

**BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA**

In the Matter of:)
)
)
 SILICON VALLEY BANK) **ORDER TAKING POSSESSION OF**
) **PROPERTY AND BUSINESS**
)
)
)

I. FINDINGS OF FACT

The Commissioner of Financial Protection and Innovation (“Commissioner”) finds:

1. Silicon Valley Bank

Silicon Valley Bank (the “Bank”) is, and was at all times mentioned in these Findings of Fact, a corporation organized under the laws of the State of California and authorized by the Commissioner to transact commercial banking business in the State of California.

2. Liquidity and Insolvency

On March 8, 2023, the Bank announced a loss of approximately \$1.8 billion from a sale of investments (U.S. treasuries and mortgage-backed securities). On March 8, 2023, the Bank’s holding company announced it was conducting a capital raise. Despite the bank being in sound financial condition prior to March 9, 2023, investors and depositors reacted by initiating withdrawals of \$42 billion in deposits from the Bank on March 9, 2023, causing a run on the Bank. As of the close of business on March 9, the bank had a negative cash balance of approximately \$958 million. Despite attempts from the Bank, with the assistance of regulators, to transfer collateral from various sources, the Bank did not meet its cash letter with the Federal Reserve. The precipitous deposit withdrawal has caused the Bank to be incapable of paying its obligations as they come due, and the bank is now insolvent.

II. ULTIMATE FINDINGS

On the basis of Findings of Fact set forth above, the Commissioner finds:

1. The Bank's liquidity position is inadequate, and it cannot reasonably be expected to pay its obligations as they come due.
2. The Bank is insolvent.
3. The Bank is conducting its business in an unsafe manner due to its present financial condition.

III. ORDER

On the basis of the Ultimate Findings set forth above, separately and cumulatively, pursuant to Financial Code section 592, it is ordered that the Commissioner take possession of the property and business of the Bank, and the Commissioner hereby takes possession of the property and business of the Bank.

DATED: March 10, 2023
San Francisco, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation