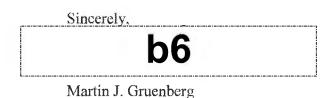OFFICE OF THE CHAIRMAN

March 12, 2023

Honorable Janet L. Yellen
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Re: Signature Bank – Systemic Risk Determination

Dear Madam Secretary:

I am writing to transmit the Resolution and memorandum relating to the proposed resolution of Signature Bank (the "Bank") that were unanimously acted upon by the Board of Directors (the "Board") of the Federal Deposit Insurance Corporation ("FDIC") on March 12, 2023. The Resolution and memorandum outline the basis for the recommendation under section 13(c)(4)(G) of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. § 1823(c)(4)(G)) to invoke the systemic risk exception to avoid or mitigate the serious adverse effects of the resolution on economic conditions or financial stability. The Board's Resolution authorized me to recommend that the Secretary of the Treasury (in consultation with the President of the United States) make a systemic risk determination with regard to the resolution of the Bank. Copies of the Board Resolution and the Board Memorandum are enclosed.

Sections 13(c)(4)(A) and 13(c)(4)(E) of the FDI Act (12 U.S.C. §§ 1823(c)(4)(A) and 1823(c)(4)(E)) generally prohibit the Corporation from taking any action that would have the effect of increasing losses to the Deposit Insurance Fund by protecting creditors other than insured depositors. Section 13(c)(4)(G) of the FDI Act, however, permits such action where a systemic risk determination is made that compliance with sections 13(c)(4)(A) and 13(c)(4)(E) would have serious adverse effects on economic conditions or financial stability, and such actions would avoid or mitigate such adverse effects. The FDIC consulted and concurs with the Board of Governors of the Federal Reserve System on the systemic risks presented by failure of the Bank.

Sincerely,

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Martin J. Gruenberg

cc: Honorable Jerome H. Powell, Chairman, Board of Governors of the Federal Reserve System

Enclosures

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