

## BANKING AND MOVIES

by [Steve Brown](#)

Nothing is worse than spending \$9 bucks on a bad movie. Yet, movies seem to be getting worse and worse. It isn't surprising then, when you consider a full 78% of all movies made lose money. Despite all the hype, the most likely outcome for a movie that includes big time "stars" is a loss of \$7.5mm. What has all of this got to do with banking one may wonder? First and foremost, as with movies, a banker's story has to be compelling to capture a reporter's interest. For bank CEOs, keeping your name in print takes consistency and effort. Here are some tips successful CEOs have used to position their banks at the front of the marketing pack. First, journalists are nearly always chasing a deadline. Bank CEOs that can be easily reached are going to be on the short list to call when industry comments are needed. When quotes are required, journalists quickly move to people they can easily reach. To be relevant, bankers have to be easily accessible and return calls promptly. Another effective strategy begins with reading and understanding the publication you are trying to reach. It is important not to pitch story ideas that have already been covered recently or are off that reporter's beat. Next, banks should have their marketing people call business journalists, ask them their deadline and relate to them new story ideas you would be happy to speak to them about. In addition, by talking to journalists about the stories they are working on, you may uncover an interesting twist and gain an opportunity to stress how your expertise can assist them. Consider that while many journalists are writing about the recent deterioration in real estate, lots are calling real estate agents, brokers and property developers and ignoring banks. It is important to provide a banking perspective, yet many articles lack that viewpoint. Next, savvy CEOs know that journalists are all about the sound byte. The more efficient the communication, the more frequently reporters will call. CEOs should not demand interviews, or keep reporters on the phone too long, when email will suffice. Short and sweet is the best method for communication. Another key tip CEOs usually need to practice is to prepare for interviews. Many assume journalists will ask the questions, so they sit back waiting for that to happen. Instead, bankers should practice being proactive and providing valuable insight. Other critical elements CEOs should consider when seeking to become a valuable press source include being dependable; sending compliments to the writer on their last story; pacing commentary to allow it to be written down; sending a "thank you" note; following up with a recap email that may add clarity (and can be lifted directly into the story); providing complete contact, credentials and email information; and finding a way to be unique enough that a reporter finds you interesting. One final tip – do not expect (nor ask) to review the story before it is published. Etiquette provides only for interviewees to ask that a staff employee call back to check facts. We hope you enjoy your popcorn as we return you to Return of the Mummy #6 – This Time, He Means Business.

### BANK NEWS

#### **M&A**

Provident Financial Services (\$5.8mm, NJ) will acquire First Morris Bank & Trust (\$571mm, NJ) for about \$124mm in cash and stock, or 3.25x book.

#### **M&A**

Buyout firm Carlyle Group will acquire Open Solutions Inc. for \$1.3B. The acquisition of bank technology company OSI follows that of Sunguard Data Systems last year.

**Underwriting**

The OCC's latest survey shows that loan credit standards have eased for the 3rd consecutive year. This year, slippage includes lower pricing, less amortization, weaker covenants and reduced minimum cash flow coverage/collateral value for both retail and commercial exposures. In addition, the OCC noted an increase of concessions that includes banks accepting limited recourse more often, greater use of interest only structures and extension of maturity dates. By our estimation, if you move credit quality to its 10-year mean, the average bank is under-reserved by 10bp to 46bp.

**ILC Update**

The FDIC said yesterday that the current hold on application approval is not likely to be extended past the expiration at the end of January. A decision is reportedly coming right after New Year.

**Customers**

A survey of wealthy people finds 32% are dissatisfied with their financial institution in some fashion because they feel the company does not maintain enough contact with them.

**Way Down**

A recent study finds homebuilder optimism has hit a 31 year low.

**Poor Communication**

A new survey finds 44% of customers are unaware of the product offerings of their bank.

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