FROM:https://www3.nhk.or.jp/nhkworld/en/news/20230329\_N01/

The failures of two US banks have put the people who oversee the system under a spotlight. They are facing criticism for not doing their jobs. However, they say the troubles are a "textbook case of mismanagement."Federal Reserve Vice Chair for Supervision Michael Barr testified on Tuesday in Washington before members of the Senate Banking Committee. He addressed the problems at Signature Bank but focused primarily on the threat from Silicon Valley Bank.Barr said, "We are evaluating whether application of more stringent standards would have prompted the bank to better manage the risks that led to its failure."He said the bank had a "concentrated business model" serving, in large part, the technology sector. The firm's assets tripled as Americans bought up tech products during the early days of the pandemic. At the time, bank executives invested heavily in long-term bonds.However, as interest rates rose, the bonds lost value, and when customers asked for their money, the executives had to sell the investments at a loss.The Federal Deposit Insurance Corporation provides a safety net for customers. But Chairman Martin Gruenberg says banks nationwide have more than 600 billion dollars in unrealized losses. He added that regulators did what they could to prevent "potential contagion."