WOKESTER APOCALYPSE AT SILICON VALLEY BANK

https://www.2thepointnews.com/wokester-apocalypse-at-silicon-valley-bank/

On the left, they're claiming

President Trump triggered the meltdown of Silicon Valley Bank on Friday (3/10) through signing off on deregulation. On the right, they're saying it was wokester priorities that drove the bank bust.

First, here's their wokesterly profile: Their corporate governance charter was full-speed ESG;

They spent $200,000 on lobbying Congress in 2022, hiring Franklin Square Group, which is full of Democrats, in their highest lobbying money total in their history. Through their PAC or as individuals, they donated almost exclusively to Democrats, with Sen. Mark Warner of Virginia taking the biggest pile but usual suspects such as Reps. Carolyn Maloney and Gregory Meeks, and Sen. Chuck Schumer, also taking their cut.

They put out truly ignorant wokester statements calling non-green projects a matter of "systemic risk" in their " sustainable finance statement" (boldface added):

"The innovation sector is essential to the transition to a sustainable, low carbon, net zero emissions economy. Supporting our clients that are building new sustainability solutions is the most effective way for SVB to tackle **climate change, which presents a systemic risk to society, the financial system, our clients and our company**. As the bank of the innovation economy, and in alignment with our mission to help our clients succeed and innovate for a better world, SVB has committed to provide at least $5 billion in loans, investments and other financing to support sustainability efforts by 2027."

Guess they learned the hard way that climate wasn't their biggest risk.

It’s remarkably similar to what Janet Yellen mouthed in her nutty wokester logic about climate change being the biggest threat to the banking system back in 2021:

“Treasury Secretary Janet Yellen called climate change “an existential threat” and the biggest emerging risk to the health of the U.S. financial system, pledging to marshal regulatory forces to guard against its harmful effects.”

…and recently, too, from James Pinkerton at Breitbart News:

“[A]s recently as March 7, Treasury Secretary Janet Yellen was urging faster please on ESG. “A delayed and disorderly transition to a net-zero economy can lead to shocks to the financial system,” she said.”

Among their thousands of loans to startup companies, SVB lent cash for hundreds of green tech financing loans, which included these priorities:

Eligible Climate Tech and Sustainable solutions include projects, technologies and business models in the following sectors: • Circular economy • Climate resilience • Energy efficiency and demand management • Green buildings • Renewable energy, energy storage and grid infrastructure • Sustainable agriculture and alternative foods • Sustainable transportation • Technology solutions that mitigate greenhouse gas emissions • Waste management and pollution control • Water technology

But with all those green concerns, they never did got around to appointing an actual head of risk assessment as defined in their corporate statement in the nine months before they went belly-up. However, they had plenty of wokester gurus.

The Daily Mail reported that they had a woke boss for Europe, the Middle East, and Africa, who was busy organizing a month-long Pride campaign and a “Lesbian Visibility Day.” (The New York Post has more on that .) On hiring personnel, they had plenty of wokester priorities, too.

Their corporate governance charter was full-speed ESG:

> *“3.5 Environmental, social and governance (ESG) · Strategy and program: The Committee shall review the Company’s ESG strategy, including the Company’s policies and programs related to environmental sustainability, climate change, and community investment, and receive updates from management on significant ESG and sustainability activities.*
>
> *The Committee will have oversight responsibility for the Company’s external diversity, equity and inclusion (“DEI”) initiatives, while the internal DEI initiatives will be under the oversight of CHCC. ·*
>
> *Philanthropic strategy: The Committee shall review, at least annually, and receive reports on the Company’s strategic philanthropy, employee giving, and community involvement, and provide oversight with respect to the Company’s related policies, programs, and strategy. ·*
>
> *Advocacy activities: The Committee shall review, at least annually, the Company’s public policy and advocacy activities, including political contributions made by the Company and the Company’s lobbying activities. Board Governance and Corporate Responsibility Committee Charter October*

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Supply chain diversity: The Committee shall review, at least annually, reports on management's efforts to include diversity considerations into the Company's procurement and supply chain activities."

Their corporate code of conduct went big on diversity, inclusion, and equity:

"Diversity, equity, and inclusion. SVB believes that diversity is essential to our company's success, and we are dedicated to expanding our commitments and investments to create a more diverse, equitable, and inclusive company culture and innovation ecosystem.

We believe our workforce should reflect the clients we look to serve and the communities where we operate. We believe equity is the outcome of fair, consistent, and well-socialized systems, policies and practices that enable individual success. We believe our talent is our best asset and will enable a unified culture where every employee feels empowered to excel and contribute fully, while feeling valued, supported, and safe.

