

## SVB special report

### **CANADIAN BANKS ERASE \$19.7 BILLION IN VALUE ON SVB CONTAGION**

( *BNN* ) - Recent Indicators

The fallout from Silicon Valley Bank's collapse has led to a continent-wide selloff in financial stocks erasing \$19.7 billion in value from Canada's top banks in the last four days.

### **COINBASE PAUSES CONVERSIONS BETWEEN USDC AND U.S. DOLLARS AS BANKING CRISIS ROILS CRYPTO**

( *Coindesk - Danny Nelson* ) - Recent Indicators

**Circle confirmed that \$3.3B** of the \$40B backing its stablecoin was on deposit at the now-shuttered lender. The fate of that cash is now uncertain, with Silicon Valley Bank having been seized by the FDIC, and USDC – for the moment – **has lost its dollar peg.**

### **SILICON VALLEY BANK COLLAPSE MARKS 2ND BIGGEST BANK FAILURE IN U.S. HISTORY**

( *CBC* ) - Recent Indicators

"This is an extinction-level event for startups," said Garry Tan, CEO of Y Combinator, a startup incubator that launched Airbnb, DoorDash and Dropbox and has referred hundreds of entrepreneurs to the bank.

### **SVB FALLOUT SPREADS AROUND WORLD FROM LONDON TO SINGAPORE**

( *Bloomberg - Thomas Seal, Mark Bergen and Hannah Miller* ) - Risk Management Issues

The fallout from the collapse of **Silicon Valley Bank** is beginning to spread around the world.

### **WHAT HAPPENED AT SILICON VALLEY BANK?**

( *Deep Dive* ) - Risk Management Issues

Part one, Panic at the Discount Window, charted the particulars of how the banks ran out of money. We're expanding on it here with some insight into how the enterprise was run, and how it put itself in an unfixable bind.

### **ROBERT KIYOSAKI WARNS 3RD U.S. BANK TO CRASH, PETER SCHIFF SAYS BIGGER COLLAPSE AHEAD**

( *Finbold - Justinas baltrusaitis* ) - Risk Management Issues

Kiyosaki's warning about a third bank collapse comes as speculation around the future of another crypto-friendly investment bank, **Credit Suisse**, continues to mount.

## Prior news related to SVB and Canada

### [SILICON VALLEY BANK EXPANDING INTO QUEBEC WITH THIRD CANADIAN OFFICE](#)

FP - Stefanie Marotta

The California-based bank, which has US\$163 billion in assets, is launching its third Canadian office in Montreal. The city ranked second in venture capital deals with \$953 million in the first half of 2021, according to the Canadian Venture Capital & Private Equity Association.

### [SILICON VALLEY BANK TO SET UP SHOP IN CANADA](#)

G&M - James Bradshaw

Canada's banking regulator has granted Silicon Valley Bank a licence to operate in the country, clearing the way for the California-based lender to solicit business and lend to technology and life sciences companies north of the border.

## Fintech banks, venture investment firms and other related news since 2018

\*The following articles are related to the idea that deposit taking institutions and pension funds should not work with risky investments (aka startups). For example, Caisse de Depot investing in Celsius was a risky idea and resulted in a huge writedown. Clearco, run by Michele Romanow, obviously, is a situation where investors proceed at their own peril and are aware of the risks when they place money in this or related funds. Including news regarding non-traditional firms like Amazon stepping into financial services.

### [PAYPAL'S PAUL PARISI NAMED NEW HEAD OF SILICON VALLEY BANK IN CANADA](#)

G&M - James Bradshaw

Silicon Valley Bank has chosen Paul Parisi, an executive with a background in payments technology, as its new head of Canada as the California-based lender gears up to help clients survive the pandemic.

### [MICHELE ROMANOW'S CLEARCO EXITING FOREIGN MARKETS, HIRES ADVISER TO EXPLORE STRATEGIC OPTIONS](#)

G&M - Sean Silcoff

One of Canada's high-profile unicorns, Michele Romanow's financial technology startup Clearco, is retreating from foreign markets and shedding more staff after cutting a quarter of its work force last month.

