

48 HOURS BEFORE XMAS

by [Steve Brown](#)

'Twas the morning before the morning of Christmas and we started to think,
That many holiday traditions arose after too many drinks.
With all the eggnog and mulled wine that is often tried,
It is no wonder people cut trees only to bring them inside.
And what is with the flying reindeer, squeezing down chimneys and shopping with pepper spray?
Are midnight sales that good that you need Capstan to keep people away?
Regardless of these musings we need to get on with the rhymes,
Our Board does not pay us to speak in iambic pentameter time.
2011 has been a challenge and we are all feeling stressed,
We have been through a year with the Grinch on our chest.
Our story is not about our "AA" rating, payroll tax or Euro debt,
Nor is it about Rebecca Black, Kardashians or the Mayan calendar threat,
It's not about Obama, Pelosi, McConnell or Governor Mitt,
However, we are still so mad at the "Super Committee" we could just spit.
Our story is about Santa's visit to a bank in December,
The bank CEO was more sanguine than he can ever remember.
You see the Board of this bank was super-depressed,
How to make money in 2012 was anyone's guess.
The bank will go unnamed, but the brand doesn't matter,
For we all have their problems to some extent of their tatters.
No loan growth, compressed margins and an ALLL that is wacky,
BSA, consumer compliance and rates left to Bernanke.
As the CEO details, there is lot more dysfunction,
"Our staff gives away rate without guilt or compunction."
To spread Holiday cheer is why Santa stopped by with his sleigh,

(Not to mention to deposit money in the Bank's 1% MMDA).

Santa arrived to a throng outside - it was just like Zucotti

The Occupier's were stirring - they even had a Porta Potty.

There were stockings hung outside on the fences with care,

It was like they thought St. Mike Moore would soon be there.

But Santa slipped inside and ignored the 99 percent,

"They will get their presents when they figure out their real intent.

Until then, let's get to work!" said the jolly old elf.

You see, St. Nick runs a successful bank all by himself.

The CEO gathered his troops and asked Santa this question,

"Do we sell the bank now and get out of the profession?

It has been a difficult couple years and if you can glean,

While we keep trying, we can't help feeling like Charlie Sheen."

Santa cleared his throat and said, "I will not yank your chain,

This will be no Tao of Po'emon, I can do better than Cain.

You can be "winning" in no time, and once again great.

If you follow my advice you can feel like both Will AND Kate."

"First you need to forget tradition; banking needs to change,

Embrace tech, decrease branches - I know it sounds strange.

Lowering delivery cost is important, but you will soon find,

Better customer intimacy than Oprah to share both wallet & mind.

Then you need to quantify performance with a profitability model,

At least you know what clients to kick out and which to coddle.

Take this product package and target profitable customer types,

Manage your cost of funds below 50bp will solve many gripes.

I might suggest offering 10Y fixed rate loans with a hedge,

It helps with credit and pricing as well as a competitive edge.

It might help to leverage your capital with C&I loans,

Low yield and no diversification, directors can no longer bemoan.

Combine the loans and fees with cash management solutions,
Think product bundles instead of transactional at your institution.
This will increase cross-sell that you will soon see,
Better profit and retention, not to mention an 18% ROE.
Also, keep your focus on client satisfaction,
You may even think of measuring it to give you more action.
Finally, you have to have hope and keep humor in your bank,
If you don't, you'll end up as unhappy as both Dodd AND Frank."
With that, Santa gave a nod and was back in his sleigh,
His new hybrid motor assisted to take him away.
"Goodbye St. Nick" they yelled, as he gave the sign of OK,
But he forgot to tell them about a "must attend" EMC conference in May.
Santa will post them on Facebook, that won't be too tough,
For we need to end this letter, we commercialized Xmas enough,
As this story comes to a close, we wanted to thank you this year,
It is you - the client to which we hold the most dear.
We hope to see you all soon at various places and times,
We need some new material to help these ridiculous rhymes.
Until then, stay safe, profitable and feel free to call!
"HAPPY HOLIDAYS TO YOU AND A GRAND NEW YEAR TO ALL!"

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.