22Q1 – 23Q1)			
	(1)	**(2)**	**(3)**	**(4)**
Fair Value Discussion_ChatGPT (21Q4)	-0.338*			
	(-1.86)			
Fair Value Discussion_1 (21Q4)		-0.262***		
		(-2.66)		
Fair Value Discussion_2 (21Q4)			-0.263***	
			(-2.66)	
Fair Value Discussion_3 (21Q4)				-0.263***
				(-2.67)
Uninsured Deposits	-3.093***	-3.218***	-3.218***	-3.208***
	(-9.78)	(-10.30)	(-10.30)	(-10.27)
Capital Ratio	-0.720	-0.774*	-0.777*	-0.774*
	(-1.54)	(-1.68)	(-1.68)	(-1.68)
ROE	0.334	0.290	0.305	0.300
	(0.77)	(0.68)	(0.71)	(0.70)
Unused Commitment	-0.587*	-0.500	-0.501	-0.512
	(-1.75)	(-1.49)	(-1.49)	(-1.52)
Real Estate Loans	-0.758**	-0.797**	-0.800**	-0.798**
	(-2.00)	(-2.12)	(-2.13)	(-2.12)
Wholesale Fund	-0.138	-0.0239	-0.0196	-0.0110
	(-0.47)	(-0.08)	(-0.07)	(-0.04)
Std Writeoff	-0.203	-0.213	-0.209	-0.214
	(-0.60)	(-0.63)	(-0.62)	(-0.63)
Duration (Loans)	-0.887**	-0.809**	-0.806**	-0.807**
	(-2.20)	(-2.03)	(-2.02)	(-2.02)
Duration (Securities)	0.469	0.507*	0.508*	0.510*
	(1.53)	(1.67)	(1.67)	(1.68)
Observations	290	290	290	290
R^2	0.305	0.314	0.314	0.314

Table 8: Depositor Sophistication in Private Banks. This table examines the association between depositor sophistication and crisis outcomes (deposit outflows and changes in deposit rates) following the SVB crisis in private banks. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Uninsured Deposits.

	ΔUninsured Deposits (22Q1 – 23Q1)	
	(1)	**(2)**
Depositor Soph	-1.211***	-0.699***
	(-15.23)	(-8.32)
Uninsured Deposits		-1.466***
		(-16.85)
Capital Ratio		-0.00299
		(-0.04)
ROE		0.0154
		(0.19)
Unused Commitment		-0.233***
		(-2.80)
Real Estate Loans		-0.408***
		(-4.85)
Wholesale Fund		0.462***
		(6.04)
Std Writeoff		-0.0330
		(-0.44)
Duration (Loans)		-0.142*
		(-1.74)
Duration (Securities)		-0.0331
		(-0.44)
Observations	3,359	3,359
R^2	0.065	0.171

Panel B: Deposit Rates.

	ΔCore Rates (22Q1 – 23Q1)		*ΔLT Rates (22Q1 – 23Q1)*	
	(1)	**(2)**	**(3)**	**(4)**
Depositor Soph	0.174***	0.103***	0.247***	0.127***
	(16.66)	(10.03)	(7.56)	(3.53)
Uninsured Deposits		0.142***		0.0869**
		(13.37)		(2.34)
Capital Ratio		0.0910***		0.0154
		(9.48)		(0.46)
ROE		0.107***		0.102***
		(11.01)		(3.03)
Unused Commitment		0.0478***		0.143***
		(4.70)		(4.03)
Real Estate Loans		0.117***		0.288***
		(11.38)		(8.02)
Wholesale Fund		0.122***		-0.0650**
		(13.07)		(-1.99)
Std Writeoff		0.0467***		0.0472
		(5.14)		(1.49)
Duration (Loans)		-0.0736***		-0.0298
		(-7.37)		(-0.85)
Duration (Securities)		0.00512		0.123***
		(0.56)		(3.85)
Observations	3,359	3,359	3,359	3,359
R^2	0.076	0.292	0.017	0.056

Table 9: Pre-SVB Period. This table examines the association of mandatory fair value disclosure and depositor sophistication with crisis outcomes (deposit outflows and changes in deposit rates) in the pre-SVB period (2022Q1 – 2022Q4). Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. All variables are defined in Appendix A. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Uninsured Deposits.

	ΔUninsured Deposits (22Q1 – 22Q4)			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	-1.498***	-0.644***		
	(-8.41)	(-3.47)		
Depositor Soph			-0.773***	-0.441***
			(-11.92)	(-6.12)
Controls	No	Yes	No	Yes
Observations	3,657	3,657	3,657	3,657
R^2	0.019	0.075	0.037	0.081

Panel B: Core Rates.

	ΔCore Rates (22Q1 – 22Q4)			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.202***	0.0609***		
	(9.81)	(3.19)		
Depositor Soph			0.139***	0.0825***
			(18.96)	(11.22)
Controls	No	Yes	No	Yes
Observations	3,657	3,657	3,657	3,657
R^2	0.026	0.270	0.090	0.292

Panel C: Large Time Rates.