### [BANK 'SLUGFEST' LEAVES CANADIAN TECH SECTOR PILED HIGH WITH CHEAP DEBT OFFERS](#)

G&M - Josh O'Kane

Banks have spent 2018 fighting to give Canada's fast-growing tech sector something it hasn't had much taste for in years: debt.

### [AMAZON PUSHING DEEPER INTO BANKING IN THE POST-PANDEMIC WORLD](#)

The Financial Brand - TFB

In late 2019 Angela Strange, General Partner at Silicon Valley venture capital firm Andreessen Horowitz, predicted that "in the not-too-distant future, I believe that nearly every company will derive a significant portion of its revenue from financial services."

### [TOP US REGULATOR FIRES WARNING SHOT AFTER APPLE'S PUSH INTO LENDING](#)

FT - Stefania Palma

The top US consumer finance regulator has warned that Big Tech's entry into the buy now, pay later lending business risks undermining competition in the nascent sector and raises questions about the use of customer data.

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### [RBC COMBINES TECHNOLOGY BANKING UNIT WITH VENTURE ARM TO REACH MORE CLIENTS IN INNOVATION SPACE](#)

G&M - JAMES BRADSHAWBANKING

Royal Bank of Canada RY-T has merged its technology banking unit with its Ventures business that nurtures companies outside traditional banking as it looks to expand support for a tech sector squeezed by a slowing economy.

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### [AUSTRALIA CONSIDERING NEW LAWS FOR APPLE, GOOGLE, WECHAT DIGITAL WALLETS](#)

Reuters - Paulina Duran

The Australian government is considering new laws that would tighten the regulation of digital payment services by tech giants such as Apple (AAPL.O) and Alphabet's Google (GOOGL.O).

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### [WHY WEALTHSIMPLE WENT FROM PREACHING LOW-FEE, LOW-RISK INVESTING TO PUSHING DAY TRADING AND CRYPTO](#)

G&M - Tim Kiladze

Every startup has an origin story, a tale that illustrates its core principles. For Wealthsimple, that meant promoting low-fee, passive investing.

[U.S. RISKS 'CHILLING' REGULATIONS ON CRYPTO, INDUSTRY WARNS CONGRESS](#)

Reuters - Pete Schroeder and Katanga Johnson

"Without tailored legislative solutions that are openly debated with public participation, the United States risks unnecessarily onerous and chilling laws and regulations," warned Alesia Haas, chief executive of Coinbase Inc, in testimony released on Tuesday. "This could effectively push crypto activity underground or to offshore exchanges that have little or no compliance

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[BANKS ARE REMAKING THEIR OFFICES FOR THE HYBRID ERA, COMPLETE WITH NATURAL LIGHT, COLD BREW ON TAP](#)

FP - Jennifer Surane, Katherine Doherty and Natalie Wong

As return-to-office plans accelerate — with hopes they will stick this time — many bosses are embracing new setups and perks meant to evoke the comforts of home. At Mizuho Financial Group Inc., Bank of Montreal and Deutsche Bank AG, the changes have gone even further: New York workers came back from the pandemic to entirely different buildings.

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[WEALTHSIMPLE LAUNCHES VENTURE CAPITAL INVESTMENT FUND FOR RETAIL INVESTORS](#)

G&M - Clare O'Hara

Online investment manager Wealthsimple is now providing Canadian retail investors easier access to some of the largest venture capital firms in Silicon Valley that invest in health care and tech companies.

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[BIG TECH HIRING CEMENTS CANADA'S STATUS AS SILICON VALLEY NORTH — BUT THERE'S A CATCH](#)

CBC - Pete Evans

Recent moves by U.S. technology giants Meta, Google and Amazon to significantly beef up their presence and staffing levels in Canada have cemented the country's status as a growing hub for technology talent.

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[NASDAQ PARTNERS WITH MAJOR BANKS TO SPIN OUT TRADING PLATFORM FOR PRE-IPO STOCKS](#)

Reuters - Reuters

Nasdaq Inc (NDAQ.O) on Tuesday partnered with big U.S. banks, including Goldman Sachs and Morgan Stanley, to separate its platform that allows people to trade in shares of private companies, which have seen strong interest from investors seeking lofty returns on investments.

