



BANKING CRISIS

PATRICK BET-DAVID



HOW TO GET THE MOST OUT OF TODAYS WEBINAR

- **CLOSE OUT THE OTHER TABS YOU HAVE OPEN**
- **TAKE NOTES**
- **PUT DISTRACTIONS AWAY**
- **ASK QUESTIONS IN THE CHAT**





THE THREE TYPES OF PEOPLE WATCHING

- **YOU WANT TO LEARN HOW TO THRIVE DURING CHAOS**
- **YOU WERE WINNING, BUT HAVE HAD A SETBACK**
- **YOU'RE WINNING, BUT STAYING PARANOID**



WHAT YOU'LL LEARN TODAY

- **WHAT IS CAUSING THE CURRENT BANKING CRISIS**
- **SOCIAL & ECONOMIC IMPACT OF THE 2008 BANKING CRISIS**
- **WHAT TO EXPECT NEXT**
- **HOW IT WILL IMPACT YOU**
- **HOW TO EMERGE FROM THIS SITUATION IN A POSITION OF STRENGTH INSTEAD OF BEING NEGATIVELY IMPACTED**



***BY BEING ON THIS WEBINAR YOU
ARE POSITIONING YOURSELF
AHEAD IN THE MARKETPLACE***



I BELIEVE THE MARKET WILL CRASH IN THE NEXT 3 TO 9 MONTHS

- **IN THIS WEBINAR I'M GOING TO SHARE WITH
YOU THE MINDSET AND ATTITUDE NEEDED IN
ORDER TO CAPITALIZE ON THE WEALTH
TRANSFER THAT WILL BE TAKING PLACE**

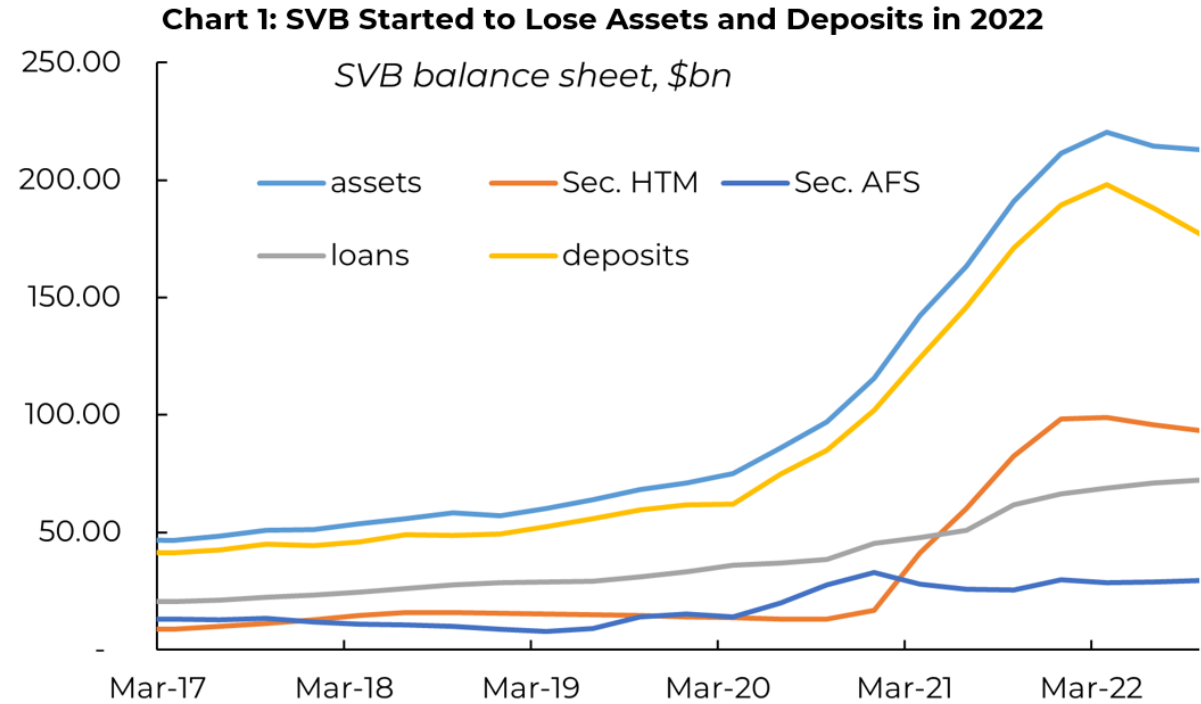


ARE YOU READY TO GET STARTED?

SILICON VALLEY BANK CRISIS



- **COVID STIMULUS = INFLUX OF TECH STARTUPS**
- **SVB BUYS \$100 BILLION IN 3 YEAR BONDS AT AVERAGE OF 1.7% RATE (FED PROMISED LOW RATES)**