	ΔLT Rates (22Q1 – 22Q4)			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.320***	0.130**		
	(5.61)	(2.17)		
Depositor Soph			0.170***	0.0862***
			(8.13)	(3.70)
Controls	No	Yes	No	Yes
Observations	3,657	3,657	3,657	3,657
R^2	0.009	0.055	0.018	0.057

Table 10: Hazard Rate Analysis. This table reports proportional Cox hazard regressions examining how mandatory fair value disclosure and depositor sophistication are associated with the timing of major shifts in uninsured deposits and deposit rates. *Time Until Major Outflow of Uninsured Deposits* is an indicator variable equal to one in the first quarter when uninsured deposits decrease by more than 5% of their 2022Q1 level. *Time Until Major Increase in Core Rates* is an indicator variable equal to one in the first quarter where core deposit rates rise more than 1% above their 2022Q1 level. *Time Until Major Increase in Large Time Rates* is an indicator variable equal to one in the first quarter where large time deposit rates rise more than 1% above their 2022Q1 level. All other variables are defined in Appendix A. Independent variables are measured as of 2022Q1, and all continuous independent variables are standardized to facilitate interpretation. t-statistics are shown in parentheses. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Uninsured Deposits.

	Time Until Major Outflow of Uninsured Deposits			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.556***	0.427***		
	(10.28)	(7.04)		
Depositor Soph			0.323***	0.299***
			(15.56)	(12.80)
Uninsured Deposits		-0.0779***		-0.115***
		(-2.87)		(-4.30)
Capital Ratio		-0.0838***		-0.111***
		(-3.05)		(-4.03)
ROE		-0.0333**		-0.0281**
		(-2.40)		(-2.07)
Unused Commitment		0.189***		0.167***
		(6.88)		(6.17)
Real Estate Loans		0.182***		0.122***
		(6.76)		(4.54)
Wholesale Fund		0.153***		0.132***
		(6.16)		(5.38)
Std Writeoff		0.0192		0.0207
		(1.02)		(1.10)
Duration (Loans)		-0.151***		-0.173***
		(-5.83)		(-6.63)
Duration (Securities)		0.00350		0.0220
		(0.14)		(0.92)
Observations	24,591	24,591	24,591	24,591

Panel B: Core Rates.

	Time Until Major Increase in Core Rates			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.382***	0.112**		
	(8.87)	(2.44)		
Depositor Soph			0.227***	0.0929***
			(13.58)	(5.01)
Uninsured Deposits		0.236***		0.223***
		(11.76)		(11.13)
Capital Ratio		0.0653***		0.0579***
		(4.02)		(3.56)
ROE		-0.0335**		-0.0324**
		(-2.41)		(-2.35)
Unused Commitment		0.179***		0.170***
		(9.56)		(8.94)
Real Estate Loans		0.316***		0.292***
		(17.51)		(15.38)
Wholesale Fund		0.218***		0.215***
		(11.60)		(12.09)
Std Writeoff		0.0218		0.0229
		(1.48)		(1.57)
Duration (Loans)		-0.181***		-0.187***
		(-10.15)		(-10.30)
Duration (Securities)		0.0290*		0.0353**
		(1.76)		(2.14)
Observations	23,054	23,054	23,054	23,054

Panel C: LT Rates.

	Time Until Major Increase in LT Rates			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.162***	0.0357		
	(4.59)	(0.95)		
Depositor Soph			0.0992***	0.0299**
			(7.63)	(2.03)
Uninsured Deposits		0.0414***		0.0366**
		(2.66)		(2.32)
Capital Ratio		-0.0120		-0.0135
		(-0.88)		(-0.99)
ROE		-0.0674**		-0.0630**
		(-2.32)		(-2.19)
Unused Commitment		0.0883***		0.0855***
		(5.88)		(5.61)
Real Estate Loans		0.150***		0.143***
		(9.40)		(8.66)
Wholesale Fund		0.194***		0.193***
		(11.21)		(11.19)
Std Writeoff		0.00278		0.00311
		(0.27)		(0.30)
Duration (Loans)		-0.0700***		-0.0715***
		(-4.71)		(-4.77)
Duration (Securities)		0.0497***		0.0512***
		(3.64)		(3.76)
Observations	18,003	18,003	18,003	18,003

Figure 1: Federal Funds Effective Rate Over Time.

