

March 13, 2023

John P. Conneely  
Director, Division of Complex Institution Supervision and Resolution  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> St SW  
Washington, District of Columbia 20249

Subject: Application to Charter Silicon Valley Bridge Bank, National Association  
Charter No.: 25298  
OCC Control No.: 2023-BridgeBank-331278

Dear Director Conneely:

The Office of the Comptroller of the Currency (OCC) hereby approves the Federal Deposit Insurance Corporation's (FDIC) application to charter a bridge bank pursuant to 12 USC 1821(n) in connection with the receivership of Silicon Valley Bank, Santa Clara, California (SVB). The proposed title of the bridge bank is Silicon Valley Bridge Bank, National Association (Bridge Bank). The FDIC may commence the operations of Bridge Bank immediately upon receipt of this letter. We will forward you a Charter Certificate under separate cover.

On March 10, 2023, the FDIC was appointed receiver for SVB by the Commissioner, California Department of Financial Protection and Innovation.<sup>1</sup> Pursuant to Resolutions of the Board of Directors of the FDIC bearing Seal Number 088723 (March 10, 2023) and Seal Number 088728 (March 12, 2023), the Director for the Division of Complex Institution Supervision and Resolution (Director CISR), or designee, was authorized to charter a bridge bank pursuant to 12 USC 1821(n) for the resolution of SVB.<sup>2</sup>

The Director CISR determined that: (i) the amount reasonably necessary to operate a bridge bank will not exceed the amount reasonably necessary to save the cost of liquidating, including paying the insured deposits of SVB in liquidation, and (ii) a bridge bank is essential to provide adequate banking services to the community, or (iii) is in the best interest of the depositors<sup>3</sup> of SVB, and has determined that the appropriate resolution for SVB is for the FDIC to contribute certain of

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<sup>1</sup> See Letter from Leslie S. Sallberg, Counsel, FDIC, to Jason Almonte, Director for Large Bank Licensing, OCC (March 10, 2023).

<sup>2</sup> Additionally, on March 10, 2023, the OCC chartered the Deposit Insurance National Bank of Santa Clara, Santa Clara, California, at the request of the Director CISR pursuant to 12 USC 1821(m). The FDIC has arranged for the disposition of assets previously transferred to Deposit Insurance National Bank of Santa Clara to Silicon Valley Bridge Bank, National Association.

<sup>3</sup> See 12 USC 1821(n)(2)(A).

the assets and liabilities of SVB to a newly chartered bridge bank, Silicon Valley Bridge Bank, National Association.<sup>4</sup>

The materials provided by the FDIC meet the general organizational requirements for bridge banks (such as execution of Bridge Bank's articles of association, organization certificate, bylaws, identification of interim directors, and request to exercise trust powers).<sup>5</sup> The OCC understands that Bridge Bank will enter into a purchase and assumption agreement with the FDIC in its role as the receiver for SVB.<sup>6</sup>

This letter grants Bridge Bank full fiduciary powers pursuant to 12 USC 92a and 12 CFR 5.26(e)(4), as requested in your application.<sup>7</sup> The FDIC represents that, at the chartering of Bridge Bank, the Bridge Bank will operate the main office and all of SVB's branches. Bridge Bank has the authority to operate the former main office and branches of SVB as the main office and branches of Bridge Bank. The Bridge Bank is also authorized to operate the existing operating subsidiaries of SVB.<sup>8</sup>

The OCC does not object to the five individuals identified in the application materials to serve as directors of Bridge Bank as proposed in the application.<sup>9</sup> Once the Board has appointed a chairperson and chief executive officer of Bridge Bank, Bridge Bank and the FDIC must provide the OCC with the name and contact information for the proposed individual(s).<sup>10</sup> The OCC, at the request of the FDIC, is waiving the requirement for Bridge Bank to secure a fidelity bond.<sup>11</sup>

The capital requirements for a national bank do not apply to a bridge bank.<sup>12</sup> For supervisory purposes, the OCC will deem Bridge Bank to have capital of an amount equal to six percent (6%) of Bridge Bank's average total assets for purposes of statutes, regulations, or supervisory guidance that use capital levels in setting requirements. The OCC has determined that Bridge Bank's lending limit should be established as an amount equal to fifteen percent (15%) of six percent (6%) of Bridge Bank's average total assets.<sup>13</sup>

Under the provisions contained in 12 USC 1821(n) the FDIC, as receiver, may at any time after a charter is granted to a bridge bank transfer any assets and liabilities of any insured bank in default to the bridge bank. If the FDIC, in its discretion, decides to transfer the assets and

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<sup>4</sup> See Letter from Leslie S. Sallberg, Counsel, FDIC, to Michael J. Hsu, Acting Comptroller of the Currency, OCC, March 13, 2023.

<sup>5</sup> See 12 USC 1821(n)(1)-(2).

<sup>6</sup> See 12 USC 1821(n)(3).

<sup>7</sup> See 12 USC 1821(n)(3)(A)(iii).

<sup>8</sup> See 12 USC 1821(n)(3).

<sup>9</sup> Pursuant to the FDI Act, the FDIC also has waived the requirements of 12 USC 71, 71a, 72, 73, 74 and 75 pertaining to the directors of Bridge Bank. See 12 USC 1821(n)(4)(A)(iii).

<sup>10</sup> See 12 USC 1821(n)(4)(E).

<sup>11</sup> See 12 USC 1821(n)(4)(G).

<sup>12</sup> See 12 USC 1821(n)(4)(C).

<sup>13</sup> A national bank's loans to one borrower are limited to an amount that does not exceed: "15 per centum of the unimpaired capital and unimpaired surplus of the association." 12 USC 84(a)(1). The OCC is authorized to set a limit for a bridge bank without regard to capital and surplus. 12 USC 1821(n)(4)(D). In the absence of circumstances requiring a different limit, the OCC set the limit for Bridge Bank at a level comparable to other national banks (i.e., 15 percent of 6 percent of Bridge Bank's average total assets).

liabilities of an insured bank in default into Bridge Bank, it must inform the OCC of the transfer and provide appropriate information on the branches, if any, of the insured bank in default so that the OCC can properly track the branch offices of Bridge Bank.

As provided for in 12 USC 1821(n), Bridge Bank will terminate its operations within two years of the granting of this charter unless the Board of Directors of the FDIC, in its discretion, extends the status of Bridge Bank for up to three additional 1-year periods.<sup>14</sup> Bridge Bank and the FDIC must provide the OCC with adequate notice prior to termination.

All correspondence regarding this application should reference the OCC control number. If you have any questions, please contact Yoo Jin Na, Director for Licensing Activities at (202) 805-9967 or [yoojin.na@occ.treas.gov](mailto:yoojin.na@occ.treas.gov).

Sincerely,

Stephen A. Lybarger  
Deputy Comptroller for Licensing

cc: Leslie S. Sallberg, FDIC

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<sup>14</sup> 12 USC 1821(n)(9). Bridge Bank's status as bridge bank may also be terminated by merger or consolidation with another depository institution, sale of stock, or a purchase and assumption transaction with another depository institution. *See generally* 12 USC 1821(n)(10), (11), and (12).