

## GREAT DEPOSIT MARKETING

by [Steve Brown](#)

We have searched to come up with the optimal way to inform customers about the increase in FDIC coverage. Each time we tried to design something ourselves, it became overly complicated. Striking that perfect balance was allusive - until we saw the recent example (see Related Links section below).

ING Direct hit the nail on the head with this clever customer e-mail marketing campaign - it talks about the FDIC insurance increase, tells customers about how to leverage that increase and still remains clear. This piece is informative without being alarmist and doesn't highlight concerns over safety (as we have seen some recent advertising do). We are always concerned with the implied message when we have to send notice at the end of 2009 that this additional insurance is going away.

The only improvement we would make is a stronger call to action and verbiage that speaks to the convenience of opening multiple accounts. Other than that, this piece is brilliant. Putting the single and joint coverage in a table was a solid idea and we love the line "Here is a chance to get your savings back on track."

## BANK NEWS

### **BOD Blindsided**

According to a PricewaterhouseCoopers survey, 65% of financial firm board members (of which, 67% hold seats on the audit committee), find a lack of transparency impedes an accurate assessment of risks and exposures.

### **3Q Earnings U.S. Bancorp**

U.S. Bancorp reported its profit fell 47%, as the bank boosted its loan loss provision by \$549mm vs. the same period last year, net charge offs more than doubled and it booked losses on securities investments. National City reported its 5th quarterly loss, losing \$729mm for the 3Q. Meanwhile, compared to the same period last year, the bank set aside \$1.18B in loan loss reserves (compared to \$368mm) and net charge offs soared to \$844mm (compared to \$141mm). The bank said it would cut 14% of its workforce or about 4k employees as it struggles to return to profitability. Fifth Third lost \$81mm in the 3Q after it set aside \$941mm in loan loss reserves (compared to \$139mm during the same quarter last year) and took \$51mm charge for investments in FNMA and FHLMC preferred stock.

### **Lower US GDP**

The IMF is projecting global growth will see a "major downturn" next year and that US GDP will expand a mere 0.1% in 2009, compared to a revised 1.6% in 2008. The IMF also said the world economy "is entering a major downturn in the face of the most dangerous shock in mature financial markets since the 1930s."

### **Home Sales**

Last month, home sales in Southern CA jumped 65%, the largest rise in over 20Y. Regions seeing prices pushed down by foreclosures saw the largest rise in sales. Half the homes sold last month were foreclosed within the last year.

### **Rising Loan Defaults**

Moody's is now forecasting corporate default rates on speculative grade credits will jump to 4.2% by the end of this year and 7.9% by the end of 2009.

### **Bankruptcy**

Business bankruptcy filings soared 41% as of 2Q compared to the same period last year.

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