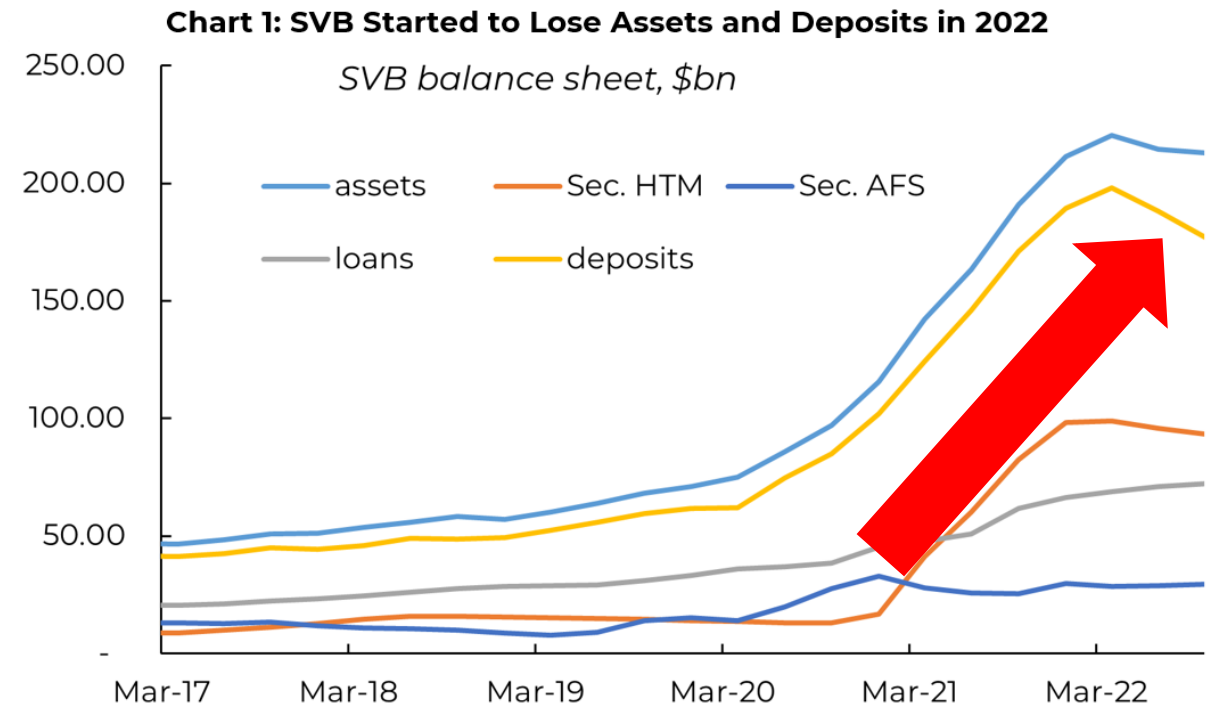
Source: Bloomberg, Macro Hive



SILICON VALLEY BANK CRISIS



- FED RAPIDLY AND UNEXPECTEDLY RAISES RATES TO 5% IN 1 YEAR
- CASH INFLOWS SLOW DOWN & WITHDRAWS INCREASE AS TECH STARTUPS ARE CRUSHED BY HIGHER RATES



Source: Bloomberg, Macro Hive



SILICON VALLEY BANK CRISIS



- WORD SPREADS ABOUT SVB VULNERABLE POSITION
- DEPOSIT WITHDRAWS ESCALATE
- SVB IS FORCED TO SELL BONDS WORTH \$21 BILLION AT A \$1.8 BILLION LOSS TO MEET WITHDRAWS.
- ONCE THEY SELL THE LOSS BECOMES REALIZED/ OFFICIAL AND THE FDIC IS FORCED TO INTERVENE



SILICON VALLEY BANK CRISIS



\$42 billion in one day: SVB bank run biggest in more than a decade

BY **AUSTIN WEINSTEIN AND BLOOMBERG**

March 11, 2023 at 10:55 AM EST





HOW DID THIS HAPPEN?



HOW DID THIS HAPPEN?

- **COVID PANDEMIC – PUT PEOPLE OUT OF WORK**
- **FEDERAL RESERVE & GOVERNMENT PRINTED \$6 TRILLION IN THE LAST 3 YEARS**



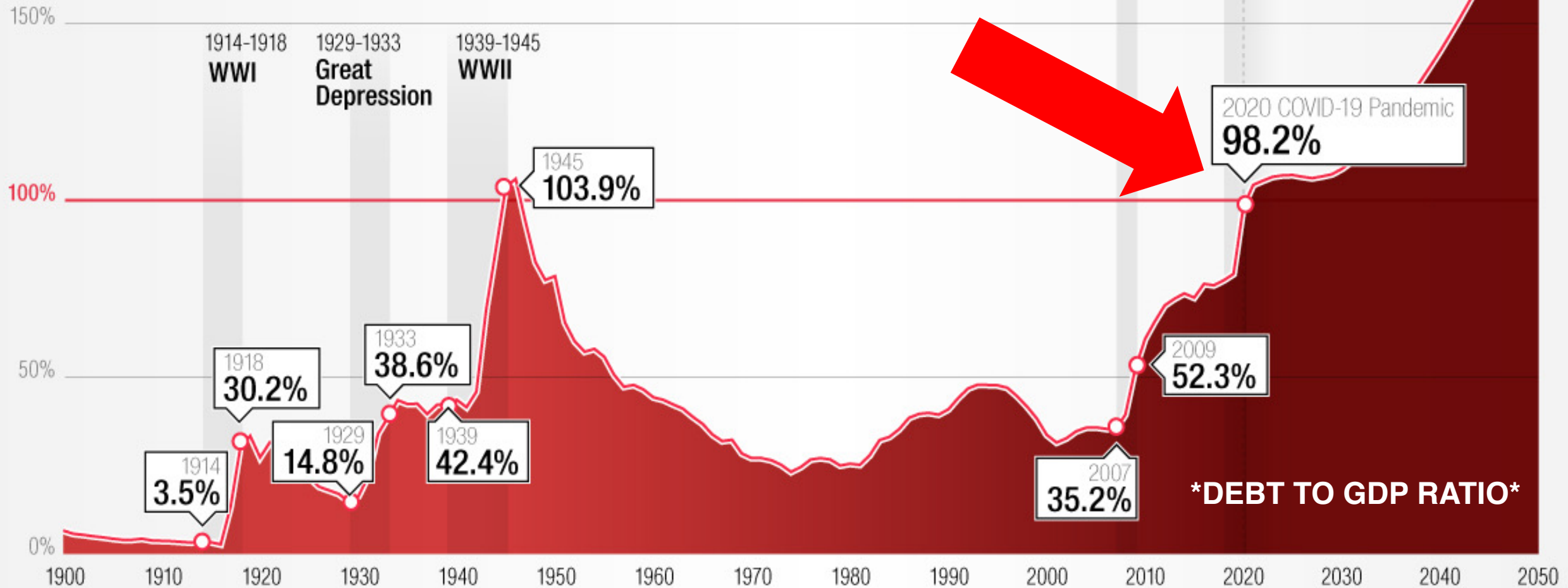
A 150-YEAR VIEW OF U.S. National Debt

2007-2009
Great Recession



2019-ONGOING
COVID-19 Pandemic

Projection





HOW DID THIS HAPPEN?

