



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

JEROME H. POWELL
CHAIR

March 12, 2023

The Honorable Janet L. Yellen
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Ave, N.W.
Washington, D.C. 20220

Madam Secretary:

This letter is in reference to the resolution of Silicon Valley Bank, which is a subsidiary of SVB Financial Group, both of Santa Clara, California.

In light of all the facts and circumstances, including the large amount of uninsured deposits at Silicon Valley Bank and the substantial deposit runs occurring at other banks, the Board of Governors, by a unanimous vote, today determined that compliance by the Federal Deposit Insurance Corporation (FDIC) with the least-cost requirements of the Federal Deposit Insurance Act (12 U.S.C. § 1823(c)(4)(A) and (E)) with respect to Silicon Valley Bank would have serious adverse effects on economic conditions and financial stability. The Board also unanimously determined that action or assistance by the FDIC permitted under the systemic risk exception (12 U.S.C. § 1823(c)(4)(G)) would avoid or mitigate such adverse effects.

Sincerely,

A handwritten signature in black ink, reading "Jerome H. Powell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

cc: The Honorable Martin J. Gruenberg
Chairman, Federal Deposit Insurance Corporation



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Madam Secretary:

This letter is in reference to the proposed resolution of Signature Bank, New York, New York.

In light of all the facts and circumstances, including the large amount of uninsured deposits at Signature Bank and the substantial deposit runs occurring at other banks, the Board of Governors, by a unanimous vote, today determined that compliance by the Federal Deposit Insurance Corporation (FDIC) with the least-cost requirements of the Federal Deposit Insurance Act (12 U.S.C. § 1823(c)(4)(A) and (E)) with respect to Signature Bank would have serious adverse effects on economic conditions and financial stability. The Board also unanimously determined that action or assistance by the FDIC permitted under the systemic risk exception (12 U.S.C. § 1823(c)(4)(G)) would avoid or mitigate such adverse effects.

Sincerely,

A handwritten signature in black ink, reading "Jerome H. Powell", is positioned below the word "Sincerely,".

cc: The Honorable Martin J. Gruenberg
Chairman, Federal Deposit Insurance Corporation