As inclusion ignites innovation: We are intentionally and strategically funding a world where every client and employee has the opportunity to bring their bold ideas to life. We also know that diverse perspectives and inclusive environments ignite new ideas to power innovation. That is why we are building a culture of belonging with a global workforce that celebrates greater dimensions of diversity and reflects the markets we strive to serve."

Although their executive team was remarkably…white.

No wonder, then, that Bernie Marcus, co-founder of Home Depot, found them pretty woke in their priorities. He had this to say, according to Fox News:

"I feel bad for all of these people that lost all their money in this woke bank. You know, it was more distressing to hear that the bank officials sold off their stock before this happened. It's depressing to me. Who knows whether the Justice Department would go after them? They're a woke company, so I guess not. And they'll probably get away with it," he said to host Neil Cavuto."

Top management reportedly sold their shares before the crash, while bonuses — big five- and six-figure ones — were paid out just hours before the FDIC stepped in and put up the paper "closed" sign on the headquarters door.

Guess it wasn't all about the collective responsibility for saving the earth after all. It was about looking out for number one.

And unlike the people of East Palestine, Ohio, the latest news is that *their* woke depositors will get prompt "service" courtesy of the U.S. government, making all of their uninsured deposits whole on Monday (3/13).

To sum up, they were indeed woke (yet hypocritical), as all the puzzle pieces fit together.

Mother Jones, on the left, argues that deregulation made the bank collapse, deregulation signed into law from Congress by President Trump. Here is their headline:

Long Before Silicon Valley Bank's Collapse, Its CEO Helped Kill Tougher Oversight of Banks Like His.

That doesn't hold water, because SVB was small fry, contributing boilerplate congressional testimony in favor of loosening Dodd-Frank rules, along with dozens of other far bigger players. SVB's lobbying budget was also far smaller when they testified than it is today, nearly all of that cash going to Democrats. The links to that are above.

More likely, it was bad management, and possibly politically oriented federal regulators looking the other way.

Economist Steve Hanke, a professor at Johns Hopkins University and a leading monetary expert, explained what actually happened in far clearer language than what's been seen in the press, in an email to me:

"When banks receive deposits, the bank incurs a liability — the bank is borrowing money from depositors. The banks then put those borrowed funds to work by purchasing assets. In the case of SVB, the bank purchased long-dated U.S. government bonds, among other things, when the bonds were realizing low yields. As interest rates went up, the unhedged bonds lost value big time, as the value of a bond is inversely related to interest rates. The SVB was very poorly managed, and if that wasn't bad enough, the regulators were clueless, too."

He added:

> *"[T]he real SVB issue was terrible banking and risk management that resulted in a massive duration mismatch between SVB's liabilities (read: deposits) and its assets (read: long-dated bonds). The mismatch was stupidly not hedged. SVB was a poorly run bank, a disaster waiting to happen. Any regulator worth his salt should have seen this coming long ago."*

That's where the problem was.

There's this proclamation:

“We bank nearly half of all US venture-backed startups, and 44% of the US venture-backed technology and healthcare companies that went public in 2022 are SVB clients,” the bank proudly highlighted on its website.

The chart at this link, shared on Twitter, is pretty instructive as to how SVB’s customer deposits were structured — barely any of them were small depositors, meaning the large deposits signaled that the bank needed to hedge to prepare for a potential bank run. The latest news today (3/14) is that another bank near the bottom of that chart, Signature Bank, which has former Rep. Barney Frank on its board and, like Silvergate, was cryptocurrency-focused, went belly-up.

That’s also where the distinctly political cast to what happened comes in — from the fast government service to the depositors (might they have been Democrat campaign contributors?) and from the U.S. bank regulators who looked the other way as the bank’s balance sheet took on unhedged risk based on its lender profile, quite possibly again could have been based on campaign contributions to Democrats.

What that means is that any bank with the same profile as Silicon Valley Bank, which doesn’t properly manage itself and doesn’t hedge its risk profile, could go belly-up, too, as depositors withdraw their money. That might explain why the press is so obsessed with “contagion.”

If they are politically linked, they’ll get some kind of bailout as we are seeing now. If they aren’t donating to Democrats, then what happens happens — they get as much sympathy and help as East Palestine, Ohio.

This explains a lot about why banks go woke — it’s a protection penny paid to Democrats that lets them mismanage in peace and line their pockets first.

That’s no way to run a fiscal system. Wokery had its fingerprints all over this crisis, but it was mainly linked with how likely a bailout would be.

Monica Showalter is a journalist whose analyses have appeared in Forbes, the Asia Wall Street Journal, Investors Business Daily, and American Thinker.