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## &#39;TWAS THE DAY BEFORE CHRISTMAS

by [Steve Brown](#)

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'Twas the day before receivership, and all through the Bank,  
Sentiment was sour, morale was just rank.  
The FDIC phone and data lines were already installed,  
The latest deposit tape sent (or "Update" as it's called).  
The end of a career is as depressing as it gets,  
But, having so much net worth in bank stock, is the biggest regret.  
Like Mad Men we were wallowing in despair and drinking the Jack,  
Little Cindy Lou Hoo, the teller, came by, a frown she did lack.  
"Don't worry," she said, "Christmas is full of hope and good cheer,  
Miracles abound, besides the FDIC is done for the year.  
You have to try all you can, give it one last shot.  
If you give up faith, you have nothing but squat."  
"Bah Humbug," we said, the C&D has created too much tension,  
Even the nativity scene in front failed to get the Fed's attention.  
Bernanke (with beard) as baby Jesus should've rec'd an "amen"  
He was surrounded by Fed Governors as the 7 wisest of men."  
Cindy Lou said, "I did like that, particularly the Virgin Mary.  
Her likeness to Sheila Bair, was so good it was scary.  
However, the local examiners as sheep was a little too much,  
But Barney Frank as the donkey was a very nice touch."  
Just as she said that there came a clamoring and scrape,  
We looked out and saw him out on the fire escape.  
It was St. Nick, dressed in red, so happy so spry,  
We were surprised he made it here without a DUI.  
But we forgot, it was us who were drunk and now had to sober,

We pulled out an iPhone app that we loaded in October.

"You must be here for our wish list, which we have on our phone,

It's next to E-mail 'n Walk another app we do own."

"No, No, No, presents can wait" said the Jolly Old Elf,

I am here as an investor on behalf of myself.

I have watched your bank for years from afar,

The core business is good; it used to make you a star.

"But that was the old days," we clumsily said,

"Before the 7% non-accruals, or haven't you read?

That was before our Texas ratio was the size of Alaska,

And before our earnings dropped to match the temp of Nebraska."

St. Nick cleared his throat and said, "I am aware of all that,

It was also before your CAMEL ratings fell with a splat.

But I have an eye towards the future and I know this to be so,

That sometimes a good team has luck that won't go.

Your franchise value is solid and your cost of funds were kept low,

Your reserves are high that they won't have to grow.

Your asset sensitive, which does stand to reason,

When rates do rise it will make for a profitable season.

All this adds up to that I want to cut you a deal,

To take 70% of the bank which you might consider a steal.

However, I will make you this promise, if you still have concerns,

That I can boost your performance to double digit returns.

I will have our analysts start immediately on due dilly,

If you think you are taking the weekend off, that notion is silly.

I will contact our lawyers based in New York,

I will be a 24.9% investor and bring in others with pork.

Together we can do better than a 18% ROE,

I will have a seat on your board for better oversight you'll see.

I will put in \$15mm and have \$50mm more to go,  
We will do FDIC assisted deals, a 3% ROA we can show."  
All this was happening so fast that we felt kinda of odd,  
Arbitraging the Gov't makes us feel like a cod.  
As capitalists we'll defend the system 'till our destruction,  
(Or, until we can figure out how to profit from its ratings reduction.)  
We talked loan pricing models and rates of default,  
We spoke of liabilities, funding and how to put cash in the vault.  
We nailed how to price deposits to increase stability,  
We rolled everything up into customer profitability.  
By noon we had a term sheet that was simpler than health care,  
At least it was reconciled and without a public option to spare.  
If we are right, we will have more profit than Tiger has ladies,  
(He may go back to the Masters, but he'll spend eternity in Hades).  
As we went to shake Santa's hand, Cindy pulled a Kanye West,  
She jumped in and pulled him close to her chest.  
"I love you Santa and thanks for what you have done,  
Now if you could throw in a promotion I would thank you a ton."  
Santa just chuckled and said that request may be tough,  
We are out of space and we've commercialized Xmas enough.  
As this comes to a close, we can tell you banking isn't tender,  
Just remember to never give up and never surrender!  
Please keep the faith and we want 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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