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### [BMO SIGNS DEAL TO OFFER DIGITAL CHEQUING ACCOUNTS IN U.S. THROUGH GOOGLE PAY](#)

G&M - James Bradshaw

Bank of Montreal has signed a deal with Google to offer digital chequing accounts in the U.S. through Google Pay, the technology giant's mobile payment app, as banks increasingly cozy up to Silicon Valley to head off the threat of digital disruption.

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### [FINTECHS TAKE ON BANKS AT THEIR OWN GAME](#)

FT - Miles Kruppa, Robert Armstrong

Last month, a Silicon Valley start-up called Varo Money achieved something it had worked three years to accomplish: it started accepting federally insured customer deposits.

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### [WEALTHSIMPLE ON BRINK OF LARGEST-EVER CANADIAN PRIVATE TECH FUNDING: \\$700-MILLION-PLUS DEAL WOULD VALUE THE BANK CHALLENGER AT \\$5-BILLION](#)

G&M - Sean Silcoff, Clare O'Hara

Wealthsimple Technologies Inc. is closing in on a landmark financing deal, backed by some of Silicon Valley's leading venture funds, which will make the Toronto-based online bank challenger one of Canada's most highly valued private technology companies.

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### [GOOGLE PAY LAUNCHES INTERNATIONAL MONEY TRANSFERS WITH WISE AND WESTERN UNION](#)

G&M - Anna Irrera

Google's foray in the \$470 billion remittance market, marks a further step by the technology company to expand its financial services offering, ramping up competition in the digital payments sector.

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## [ROYAL BANK EXPANDS REACH INTO BOOMING CANADIAN TECH SECTOR WITH NEW RBCX PLATFORM](#)

G&M - James Bradshaw

Royal Bank of Canada has rebuilt its innovation banking unit to help technology companies scale up, aiming to use its size and reach to reassert a prominent position against Canadian and American rivals.

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## [STRIPE PREPARES FOR LISTING - REPORTS](#)

Finextra - Finextra

Up to now, Stripe has secured funding via the private markets. Its last fundraising round in March valued the company at \$95 billion, making it the most valuable private company in Silicon Valley. Meanwhile Stripe's Dublin office announced plans to add 1,000 jobs.

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## [CHINA LASHES OUT AS EUROPE EMERGES ON FRONT LINES OF HUAWEI 'TECH COLD WAR'](#)

G&M - Eric Reguly

Last year, Britain's Vodafone handed China's Huawei its "Supplier of the Year" award, implying the two telecoms giants were united as long-term strategic partners. This year, Vodafone has had a change of heart.

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## [UNDER-FIRE DIGITAL BANK REVOLUT BOLSTERS ITS GOVERNANCE](#)

FT - Nicholas Megaw

Revolut has appointed Standard Life Aberdeen co-chief executive Martin Gilbert as an adviser and announced several other hires to boost regulatory compliance and governance efforts at the under-fire digital bank.

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## [CIBC ACCELERATES PUSH INTO STARTUP FINANCING, SPURRING COMPETITORS TO FOLLOW](#)

G&M - James Bradshaw

When Canadian Imperial Bank of Commerce acquired Wellington Financial early in 2018, the bank signalled its desire to tap into the expanding ecosystem of high-tech startups that many a banker had shunned as too risky.

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[BMO TO LAUNCH TECH-FOCUSED BANKING GROUP](#)

G&M - Josh O'Kane

Bank of Montreal will launch a new banking group focused on technology companies Tuesday, joining the growing ranks of financial-services companies servicing a sector they long deemed risky.

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[EUROPE IS REINING IN TECH GIANTS. BUT SOME SAY IT'S GOING TOO FAR.](#)

NY Times - Adam Satariano

Heralded as the world's toughest watchdog of Silicon Valley technology giants, Europe has clamped down on violent content, hate speech and misinformation online through a thicket of new laws and regulations over the past five years. Now there are questions about whether the region is going too far, with the rules leading to accusations of censorship and potentially providing cover to some governments to stifle dissent.

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[QUIZ-BASED LIFE INSURANCE COMPANY NOW VALUED AT \\$450 MILLION](#)

WSJ - Peter Rudigeair

The maker of an online quiz that prods active individuals about their exercise habits is the latest beneficiary of Silicon Valley's ardor for the insurance industry.

