



Israeli firms transfered \$1 billion from Silicon Valley Bank to Israel

Description

The *Times of Israel* reports that Israeli firms were able to transfer \$1 billion from Silicon Valley Bank (SVB) to Israeli accounts just before the bank was seized:

“Israel’s two largest banks, Bank Leumi and Bank Hapoalim, set up a situation room that has been operating around the clock to help firms transfer their money from SVB — before it was seized — to accounts in Israel. Over the past few days, teams at LeumiTech, the high-tech banking arm of Bank Leumi, have been able to help their Israeli clients transfer about \$1 billion to Israel, the bank said.

SVB, the “go-to lender of technology startups in Israel and the US,” failed “after depositors hurried to withdraw money last week amid anxiety over its health.”

It was the second-biggest bank failure in US history.

Israel’s *Ha’aretz* newspaper reports that “a good many Israeli companies had been able to get their money out in time, but that it was clearly not the case for everyone” and that “companies whose deposits are now locked will seek to conceal this, concerned that any rumors might drive away customers, suppliers and employees.”

The FDIC has announced an emergency bailout program that will pay depositors 100% of the money they had in the bank. It’s unclear whether this U.S. money will go to Israeli companies. Israel already receives over \$10 million per day from American taxpayers.

The *Washington Post* reports: “While the fund going to the depositors is paid into by U.S. banks, it is ultimately backstopped by the Treasury Department — and therefore U.S. taxpayers.”

Category

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2. Main

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