

## &#39;TWAS A HOLIDAY THANK YOU

by [Steve Brown](#)

'Twas the morning before Christmas and we had a set meeting,  
Old St. Nick was coming in for his annual greeting.  
You see, aside from Santa being a jolly old elf,  
He runs a multi-bank holding company all by himself.  
He comes in each year to get the latest insight on banking,  
And, to help us fill space, preventing a journalistic tanking.  
2008 has been a bit challenging and bankers have been stressed,  
We felt we have been through a year with the Grinch on our chest.  
When Bear and Lehman failed the markets did seize,  
More than \$1T later, credit is still in a freeze.  
We have seen market freefalls and Treasuries at zero,  
With bank failures and "takeunders," we are in need of a hero.  
Risk management and judgment were obviously passÃfÂ©,  
If not, i-banks and retirement balances wouldn't have gone away.  
Things were so bad our broker recommended 2 positions post crash -  
He said you can either go into the fetal position or 100% cash.  
The Gov't has been spewing acronyms like its going out of style,  
And Helicopter Ben has been dropping money in piles.  
The Troubled Asset auction was a joke from the start,  
And setting the Excess Reserve Rate so high wasn't that smart.  
Ponzi schemes are renamed "Madoffs" and we have to wonder,  
If their operations group wasn't clearing trades, are they part of the plunder?  
Govs. Spitzer and Blagojevich were a sideshow routine,  
They elevated the level of immorality to heights rarely seen.  
Many times this year we have wanted to booze,

Often, we were so mad at Paulson we wanted to throw shoes.  
All this is why the Man in Red was a welcome event,  
We are in need of some cheer before our optimism is spent.  
St. Nick, for his part, wasn't much more elated,  
Part of the reason for his visit was his assets were deflated.  
The earnings amassed during growth years had vanished,  
The days of having ALLL under 2% have been banished.  
"I am here to improve performance, Mrs. Clause has concerns,  
Our elves and other shareholders need a better return.  
For 2009, we need to do better than a 12% ROE  
Also a healthier ROA, our directors must see."  
Faster than Obama's cabinet, his problems they came,  
A list of macro issues, he called them by name.  
"Underconsumption, confidence, liquidity and inflation!  
Equities, defaults, National Debt and more dislocations!"  
"Now Santa, don't give up hope, next year will be better,  
TARP capital and TLGP will help with your shareholder letters.  
And while loan growth and margins will be tough in '09,  
If we can't get you a double digit ROE by June, we should be riding the pine.  
With that, we modeled his bank and helped him compare,  
His infrastructure costs that have fallen in disrepair.  
We plotted, we graphed, looked at shocks and cash flows,  
Rudolf was impressed, we could tell by his nose.  
We gave him the ability to hedge fixed rate loans with BLP,  
Offering 10Y fixed loans will increase spreads he will see.  
We helped leverage his capital with C&I loans,  
Low yield and no diversification, Santa can no longer bemoan.  
We talked about loan pricing models and rates of default,  
And used our Liability Coach product to put more cash in the vault.

Dynamic Business Sweep will give clients better use of their cash,  
And Portfolio Deposits to give deposit safety a marketing splash.  
We helped issue CDs and showed our new guaranteed debt,  
Unveiled our new Dashboards to get profitability met.  
We covered interest rate risk and loan credit shocks,  
We modeled capital and did a holding company loan on his stock.  
By the end, each of Santa's banks were much better focused,  
St. Nick was 12 steps ahead of us, his mind was like locust.  
"Now, when clients see a "Insufficient Funds" screen on their ATM,  
They will know it is not us, but the screen is for them."  
As he glanced down to his waist, his Blackberry abuzz,  
He was back to his joyous old self, and did that wink that he does.  
Then, Santa got to his sleigh and said more time would be tough,  
For we need to end this, we've commercialized Xmas enough.  
As this story comes to a close, we wanted to thank you this year.  
It is you - the customer - which we hold the most dear.  
We hope to see you all at various places and times,  
Because we need some new material to help with these rhymes.  
Until then, stay safe and feel free to call....  
"MERRY CHISTMAS TO YOU AND HAPPY NEW YEAR TO ALL!"

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