

Bank of England chief: HSBC was only reasonable bidder for Silicon Valley Bank UK

Bank of England governor [Andrew Bailey](#) said [HSBC](#) was effectively the only bidder remaining for failed lender Silicon Valley Bank's [UK](#) arm once the sale process got fully underway.

The Bank boss faced questions from the Treasury Committee today after tech-focused [Silicon Valley Bank collapsed in the US earlier this month](#), which then led to the [collapse of its UK arm](#).

"In my past 30 years, talking about the parent bank in the US to start with, Silicon Valley Bank saw the fastest passage from health to death really since [Barings](#)," Bailey said.

"That was a Friday to Sunday thing and this was pretty similar."

Bailey was asked about the number of bids that were on the table for Silicon Valley Bank's UK arm [before HSBC ultimately acquired it for £1](#). The Bank of [London](#) publicly announced an [interest](#) in a rescue deal, while the Treasury also looked into deals with other banks such as Barclays.

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However, defending the £1 purchase price, the governor said that once the actual selling process got underway, HSBC had the only viable [bid](#). Other prospective bidders, he said, either never submitted a firm offer or attached terms and conditions that the Bank couldn't agree to.

"By the end of that process, into the earlier evening on Sunday, maybe seven or eight o'clock, we really only had one and that was HSBC," Bailey said.

When asked why the Bank said it was set to place SVB UK into insolvency first before later announcing a sale, Bailey added that he only became sure a sale could occur at the very last minute.

"We could not guarantee that a sale would take place until about 4am going into Monday," he said.

Bailey also sought to calm fears about the banking sector in general.

"I do not think we are in the period we were in 2008," he said, though he also warned that the banking sector still faced "heightened tension".

"My very strong view about the UK banking system is that it is in a strong position both capital and liquidity-wise, it is not showing signs of problems in that respect and we have tested very extensively," he said.