



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Andrew Griffith MP
Economic Secretary to the Treasury
By email

14 March 2023

Dear Andrew,

Silicon Valley Bank UK

Thank you to you and your officials for all your hard work in bringing the failure of SVB UK to the best possible outcome. I would welcome your answers to the following questions on the Government's response, and its potential implications.

1. The Bank of England said on 10 March that it intended to place SVB UK into insolvency. Were you concerned about this approach, and to what extent did the Treasury intervene in the resolution process in favour of facilitating a sale?
2. What criteria does the Government use to decide whether to coordinate a rescue mission for a failed bank?
3. Had the sale of SVB UK not been achievable, would you have been prepared to allow it to enter insolvency and for some SVB UK depositors to lose money? What other support options were you considering?
4. Is the Treasury undertaking work to assess where similar concentrations of risk arise in the financial sector from strategic sectors of the economy, and how it can mitigate those risks?
5. Do smaller banks that serve strategic sectors need more active prudential regulation, given the Treasury's focus on their customers?
6. Why did the Government settle on HSBC as the rescuer of SVB UK? How many other potential bidders were there? What would you have done had there been no suitable bidder?
7. Why did HSBC require exemptions from the ringfencing regime as part of this resolution and how they will work? What does this mean for the prudential regulation of HSBC?
8. Did the Treasury seek any assurances from HSBC on its approach to the UK tech industry? Was that a factor in HSBC's bid being successful?
9. Are you concerned by reports that some tech firms were required by investors to place their deposits with SVB UK as a condition of investment?

In line with the Committee's usual practice, I will be placing this letter and in due course your response in the public domain. I would welcome a response by Tuesday 21 March 2023 in preparation for our evidence session with the Bank of England on the matter on Tuesday 28 March.

With best wishes,

Harriett Baldwin MP
Chair of the Treasury Committee