- **GOVERNMENT REGULATIONS INTENSIFIED**
 - **FRACKING PERMITS CUT & OIL PIPELINES CANCELED**



Report: Cancellation of Keystone XL Pipeline resulted in thousands of construction jobs lost; billions in financial impact



HOW DID THIS HAPPEN?

- **RUSSIA/UKRAINE WAR**
 - **CREATED ADDITIONAL SUPPLY ISSUES**

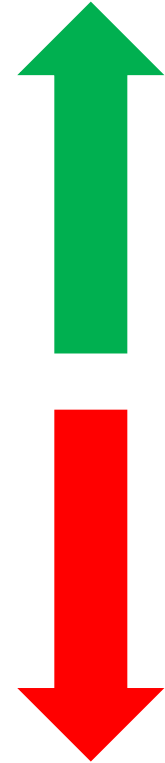




BOTTOM LINE?

MONEY SUPPLY

AVAILABLE GOODS





INFLATION GOES WILD





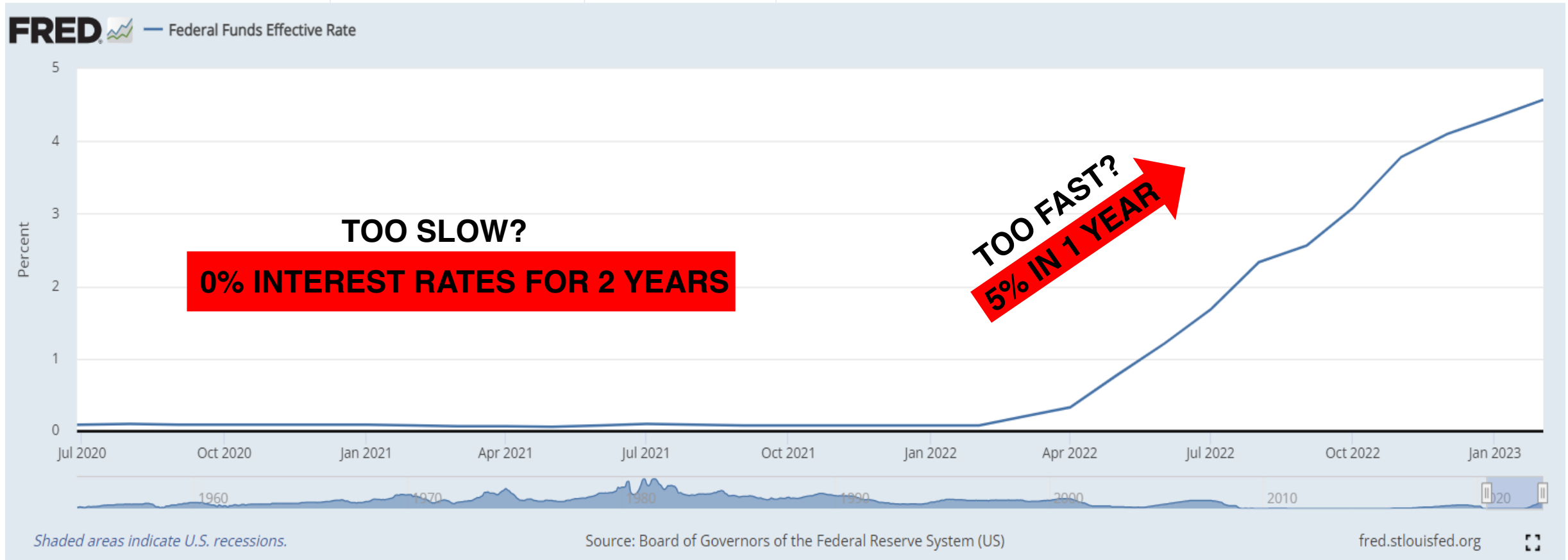
RESPONSE TO INFLATION

TOO SLOW & TOO FAST

- **THE FED HELD 0% INTEREST RATES AND PURCHASED \$120 BILLION PER MONTH OF TREASURIES & MORTGAGE-BACKED SECURITIES (QE)**
- **JEROME POWELL “WE BELIEVE INFLATION IS TRANSITORY”**
- **SUDDENLY PIVOTS, STARTS AGGRESSIVELY RAISING INTEREST RATES AT AN UNPRECEDENTED PACE.**



RESPONSE TO INFLATION





FED HIKING RATES ACHIEVED?