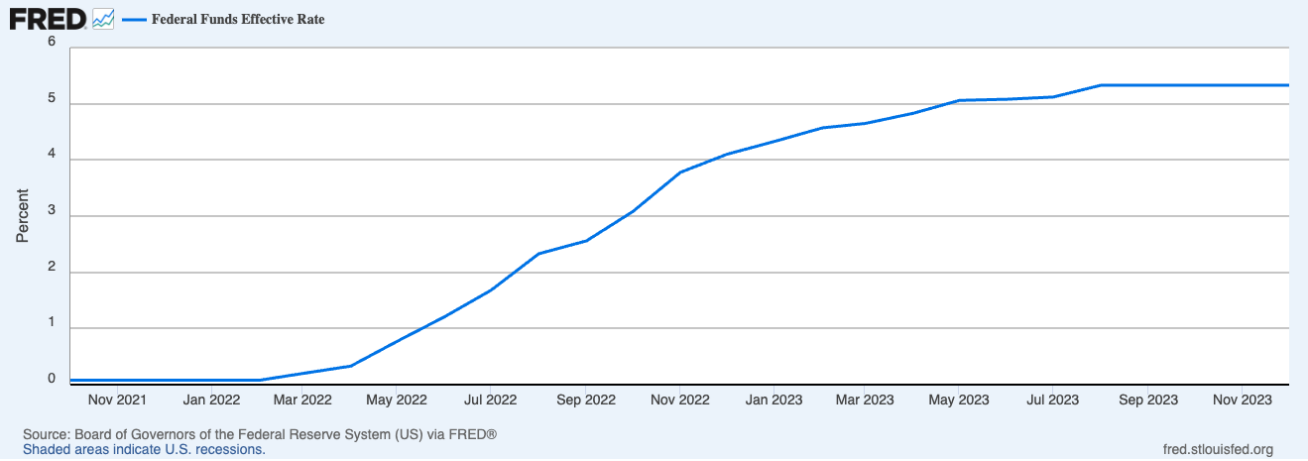


Figure 2: Aggregate Deposits Over Time.

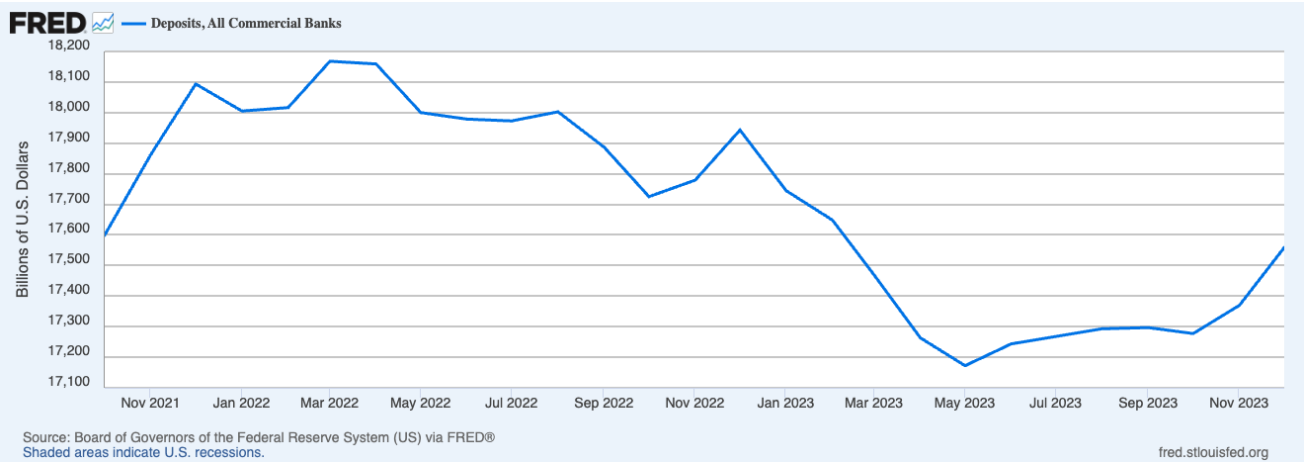


Figure 3: Time to Major Outflow of Uninsured Deposits. This figure plots the estimated likelihood that a bank experiences a crisis outcome between 2022 Q2 to 2023 Q1, comparing banks subject to mandatory disclosure requirement to those not. We define a major crisis outcome as the first occurrence of a drop in uninsured deposits by more than 5% of their 2022Q1 level.

