

it had set itself the goal³³ of achieving carbon-neutral³⁴ operations by 2025. That ambitious aspiration will not now come to fruition³⁵.

An Accident Waiting to Happen

Taking its illustrious³⁶ history into account³⁷ and its pole position³⁸ in the heart of the tech industry, how did SVB come to grief³⁹? Even into the first quarter of 2023, the bank seemed to be doing OK, but appearances can be deceptive⁴⁰ and the mighty institution's demise⁴¹ was swift⁴² and spectacular. However, although it might have seemed like a sudden imposition, the root cause⁴³ occurred⁴⁴ a couple of years earlier.

During the Covid-19 pandemic, the US Federal Reserve⁴⁵, keen to support the struggling⁴⁶ economy, kept interest rates⁴⁷ at rock bottom⁴⁸, at zero or a fraction⁴⁹ over. The tech sector in particular⁵⁰, filled its boots⁵¹ with cheap money⁵² resulting in venture-capital tech start-ups depositing a whopping⁵³ USD 330 bln in SVB, boosting its deposit coffers⁵⁴ by 100 percent in the space of a year. SVB didn't just sit on the money from the Covid-19 windfall⁵⁵ but reinvested in low-interest⁵⁶, fixed-rate⁵⁷ long-term⁵⁸ mortgage-backed securities⁵⁹ and government bonds⁶⁰. However, when the Federal Reserve raised interest rates, the value of those investments fell through the floor⁶¹. Astute⁶² investors would have spotted the danger signs, and as early as November 2022, JPMorgan had warned⁶³ that Silicon Valley Bank was carrying USD 16 bln of unrealised losses⁶⁴.

- ³³ to set oneself a goal *to set wən'self ə goʊl*
³⁴ carbon-neutral *'kɑ:bən 'nju:trəl*
³⁵ to come to fruition *to kam tə fru:'ʃʌn zɪ'sci: sɪə*
³⁶ illustrious *ɪ 'lʌstɪəs wə'spænɪəl*
³⁷ to take sth into account *to teɪk 'sʌmɪŋ 'ɪntə*
³⁸ pole position *pəʊl pə'zɪʃn*
³⁹ to come to grief *to kam tə grɪf*
⁴⁰ to come to grief *to kam tə grɪf*
⁴¹ demise *to grɪf*
⁴² swift *to grɪf*
⁴³ root cause *to grɪf*
⁴⁴ occurred *to grɪf*
⁴⁵ US Federal Reserve *ju: 'es 'fedərəl rɪ'zɜ:v*
⁴⁶ struggling *'strʌɡlɪŋ*
⁴⁷ interest rates *ɪn'terɪst reɪt*
⁴⁸ rock bottom *rɒk 'bɒtəm*
⁴⁹ a fraction *ə 'frækʃn*
⁵⁰ in particular *ɪn pə'tɪkjələ(r)*
⁵¹ to fill one's boots *to fɪl wʌnz bu:ts*
⁵² cheap money *'tʃi:p 'mʌni*
⁵³ whopping *'wɒpɪŋ*
⁵⁴ deposit coffers *dɪ'pɒzɪt 'kɒfə(r)*
⁵⁵ windfall *wɪnd'fɔ:l*
⁵⁶ low-interest *ləʊ 'ɪn'terɪst*
⁵⁷ fixed-rate *fɪksɪd reɪt*
⁵⁸ long-term *lɒŋ 'tɜ:m*
⁵⁹ mortgage-backed securities *mɔ:tgɪdʒ 'bækɪd sɪ:kʊrətɪz*
⁶⁰ government bonds *gʌvənmənt bɒndz*
⁶¹ to fall through the floor *to fɔ:l θru: ðə flɔ:(r)*
⁶² astute *ə'stu:t*
⁶³ to warn sb *to wɜ:n 'sʌmbədɪ*
⁶⁴ loss *lɒs*



- ⁵³ whacking *'weɪkɪŋ*
⁵⁴ deposit coffers *dɪ'pɒzɪt 'kɒfə(r)*
⁵⁵ windfall *wɪnd'fɔ:l*
⁵⁶ low-interest *ləʊ 'ɪn'terɪst*
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