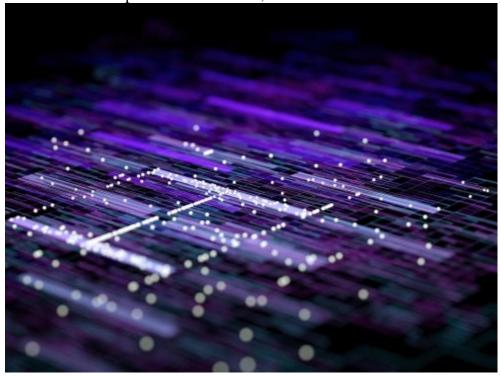
<u>Updates</u> March 12, 2023 Distressed Bank Update as of March 12, 2023



At 6:15 p.m. ET on March 12, 2023, the Department of the Treasury, Federal Reserve, and FDIC announced "actions enabling the FDIC to complete its resolution of Silicon Valley Bank, Santa Clara, California, in a manner that fully protects all depositors. Depositors will have access to *all of their money* starting Monday, March 13" (emphasis added).

The joint press release details their announcement.

The joint statement also announced "a similar systemic risk exception for Signature Bank, New York, New York, which was closed today by its state chartering authority. *All depositors of this institution will be made whole*" (emphasis added).

The <u>New York Department of Financial Services (DFS) also announced Sunday evening</u> that it has taken possession of Signature Bank.

The <u>FDIC announced that the DFS has appointed the FDIC as receiver</u> and that "The transfer of all the deposits was completed under the systemic risk exception approved earlier today. *All depositors of the institution will be made whole*" (emphasis added).

Finally, on Sunday evening March 12, 2023, the Federal Reserve posted a term sheet for borrowings through the emergency liquidity facility it has established to help banks meet depositors' requests for withdrawals.

This "Bank Term Funding Program" will enable eligible institutions to pledge certain types of securities at par value for no-fee loans of up to one year in duration, with interest calculated at the one-year overnight index swap rate plus 10 basis points.

We will provide further updates on the <u>Founder Insights</u> blog as developments occur. **Please contact your Perkins Coie lawyer or email <u>PCBankingTaskForce@perkinscoie.com</u> with questions or for assistance.**

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