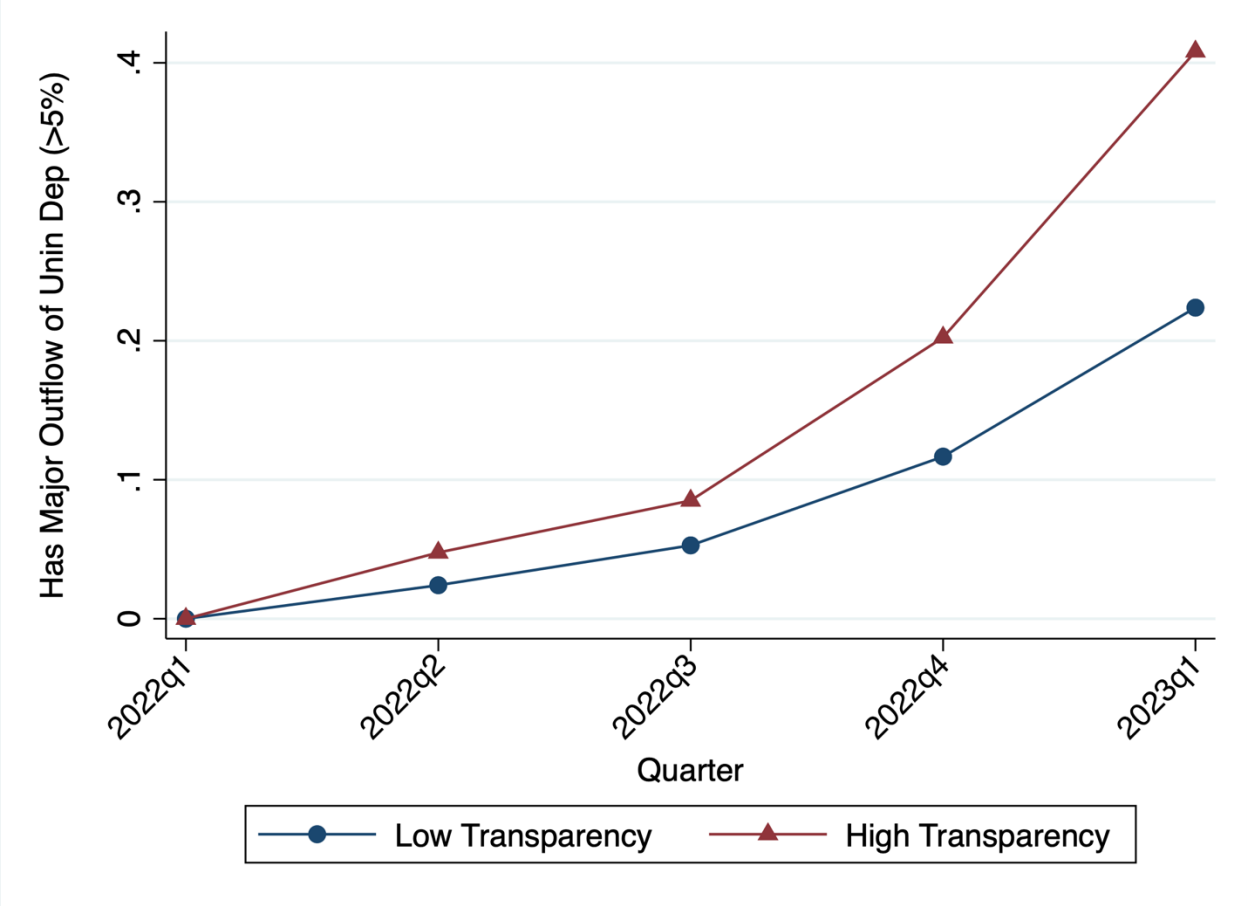


Figure 4: Time to Major Increase in Core Rates. This figure plots the estimated likelihood that a bank experiences a crisis outcome between 2022 Q2 to 2023 Q1, comparing banks subject to mandatory disclosure requirement to those not. We define a major crisis outcome as the first occurrence of an increase in core deposit rates by more than 1% above their 2022Q1 level.

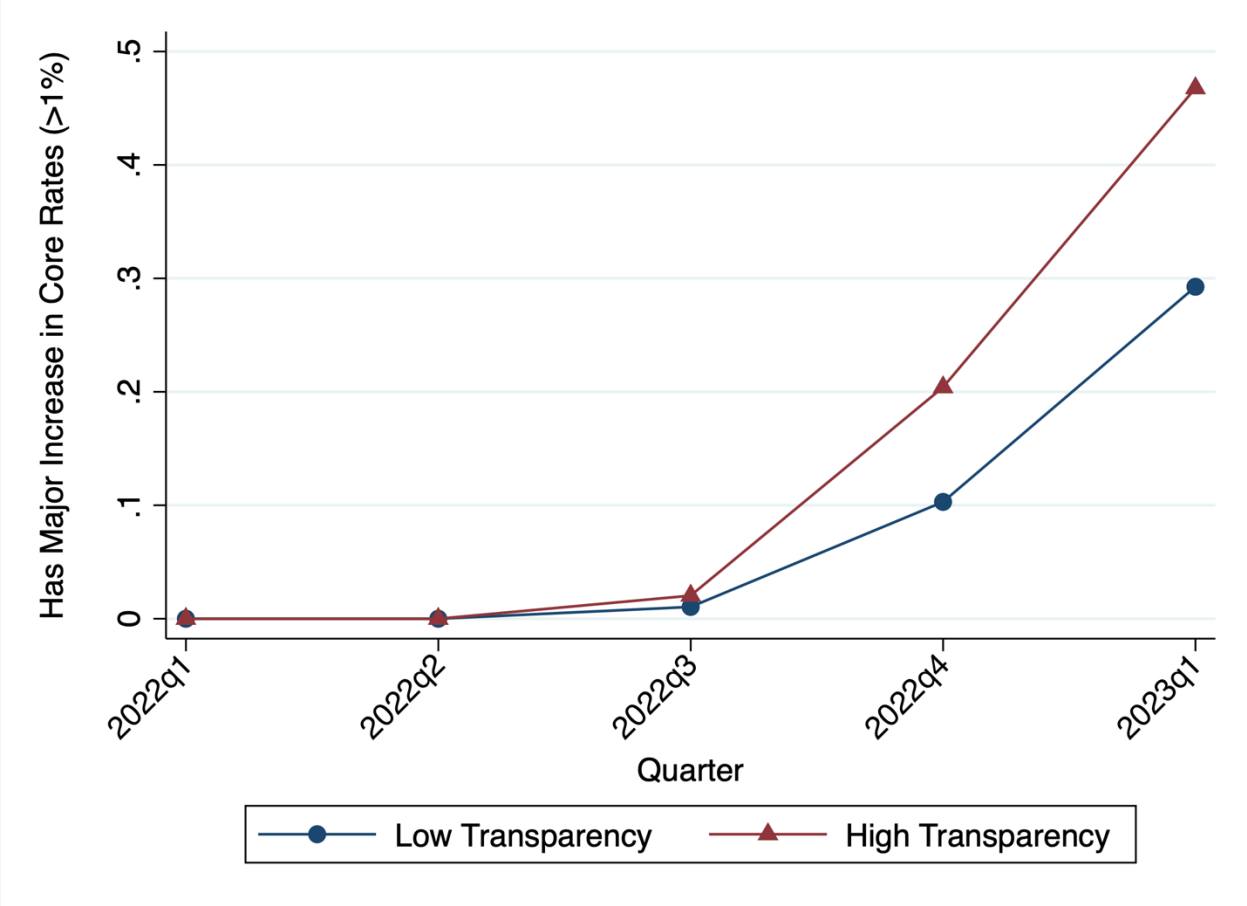


Figure 5: Time to Major Increase in Large Time Rates. This figure plots the estimated likelihood that a bank experiences a crisis outcome between 2022 Q2 to 2023 Q1, comparing banks subject to mandatory disclosure requirement to those not. We define a major crisis outcome as the first occurrence of an increase in large time deposit rates by more than 1% above their 2022Q1 level.

