

THE BID - PURPOSE, PROCESS & HOW TO USE IT

by [Steve Brown](#)

Over 15Ys ago, we had the idea to create a daily publication designed specifically for community bankers. Its goal would be 100% focused on community bank issues, provide thought-provoking information and present it all in an easy-to-read single page format. To keep it to one page, every word would have to be carefully selected. Since that time, we have grown our community banker, regulator and director readership of the Banc Investment Daily (BID) into the multiple thousands and it now ranks near the top of all banking publications in the country for readership. Given that growth, every so often we stop and take a moment and explain the precise intent of each area within the BID. We do this to help make sure readers can effectively utilize everything the BID is designed to offer, while avoiding embarrassment at parties where you might run into another community banker that might quiz you about it. We begin the creative process every morning around 4:45am PT, with a goal of delivering the BID to you by 6:30am PT every morning. That provides time to create, edit and refine the BID, but also ensures it lands in your inbox early enough to add value that very day. Our topics come from a variety of sources, including our own research, community bankers, regulators, conferences we attend, speeches, industry experts and a plethora of others, as we work hard to keep things fresh but focused every day. As an aside, no, we don't have listening devices posted in community bank board rooms throughout the country. We often hear it may seem like that on some days given our topical areas of discussion, so hopefully that shows we are discussing the issues you are dealing with right now - just to be safe though, please don't close your window shades, as it blocks our laser listening equipment from working properly in the white van parked on the street. By construct, the BID basically breaks into two major sections. The first is the left side of the page (which we internally refer to as the "Top Left") and the second is the rest of the publication (which we internally refer to as "everything else.") The Top Left is basically our "idea of the day." The primary goal is to keep things fresh by starting out with a quirky intro, then spreading the word about something of note, putting a new spin on an old idea, getting you thinking, alerting you to upcoming regulatory issues or just plain educating. Creating this section takes 2 hours and tying it back to a random (and seemingly unrelated) picture is a critical part of the process. Sometimes we start with a nascent idea (we also try to sprinkle in at least one big word each day to keep everyone's vocabulary sharp) and find a random picture to get the creative juices flowing. The rest of the publication takes just as long as the Top Left. To make sure bankers stay on top of things, we focus on key economic data for the day, update you on what moved yields up or down yesterday, how things are shaping up today and scour hundreds of sources to weed out and deliver you only the best few stories to make sure you know about them. Finally, we focus our efforts on the rate box at the bottom. It contains the monthly change in Treasury yields (so you can keep track of your mark to market and better manage your loan/deposit pricing for various maturities); Libor rates (the daily baseline level used by large banks to set deposit pricing); Swap rates (give you a snapshot show where the market is indifferent between the fixed rate shown and a loan that floats off 3M Libor); and Fed Funds futures (to show you when the market projects the Fed will raise or lower rates and by how much). At the bottom running across, we also give daily updates on money market mutual funds and short deposits (to keep you aware of overnight pricing levels); the Prime rate (everyone forgets now and again); overnight Libor (so you know where overnight funding around the world is in relation to Fed Funds) and the TED

Spread (bigger numbers show less global liquidity). In closing, we are proud to say we have not missed a single business day since launching and we enjoy both positive and negative comments on the BID, so feel free to email back anytime you want to share a thought. Thanks for your readership.

BANK NEWS

SBLF Finally

The Treasury announced that banks will start to be notified shortly (next 2 weeks) and if approved, will receive funds in June. 702 applications were received totaling \$10.1B out of \$30B. Not counted in those totals are Subchapter S banks that have a deadline of June 6th for their application.

ERISAS Liability

The 6th Court of Appeals supported a lower court's ruling that a bank acting in the capacity of directed trustee cannot be held liable under the Employee Retirement Income Security Act for the investment performance of 401(k) plans. After 2 doctors lost money, they took action against UMB Bank, as trustee, saying that the bank should have protected and noticed them of investment problems despite being a self-directed account that also had paid advisers.

BofA and BlackRock

Bank of America said it will sell its stake in BlackRock back to the firm for \$2.5B. The move nets BofA \$300mm pre-tax gain and prevents the bank from having to hold greater capital under Basel III.

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