

Bank Runs, Crypto Concerns and Takeovers: A Timeline of the Panic

Silicon Valley Bank's collapse led to the failure of a second bank and prompted regulators to move to contain the fallout in the U.S. banking system.

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March 16, 2023

On March 10, Silicon Valley Bank, one of the most prominent lenders in the start-up ecosystem, collapsed. Federal regulators stepped in to allay fears and limit risk in the broader financial system.

Here is a timeline of major events related to the bank's collapse and its aftermath.

MARCH 8

- Silvergate Capital, a cryptocurrency-focused bank, **announced it would cease operations and liquidate its assets** after a bank run forced the California lender to sell a chunk of its debt securities.
- Silicon Valley Bank concerned investors when it said it needed to shore up its balance sheet and raise \$2 billion in capital. It was **forced to sell a bond portfolio at a \$1.8 billion loss**.
- In a letter to customers, Greg Becker, the chief executive of Silicon Valley Bank, said the bank enjoyed the “financial position to weather sustained market pressures,” but he noted that customer deposits had come in lower than forecast in February. **Moody's, a credit ratings firm, downgraded the bank's bond rating** and slashed its outlook to negative, from stable.



The headquarters of Silvergate Bank in La Jolla, Calif., last week. The bank liquidated its assets on March 8. Ariana Drehsler/Bloomberg

MARCH 9

- During a conference call, Mr. Becker urged venture capital firms to stay calm. Panic spread on social media among investors. Bill Ackman, the billionaire investor, suggested that **Silicon Valley Bank could fail and need a bailout**. In a note sent to clients, a Silicon Valley Bank executive wrote that the bank was “actually quite sound, and it’s disappointing to see so many smart investors tweet otherwise.”
- Silicon Valley Bank’s announcement the day before prompted another wave of customer withdrawals, and **its stock plummeted 60 percent**.

MARCH 10

- **Silicon Valley Bank failed after a run on deposits**. It reportedly worked with financial advisers until the morning to find a buyer. By midday, regulators took over Silicon Valley Bank, the nation’s 16th-largest bank, and **the Federal Deposit Insurance Corporation was named the receiver**. The failure of the 40-year-old institution became the largest bank crash since the 2008 financial crisis, and it put nearly \$175 billion in customer deposits under the regulator’s control.
- Shock from Silicon Valley’s woes reverberated through parts of the banking sector, and **investors started to dump bank stocks**, including those of First Republic, Signature Bank and Western Alliance. Many of those institutions cater to niche clients. The nation’s largest banks appeared insulated from the fallout.
- **Treasury Secretary Janet L. Yellen reassured investors** that the banking system was resilient.

- Signature Bank, a 24-year-old, New York-based institution that lent largely to real estate companies and law firms, saw **a torrent of deposits leaving its coffers.**

Greg Becker, the chief executive of Silicon Valley Bank. In a letter to customers on March 8, he said the bank's financial position could "weather sustained market pressures."

Patrick T. Fallon/Agence France-Presse — Getty Images

MARCH 12

- To prevent the spread of banking contagion, **regulators seized Signature Bank.** To some extent, the bank, which had 40 branches, was a victim of the panic surrounding Silicon Valley Bank.
- The Federal Reserve, the Treasury Department and the F.D.I.C. announced jointly that **"depositors will have access to all of their money** starting Monday, March 13" and that no losses from either bank's failure "will be borne by the taxpayer."
- The **F.D.I.C. invoked a "systemic risk exception,"** which allows the government to pay back uninsured depositors to prevent dire consequences for the economy or financial instability. And the Fed announced that it would set up an emergency lending program, with approval from the Treasury, to provide additional funding to eligible banks and help ensure that they were able to "meet the needs of all their depositors."

A Signature Bank branch in New York. Regulators seized the bank on March 12. Casey Steffens for The New York Times

MARCH 13

- President Biden, in a speech, said **the U.S. banking system was safe and insisted taxpayers would not pay for any bailouts**. “This is an important point,” Mr. Biden emphasized. “No losses will be borne by the taxpayers.”
- **Regional bank stocks plunged**, with First Republic taking the worst beating, dropping 60 percent.
- HSBC said it would **buy Silicon Valley Bank’s British subsidiary**. A buyer was being sought for Silicon Valley Bank’s holding company, which includes asset management and a securities division, and excludes the commercial bank now under F.D.I.C. control.

MARCH 14

- Bank stocks **recovered some of their losses**.
- The Justice Department and the Securities and Exchange Commission reportedly **opened investigations** into the collapse of Silicon Valley Bank.

MARCH 15

- **Shares of Credit Suisse tumbled by 24 percent**, a record low. The Swiss National Bank, Switzerland’s central bank, said it would step in to provide financial support to Credit Suisse if necessary.
- On Wall Street, **the S&P was down by 0.6 percent** at the close of trading, reversing some of the previous day’s rally as investors’ fears over the health of the banking industry resurfaced.

MARCH 16

- **First Republic Bank received \$30 billion** in deposits from nearly a dozen of the United States' biggest banks including JPMorgan Chase, Wells Fargo and Morgan Stanley. The beleaguered bank's shares closed up 10 percent.
- Credit Suisse said it would **borrow \$54 billion** from Switzerland's central bank.
- The Federal Reserve announced that, as of Wednesday, **banks had borrowed \$11.9 billion** from the emergency loan program it unveiled on Sunday to shore up the banking system.
- Janet L. Yellen **testified before the Senate's Finance Committee** and sought to reassure the public that America's banks remain "sound."

Carly Olson contributed reporting.