

When known vulnerabilities remained unresolved as risk accelerated

Silicon Valley Bank | United States | Bank closure March 2023 | Federal Reserve review April 2023

CLOSURE 10 March 2023	OPEN FINDINGS 31	PEER COMPARISON About 3x	RECEIVER FDIC
S01	S02	S02	S01

DOCUMENTED EVENT

Silicon Valley Bank was closed on 10 March 2023 and the FDIC was appointed receiver. The Federal Reserve found that the bank's board and management failed to manage risk, supervisors did not fully appreciate vulnerabilities as the bank grew, and identified weaknesses were not remediated quickly enough. SVB Financial Group had 31 open safety-and-soundness supervisory findings when it failed, about triple the number at peer firms. [S01 | S02]

NFRISK SCENARIO ADAPTATION - NOT AN EXTERNAL FINDING

Risk indicators and supervisory findings accumulate while growth, funding concentration and balance-sheet sensitivity accelerate faster than remediation and board challenge.

STRESS-TEST QUESTIONS

- 01 Do unresolved findings change risk appetite and constrain growth?
- 02 Is funding and interest-rate exposure aggregated quickly enough for decisions?
- 03 Who verifies remediation effectiveness rather than closure paperwork?
- 04 Can the board see whether risk-management capability is keeping pace with changes in size and complexity?

CONNECTED RISK

Conduct & Governance Risk (primary)
Operational Resilience & Delivery Risk (contributing)
Data & Control Integrity (contributing)

FRAMEWORK RELEVANCE

COSO ERM lens: Review & Revision
NFRisk maps unresolved supervisory findings and rapid growth to COSO's Review & Revision component. This is a retrospective analytical mapping, not a Federal Reserve or COSO finding about SVB. [S03]

NFRISK PRACTITIONER INTERPRETATION

An issues inventory is not a control outcome. Governance must connect unresolved findings to changing exposure, escalation thresholds and decisions to constrain risk.

PRIMARY-SOURCE REGISTER

S01 US Federal Deposit Insurance Corporation (2023)
FDIC appointed receiver for Silicon Valley Bank
S02 Board of Governors of the Federal Reserve System (2023)
Review of the Federal Reserve's Supervision and Regulator...
S03 COSO / Basel Committee / NIST (2017)
Authoritative risk-management framework referenced in the...

EVIDENCE BOUNDARY Official findings are separated from the institutional scenario, framework interpretation and NFRisk practitioner view.