✗ PRICE STABILITY

✓ CAUSED A SHOCK TO THE BANKING SECTOR



UNPRECEDENTED ACTION

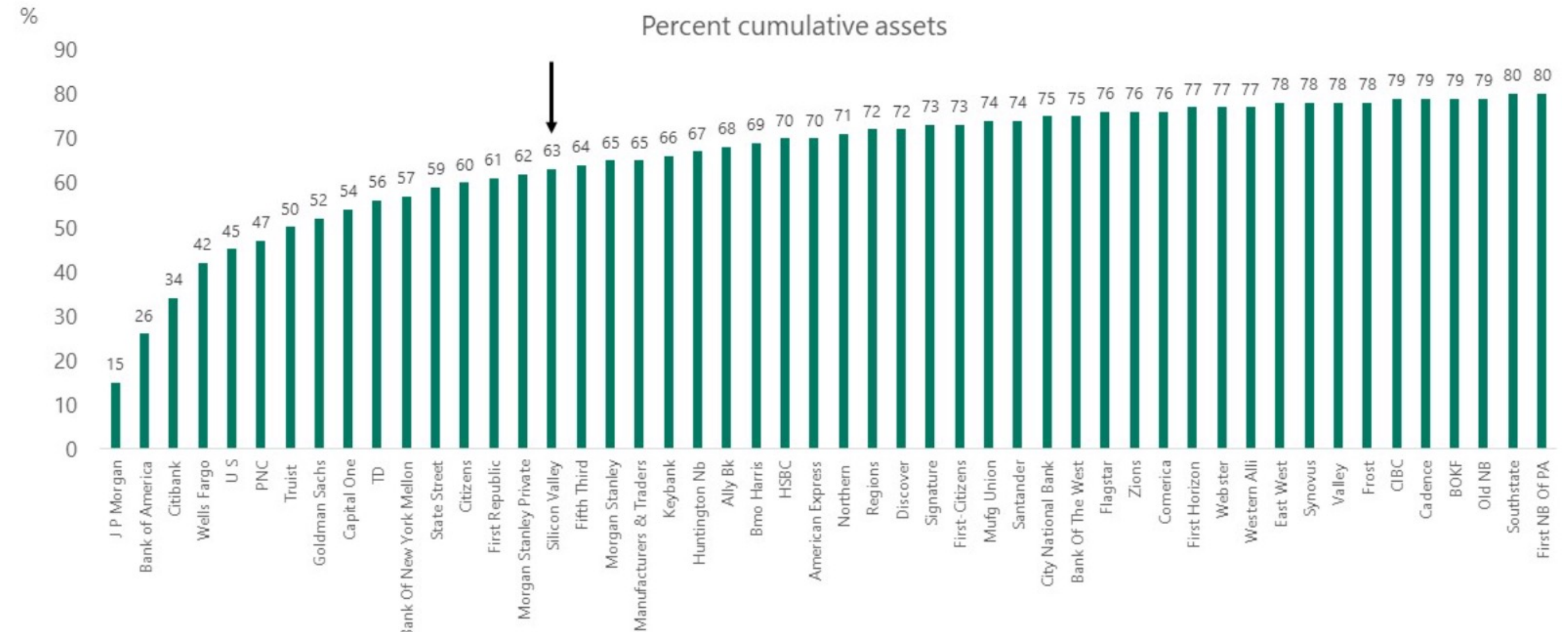
- **NORMALLY FDIC INSURES DEPOSITS UP TO \$250,000**
- **GOVERNMENT GUARANTEED ALL SVB DEPOSITS**
- **90% OF SVB DEPOSITS WERE OVER \$250,000**
- **WHO IS PAYING?**
- **BIDEN SAID, NOT THE TAXPAYER BUT DID NOT EXPLAIN HOW.**



ARE MORE BANKS AT RISK?

BANK % OF (AUM) ALLOCATED TO BONDS

63.45% +32.69%



IT GETS WORSE...

