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Press Release

First–Citizens Bank & Trust Company, Raleigh, NC, to Assume All Deposits and Loans of Silicon Valley Bridge Bank, N.A., From the FDIC

Sunday, March 26, 2023

For Release

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) entered into a purchase and assumption agreement for all deposits and loans of Silicon Valley Bridge Bank, National Association, by First–Citizens Bank & Trust Company, Raleigh, North Carolina.

The 17 former branches of Silicon Valley Bridge Bank, National Association, will open as First–Citizens Bank & Trust Company on Monday, March 27, 2023. Customers of Silicon Valley Bridge Bank, National Association, should continue to use their current branch until they receive notice from First–Citizens Bank & Trust Company that systems conversions have been completed to allow full–service banking at all of its other branch locations.

Depositors of Silicon Valley Bridge Bank, National Association, will automatically become depositors of First-Citizens Bank & Trust Company. All deposits assumed by First-Citizens Bank & Trust Company will continue to be insured by the FDIC up to the insurance limit.

As of March 10, 2023, Silicon Valley Bridge Bank, National Association, had approximately \$167 billion in total assets and about \$119 billion in total deposits. Today's transaction included the purchase of about \$72 billion of Silicon Valley Bridge Bank, National Association's assets at a discount of \$16.5 billion. Approximately \$90 billion in securities and other assets will remain in the receivership for disposition by the FDIC. In addition, the FDIC received equity appreciation rights in First Citizens BancShares, Inc., Raleigh, North Carolina, common stock with a potential value of up to \$500 million.

The FDIC and First-Citizens Bank & Trust Company entered into a [loss-share transaction](#) on the commercial loans it purchased of the former Silicon Valley Bridge Bank, National Association. The FDIC as receiver and First-Citizens Bank & Trust Company will share in the losses and potential recoveries on the loans covered by the loss-share agreement. The loss-share transaction is projected to maximize recoveries on the assets by keeping them in the private sector. The transaction is also expected to minimize disruptions for loan customers. In addition, First-Citizens Bank & Trust Company will assume all loan-related Qualified Financial Contracts.

The FDIC estimates the cost of the failure of Silicon Valley Bank to its Deposit Insurance Fund (DIF) to be approximately \$20 billion. The exact cost will be determined when the FDIC terminates the receivership.

The FDIC [created Silicon Valley Bridge Bank, National Association](#), following the closure of Silicon Valley Bank by the California

Department of Financial Protection and Innovation. All of the deposits—both insured and uninsured—and substantially all assets and all Qualified Financial Contracts of Silicon Valley Bank were transferred to the bridge bank. The purpose of establishing Silicon Valley Bridge Bank, National Association, was to allow time for the FDIC to stabilize the institution and market the franchise.

Customers who would like more information about today's transaction can visit the FDIC's website at:

<https://www.fdic.gov/resources/resolutions/bank-failures/failed-bank-list/silicon-valley.html>.

FDIC: PR-23-2023