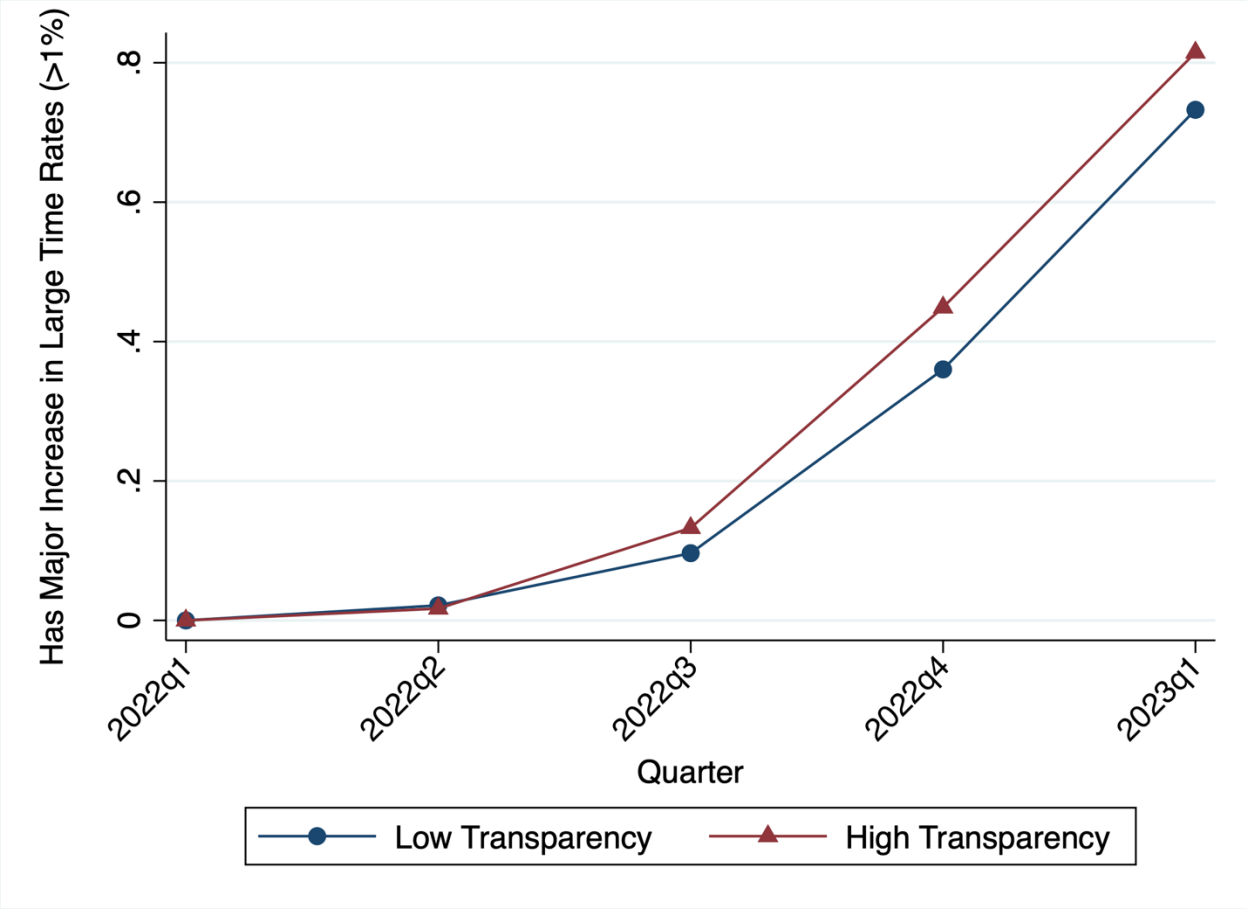


Figure 6: Uninsured Deposits Over Time. This figures plots average uninsured deposit ratios for banks subject to mandatory disclosure requirement as well as those not. 95% confidence intervals of the measures are also presented.

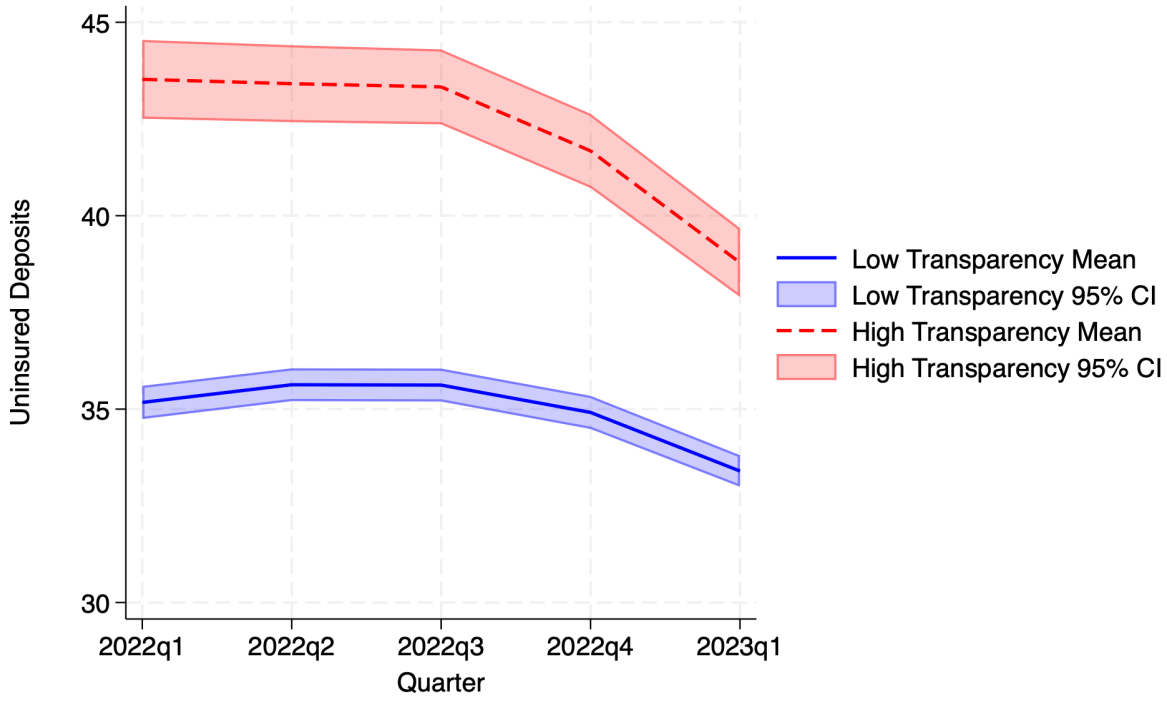


Figure 7: Core Deposit Rates Over Time. This figures plots average core deposit rates for banks subject to mandatory disclosure requirement as well as those not. 95% confidence intervals of the measures are also presented.