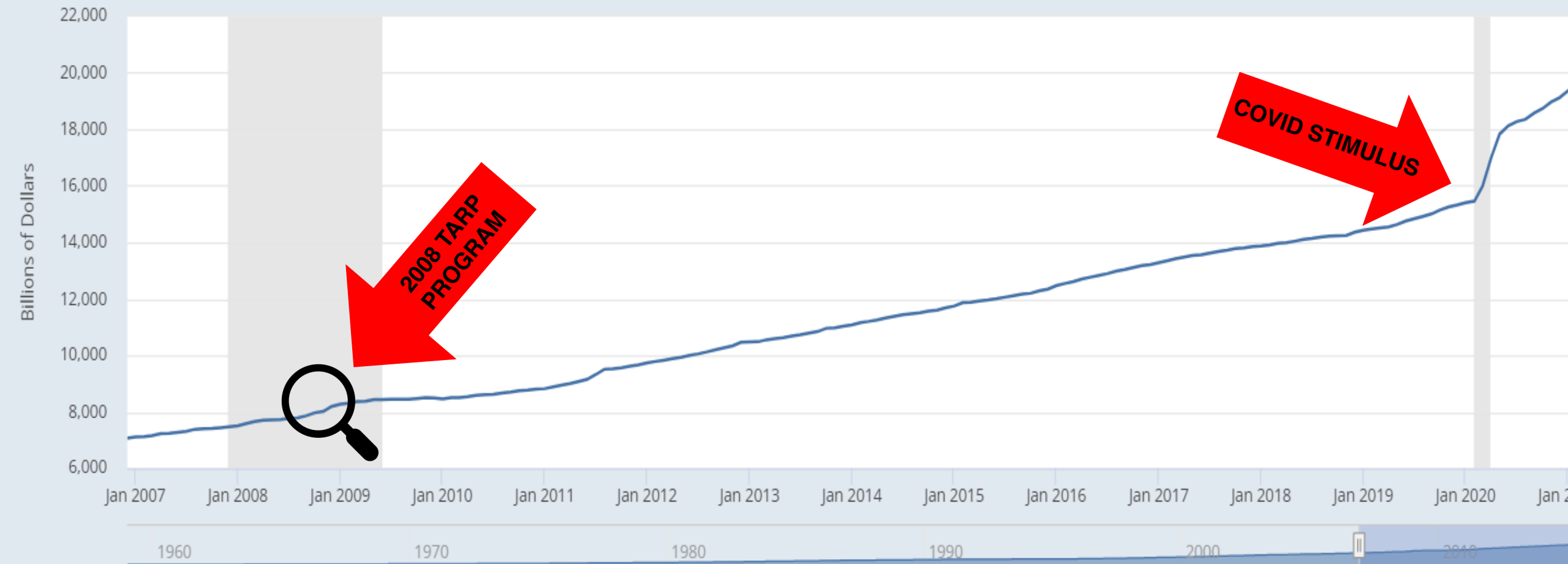
- **FDIC BALANCE SHEET**

- **FDIC ONLY HAS \$125B SECURING \$9.9 TRILLION. THAT'S ONLY 1.26%**

Dollar Amounts in Billions		2022 YTD ¹	2021	2020	2019
Number of FDIC-Insured		4,746	4,839	5,002	5,177
Number of FDIC-Supervised		3,062	3,122	3,221	3,338
Total Assets	\$	23,632	23,720	21,869	18,646
Total Loans	\$	12,001	11,247	10,864	10,518
Domestic Deposits	\$	17,892	18,190	16,290	13,221
Bank Net Income	\$	195.80	279.12	147.13	232.78
Percent Profitable	%	96.1	96.9	95.3	96.3
Average Return on Assets	%	1.10	1.23	0.72	1.29
Average Return on Equity	%	11.67	12.21	6.85	11.38
Net Interest Margin	%	2.83	2.54	2.82	3.36
Equity to Assets	%	9.15	9.94	10.17	11.32
Noncurrent Loan Rate - Total Loans²		0.72	0.89	1.19	0.91
Real Estate Loans	%	0.92	1.29	1.65	1.12
C&I Loans	%	0.64	0.68	0.99	0.79
Loans to Individuals	%	0.73	0.64	0.86	1.02
Coverage Ratio ³	%	214.77	178.72	183.71	129.89
Net Charge-Off Rate - All Loans		0.24	0.25	0.50	0.52
Real Estate Loans	%	-0.01	0.01	0.04	0.01
C&I Loans	%	0.14	0.19	0.53	0.36
Loans to Individuals	%	1.16	1.19	2.07	2.42
Commercial Banks		4,157	4,231	4,375	4,518
New Reporters		12	10	6	13
Mergers		85	152	147	204
Savings Institutions		589	608	627	659
New Reporters		0	0	0	0
Mergers		13	13	21	22
Problem Institutions					
Number		42	44	56	51
Assets	\$	164	170	56	46
Deposit Insurance Fund⁴					
Fund Balance	\$	125.5	123.1	117.9	110.3
Insured Deposits	\$	9,926	9,746	9,130	7,828
Reserve Ratio	%	1.26	1.26	1.29	1.41
Number Failed Institutions		0	0	4	4
Failed Assets ⁵	\$	0.000	0.000	0.455	0.209
Number Assisted Institutions		0	0	0	0
Assisted Assets ⁵	\$	0.000	0.000	0.000	0.000
Estimated Losses(DIF) ⁶	\$	0.000	0.000	0.099	0.031

HOW MUCH \$ WILL THE NEXT CRISIS COST?

FRED  — M2



Shaded areas indicate U.S. recessions.

Source: Board of Governors of the Federal Reserve System (US)

POWELL HAS 2 OPTIONS

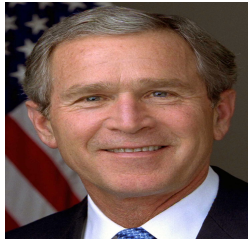


WHO WILL POWELL BE IN 2023?



- **BEN BERNAKE (DOVE)**

- FED CHAIRMAN - FEBRUARY 1, 2006 - JANUARY 31, 2014
- PRESIDENTS SERVED



- BIGGEST PROBLEM WAS - 2008 CRISIS
- INTEREST RATE HIGHT – 5%
- INTEREST RATE LOW – 0%



- **PAUL VOLCKER (HAWK)**

- FED CHAIRMAN - AUGUST 6, 1979 - AUGUST 11, 1987
- PRESIDENTS SERVED



- BIGGEST PROBLEM WAS - INFLATION
- INTEREST RATE HIGHT – 19%
- INTEREST RATE LOW – 6%

LONG TERM IMPACT ON ECONOMY

BEN BERNAKE (DOVE)

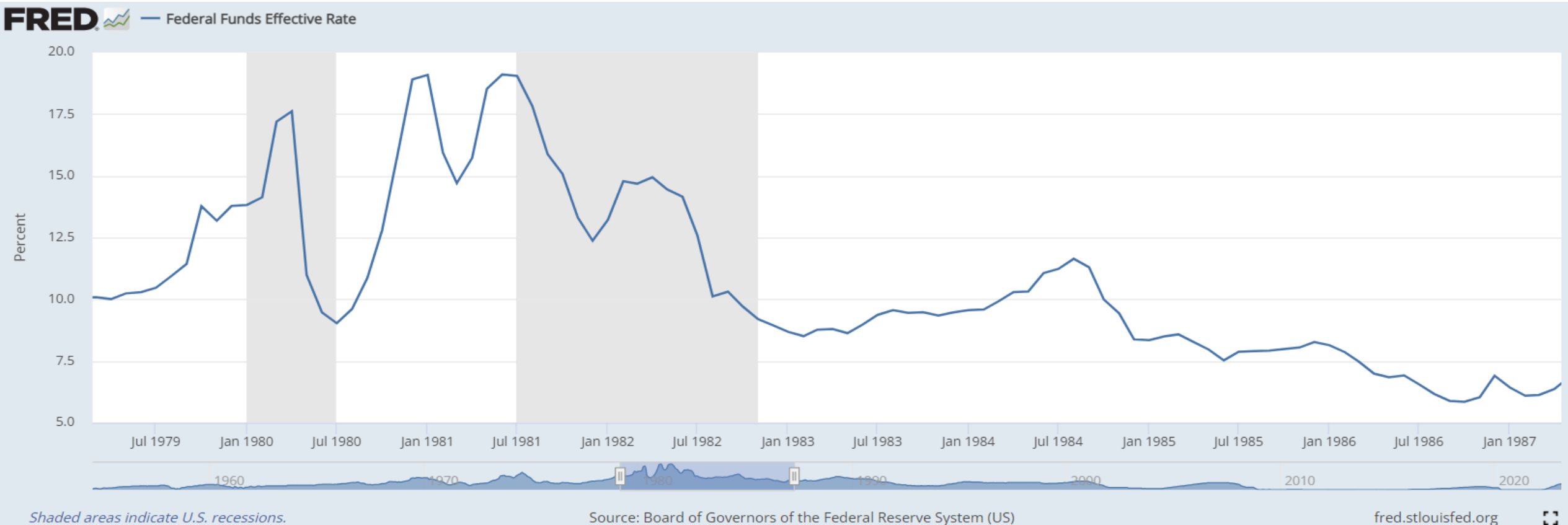
- SIMILAR TO 2020/21 POWELL
- TRADING COMFORT TODAY FOR PAIN TOMORROW
- MIDDLE & LOWER CLASS PRICED OUT OF REAL ESTATE

PAUL VOLCKER (HAWK)

- SIMILAR TO POWELL IN 2022
- ECONOMY TAKES A HIT, BUT STABILIZES FOR GROWTH
- ASSET PRICES GO DOWN & RISE IN UNEMPLOYMENT