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[WALL STREET ISN'T BUYING WHAT SILICON VALLEY IS SELLING](#)

WSJ - Eliot Brown

Silicon Valley is pumping out giant startups with expansive visions, but Wall Street isn't sold.

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[ONLINE LOAN PROVIDER BORROWELL RAISES \\$20-MILLION IN SECOND ROUND OF FUNDING](#)

G&M - Clare O'Hara

An online loan provider that offers Canadians free credit-score reports has raised an additional \$20-million in equity and venture debt funding, co-led by Power Financial's Portag3 Ventures.

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[DRIVING VALUE FROM AI IN INSURANCE: DELIVERING SUCCESS WITH SUN LIFE AND SCOTIABANK](#)

Insurance Journal - IJ

Much discussed, yet often misunderstood, it's clear that Artificial Intelligence is set to dominate the global Insurance sector for the foreseeable future – and Canada is no different. Despite being a somewhat nascent discipline within insurance, progress in silicon centres across the nation mean carriers recognize the potential of AI to cut costs, improve the customer experience and generate sustainable long-term growth.

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[REIMAGINING RBC: HOW CANADA'S BIGGEST BANK PLANS TO FACE THE THREAT OF DIGITAL DISRUPTION](#)

G&M - James Bradshaw, Tim Kiladze

Top executives at Royal Bank of Canada were feeling pretty confident in 2016 that a new retail strategy they were crafting would be groundbreaking.

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[SEQUOIA'S FIRST WOMAN PARTNER IS RAISING CAPITAL. AND STANDARDS](#)

Bloomberg - Sarah Macbride

In 2017, shortly after becoming a venture capitalist, Jess Lee attended a startup conference in Los Angeles. Her badge identified her employer as Sequoia Capital, an Apple Inc. and Google backer that was gearing up to raise more than \$12 billion in several new funds. Under most circumstances, that'd be enough to get a VC mobbed, but the crowd largely ignored Lee, the first female investing partner at Silicon Valley's most prestigious firm. "No



one was even looking at my name tag,” she recalls. In lieu of standing around, she retreated to the bathroom for a while to answer emails on her phone.

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[ELEMENT AI CLOSES FINANCING, SECURING \\$200-MILLION BACKED BY THE CAISSE, QUEBEC AND MCKINSEY](#)

G&M - Sean Silcoff

Montreal artificial intelligence startup Element AI Inc. has closed its second large financing round, announcing Friday it had raised US\$151.4-million (\$200-million), two years after it secured more than US\$100-million from a collection of global investors.

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[WEWORK TURMOIL PUTS SPOTLIGHT ON JPMORGAN AND GOLDMAN](#)

FT - Eric Platt, Andrew Edgecliffe-Johnson, James Fontanella-Khan and Laura Noonan

But stock market investors thumbed their nose at WeWork’s business model and Mr Neumann’s flouting of corporate governance norms, enabled in part by JPMorgan. Along with other advisers including Goldman Sachs, JPMorgan’s own reputation risks being tainted by the unfolding crisis.

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[GOOGLE PAY TO OFFER PERSONAL CHEQUING ACCOUNTS IN PARTNERSHIP WITH AMERICAN BANK, CREDIT UNION](#)

FP - Paresh Dave and Munsif Vengattil

The project, named Cache, comes as rivals Facebook Inc and Apple Inc are expanding their own efforts in consumer finance, a broad area that ranges from digital payment apps to bank accounts, brokerage accounts and loans, and which offer Silicon Valley new sources of revenue and new opportunities to strengthen ties with users.

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[JAMIE DIMON MAKES RENEWED PITCH FOR JPMORGAN TO BE VALUED LIKE A SUBSCRIPTION SERVICE — AND IT SHOWS HOW WALL STREET IS TRYING TO ECHO BIG TECH](#)

USA Today - Maxime Lafrance Desrochers

The JPMorgan Chase CEO sounded a familiar note on Tuesday on a call with journalists when he casually compared his bank to competitors in Silicon Valley. Answering a question about whether the bank's stellar performance has driven its stock price as high as it will go, Dimon said one nature of its revenue – much of it being very stable – is similar to a subscription-based model.