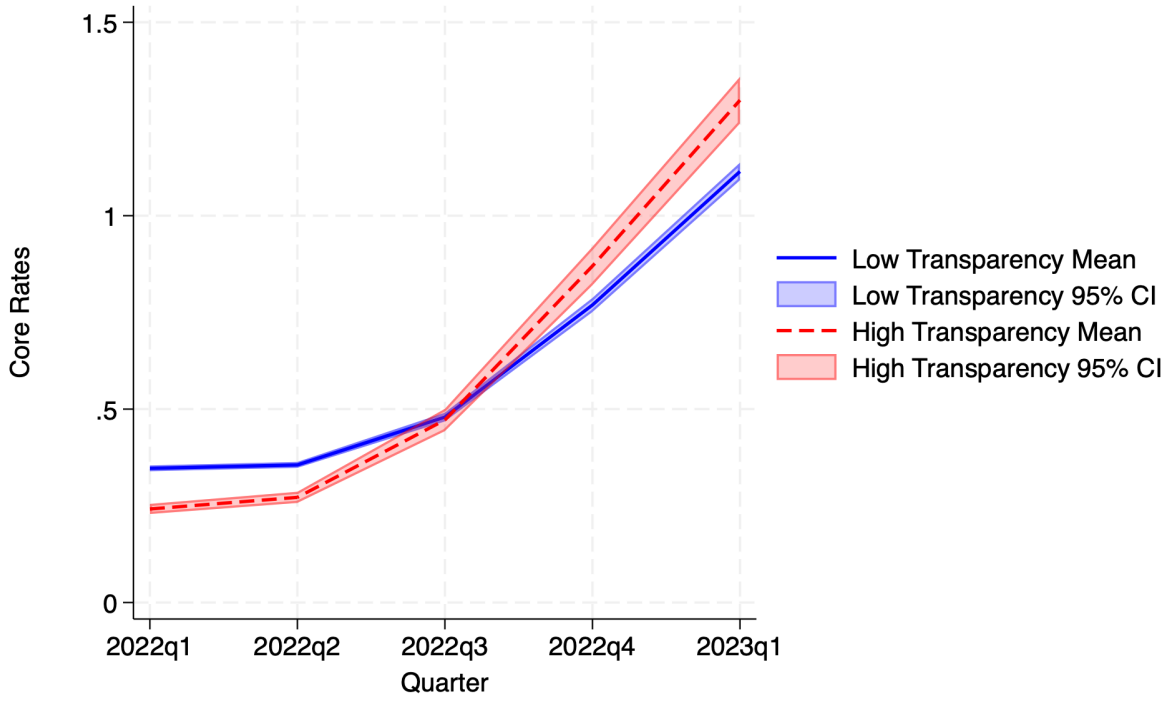
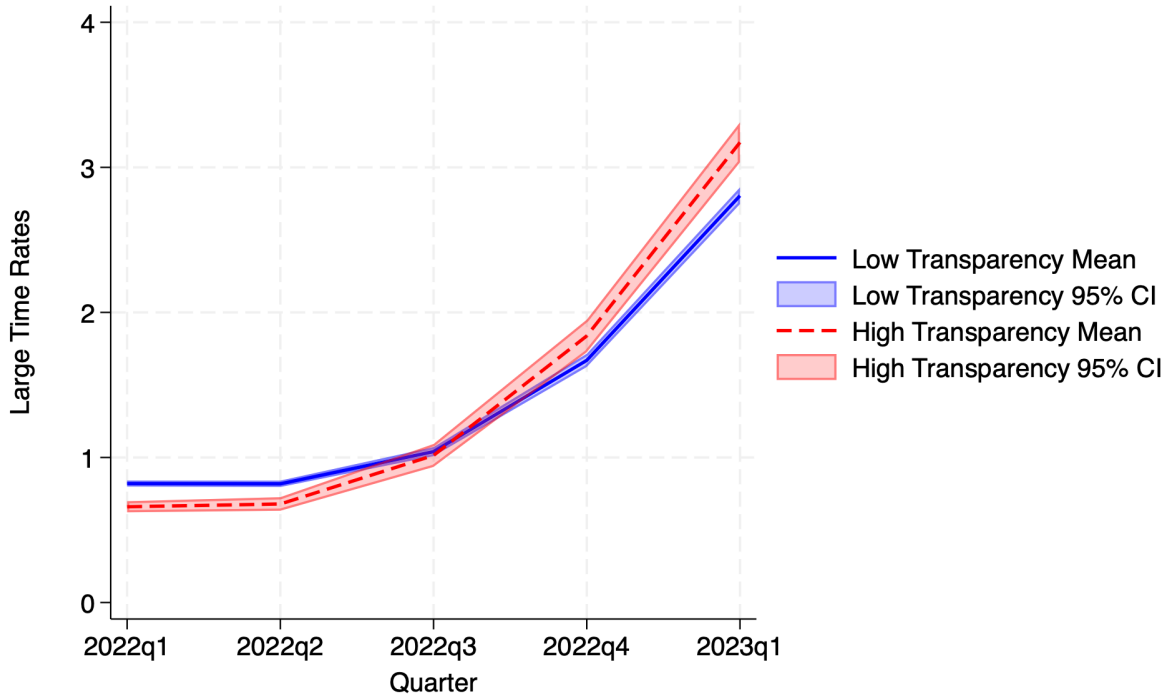


Figure 8: Large Time Deposit Rates Over Time. This figures plots average large time deposit rates for banks subject to mandatory disclosure requirement as well as those not. 95% confidence intervals of the measures are also presented.



Online Appendix

Table A1: Deposit Outflows Before Interest Rate Hikes.