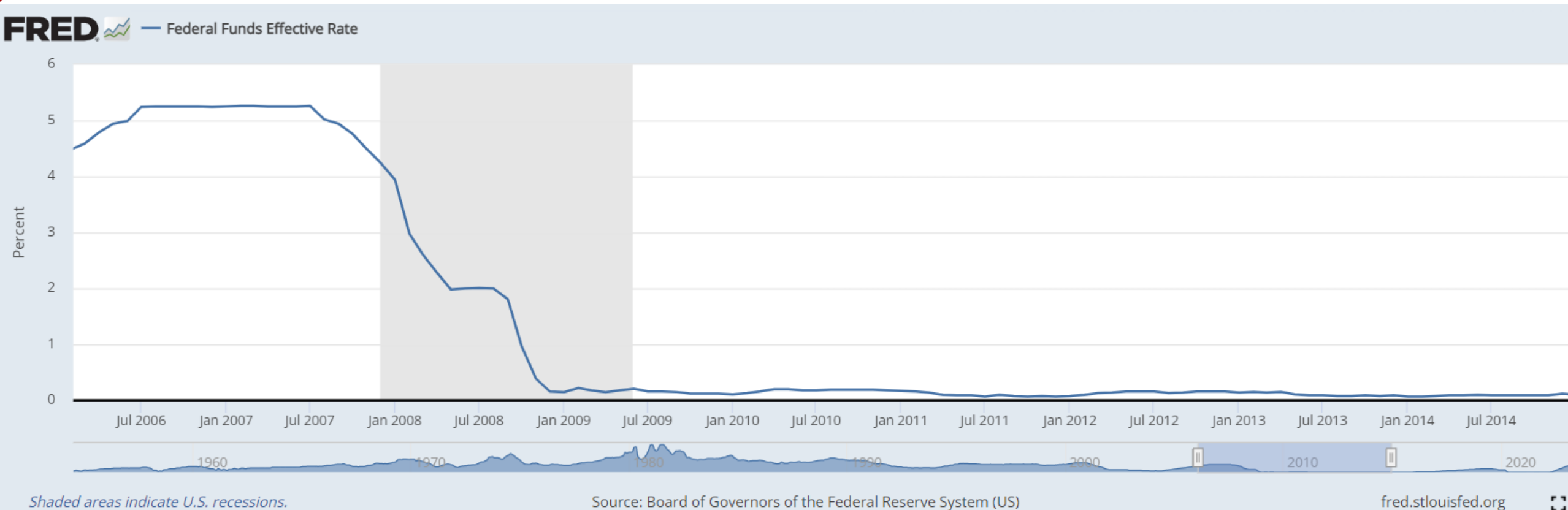


THE VOLCKER YEARS



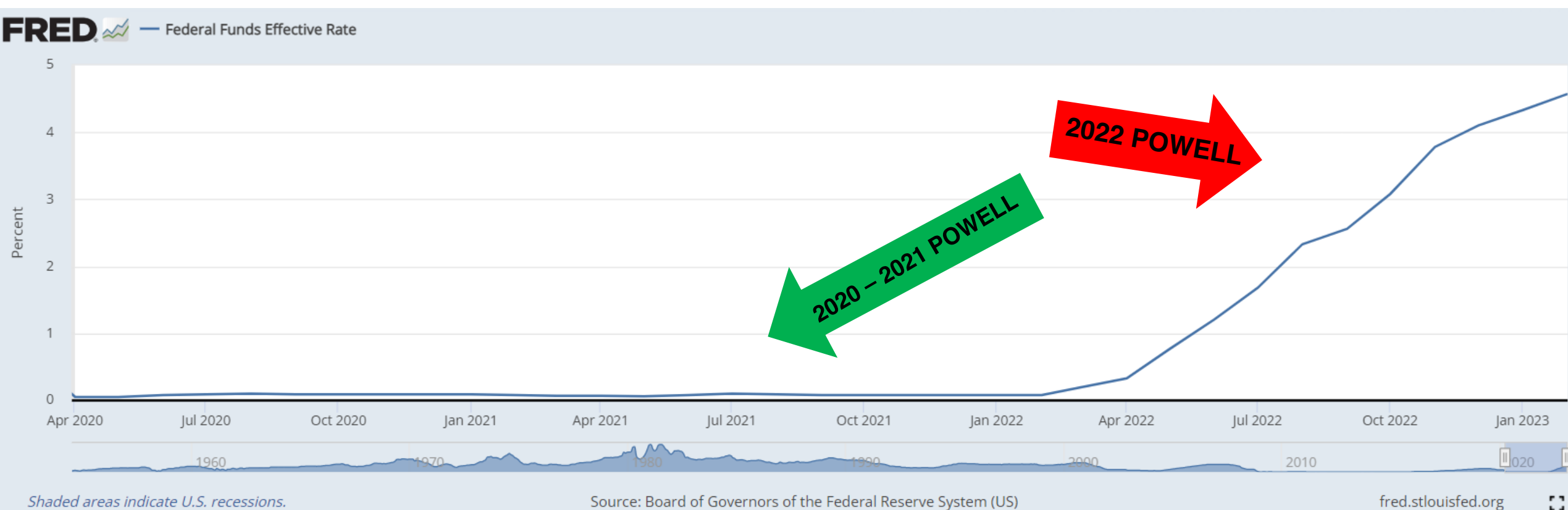


THE BERNAKE YEARS





WHO WILL POWELL BE IN 2023?

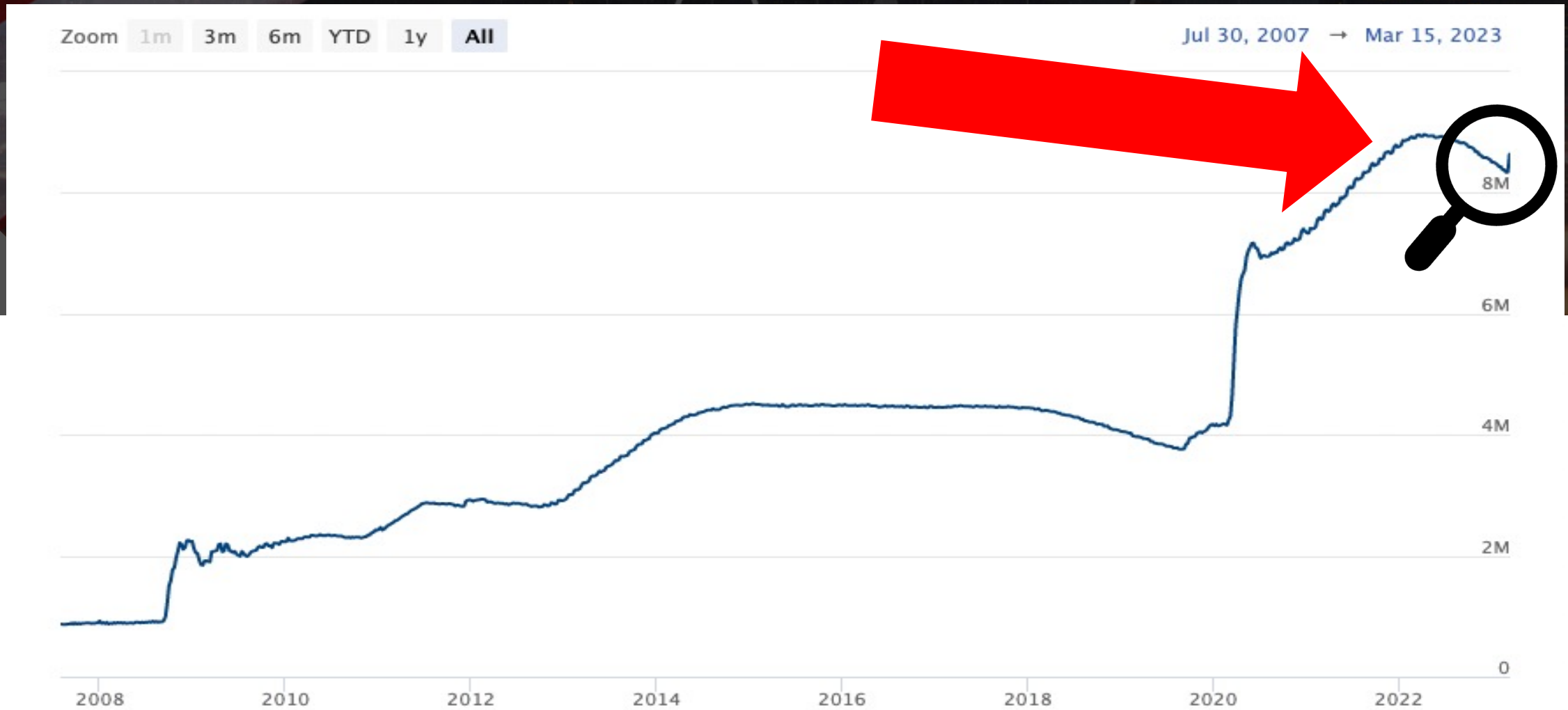




POWELL'S UNIQUE CHALLENGE

- **BERNAKE HAD A CRISIS WITH LOW INFLATION**
 - **2-4% INFLATION**
- **VOLCKER HAD INFLATION WITH A LOW DEBT TO GDP RATIO**
 - **30-40% DEBT TO GDP RATIO**
- **POWELL IS DEALING WITH HIGH INFLATION AND HIGH DEBT TO GDP**
 - **6-9% INFLATION**
 - **100-130% DEBT TO GDP**

THE FED MADE A HUGE MOVE LAST WEEK!



FED BALANCE SHEET SPIKED BY \$300 BILLION

Credit and Liquidity Programs and the Balance Sheet

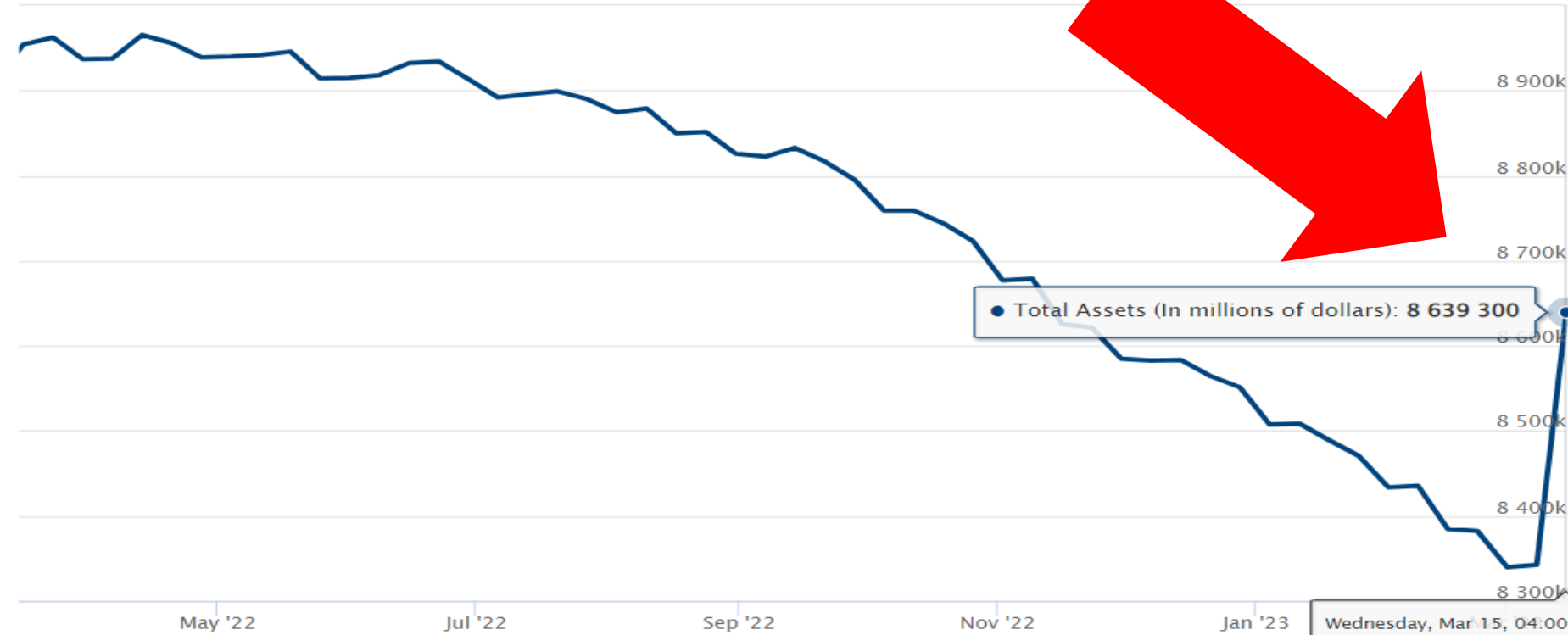
Overview
Crisis response
Monetary policy normalization
Fed's balance sheet
Federal Reserve liabilities
Recent balance sheet trends
Open market operations
Central bank liquidity swaps
Lending to depository institutions
Fed financial reports
Other reports and disclosures
Information on closed programs