	ΔUninsured Deposits (21Q1 – 22Q1)				
	(1)	**(2)**	**(3)**	**(4)**	**(5)**
Uninsured Deposits	-0.257***				-0.375***
	(-4.47)				(-5.69)
Duration (Loans)	-0.332***				-0.292***
	(-5.73)				(-4.67)
Duration (Securities)	0.160***				0.133**
	(2.85)				(2.36)
Ln(Assets)		-0.000103		0.0146	0.0756
		(-0.00)		(0.26)	(1.09)
Ln(Assets) Quartile 2			0.386**		
			(2.43)		
Ln(Assets) Quartile 3			0.222		
			(1.40)		
Ln(Assets) Quartile 4			0.170		
			(1.07)		
Extremely Large				-2.412*	
				(-1.82)	
Capital Ratio					-0.195***
					(-3.28)
ROE					0.0479
					(0.80)
Unused Commitment					0.105
					(1.62)
Real Estate Loans					-0.103*
					(-1.67)
Wholesale Fund					0.352***
					(6.14)
Std Writeoff					-0.0576
					(-1.02)
Observations	3,811	3,811	3,811	3,811	3,811
R^2	0.012	0.000	0.002	0.001	0.026

Table A2: Exchange-listed vs. OTC Banks.

	ΔUninsured Deposits (22Q1 – 23Q1)	*ΔCore Rates (22Q1 – 23Q1)*	*ΔLT Rates (22Q1 – 23Q1)*
	(1)	**(2)**	**(3)**
Exchange-Listed Bank	-1.648***	0.107*	-0.347**
	(-3.79)	(1.95)	(-2.00)
Uninsured Deposits	-2.797***	0.194***	0.360***
	(-12.79)	(7.03)	(4.13)
Capital Ratio	-0.520*	0.136***	0.193
	(-1.76)	(3.67)	(1.64)
ROE	-0.0156	0.175***	0.202*
	(-0.06)	(4.94)	(1.80)
Unused Commitment	-0.265	0.0567*	0.276***
	(-1.14)	(1.94)	(2.98)
Real Estate Loans	-0.309	0.199***	0.226**
	(-1.16)	(5.91)	(2.12)
Wholesale Fund	0.506**	0.190***	0.0695
	(2.32)	(6.93)	(0.80)
Std Writeoff	0.218	0.0897***	0.0147
	(0.88)	(2.88)	(0.15)
Duration (Loans)	-0.508*	-0.177***	0.125
	(-1.96)	(-5.43)	(1.21)
Duration (Securities)	0.0812	0.0150	0.177**
	(0.39)	(0.57)	(2.14)
Observations	588	588	588
R^2	0.299	0.384	0.075

Table A3: SVB Period.

Panel A: Uninsured Deposits.

	ΔUninsured Deposits (22Q4 – 23Q1)			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	-1.293***	-0.468***		
	(-8.79)	(-3.10)		
Depositor Soph			-0.673***	-0.373***
			(-12.59)	(-6.36)
Controls	No	Yes	No	Yes
Observations	3,657	3,657	3,657	3,657
R^2	0.021	0.100	0.042	0.107

Panel B: Core Rates.

	ΔCore Rates (22Q4 – 23Q1)			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.0947***	0.0299**		
	(7.85)	(2.53)		
Depositor Soph			0.0584***	0.0253***
			(13.38)	(5.50)
Controls	No	Yes	No	Yes
Observations	3,657	3,657	3,657	3,657
R^2	0.017	0.176	0.047	0.182

Panel C: Large Time Rates.

	ΔLT Rates (22Q4 – 23Q1)			
	(1)	**(2)**	**(3)**	**(4)**
Mandatory FV Disc	0.207***	0.0300		
	(2.81)	(0.38)		
Depositor Soph			0.0891***	0.0331
			(3.30)	(1.09)
Controls	No	Yes	No	Yes
Observations	3,657	3,657	3,657	3,657
R^2	0.002	0.018	0.003	0.019

Table A4: ChatGPT Prompt Used to Construct Informativeness Measure.

prompt_template = """

Instructions

You are an expert in analyzing SEC 10-K and 10-Q filings. Read the provided 10-K or 10-Q filing thoroughly. Rate the intensity of the filing's discussion related to fair value of financial assets on a scale from 1 to 10, where 10 represents the highest intensity and 1 the lowest. Provide reasons supporting this rating.

Example 1 (Score: 10):
"This filing devotes substantial text and tables to the fair value of financial assets, including the company's fair-value measurement policy; its valuation methods and inputs; fair values by level for each asset type measured at fair value; disclosures for assets measured at fair value on a non-recurring basis; assets for which the company elected the fair-value option; and the fair value of all financial instruments."

Example 2 (Score: 1):
"In this filing, fair value is mentioned only once—in the context of the company's policy for measuring real estate acquired through foreclosure."

IMPORTANT: Provide your answers ONLY in the following JSON format.:

[
{
"fv_discussion_intensity": "1/2/3/4/5/6/7/8/9/10/NA",
"fv_explain": "Provide your reasoning for assigning this intensity level, limited to 50 words."
},
...
]
"""