Recent balance sheet trends

Choose one of the 5 charts.

Total Assets of the Federal Reserve

Zoom 1m 3m 6m YTD 1y All



THIS UNDID 6 MONTHS OF QT PROGRESS

Credit and Liquidity Programs and the Balance Sheet

Overview

Crisis response

Monetary policy normalization

Fed's balance sheet

Federal Reserve liabilities

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Choose one of the 5 charts.

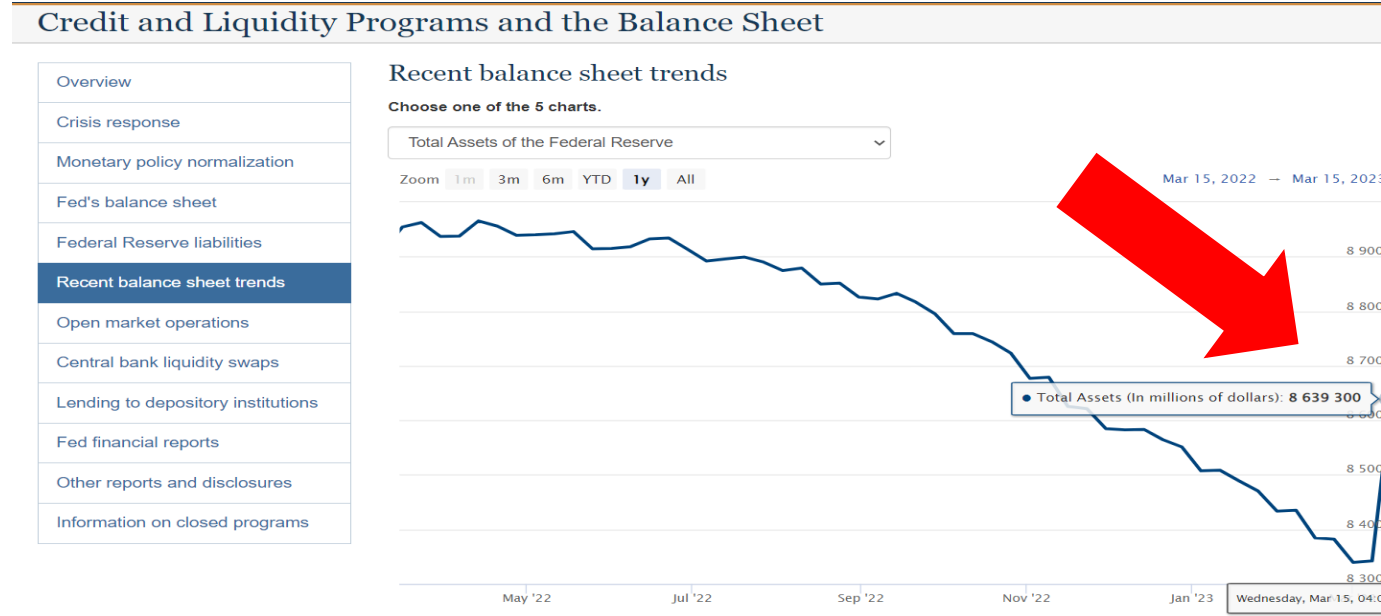
Total Assets of the Federal Reserve

Zoom 1m 3m 6m YTD 1y All





WHAT HAPPENED HERE?





BANK TERM FUNDING PROGRAM

- **AFTER SVB THE FED SETUP A PROGRAM TO PREVENT ANOTHER EVENT LIKE IT FROM HAPPENING**
- **SVB LOST MONEY SELLING BONDS BEFORE MATURITY**
- **THE FED HAS GUARANTEED CREDIT FOR BANK BONDS AT 100% OF THE BOND VALUE**



BTFP IS A GAME CHANGER

Bank Term Funding Program

Program: To provide liquidity to U.S. depository institutions, each Federal Reserve Bank would make advances to eligible borrowers, taking as collateral certain types of securities.

Borrower Eligibility: Any U.S. federally insured depository institution (including a bank, savings association, or credit union) or U.S. branch or agency of a foreign bank that is eligible for primary credit (see 12 CFR 201.4(a)) is eligible to borrow under the Program.

Eligible Collateral: Eligible collateral includes any collateral eligible for use by the Federal Reserve Banks in open market operations (see 12 CFR 201.108(b)), provided that such collateral was owned by the borrower as of March 12, 2023.

Advance Size: Advances will be limited to the value of eligible collateral pledged by the eligible borrower.

Rate: The rate for term advances will be the one-year overnight index swap rate plus 10 basis points; the rate will be fixed for the term of the advance on the date the advance is made.

Collateral Valuation: The collateral valuation will be par value. **Margin will be 100% of par value.**



SO WHERE IS THE RISK?





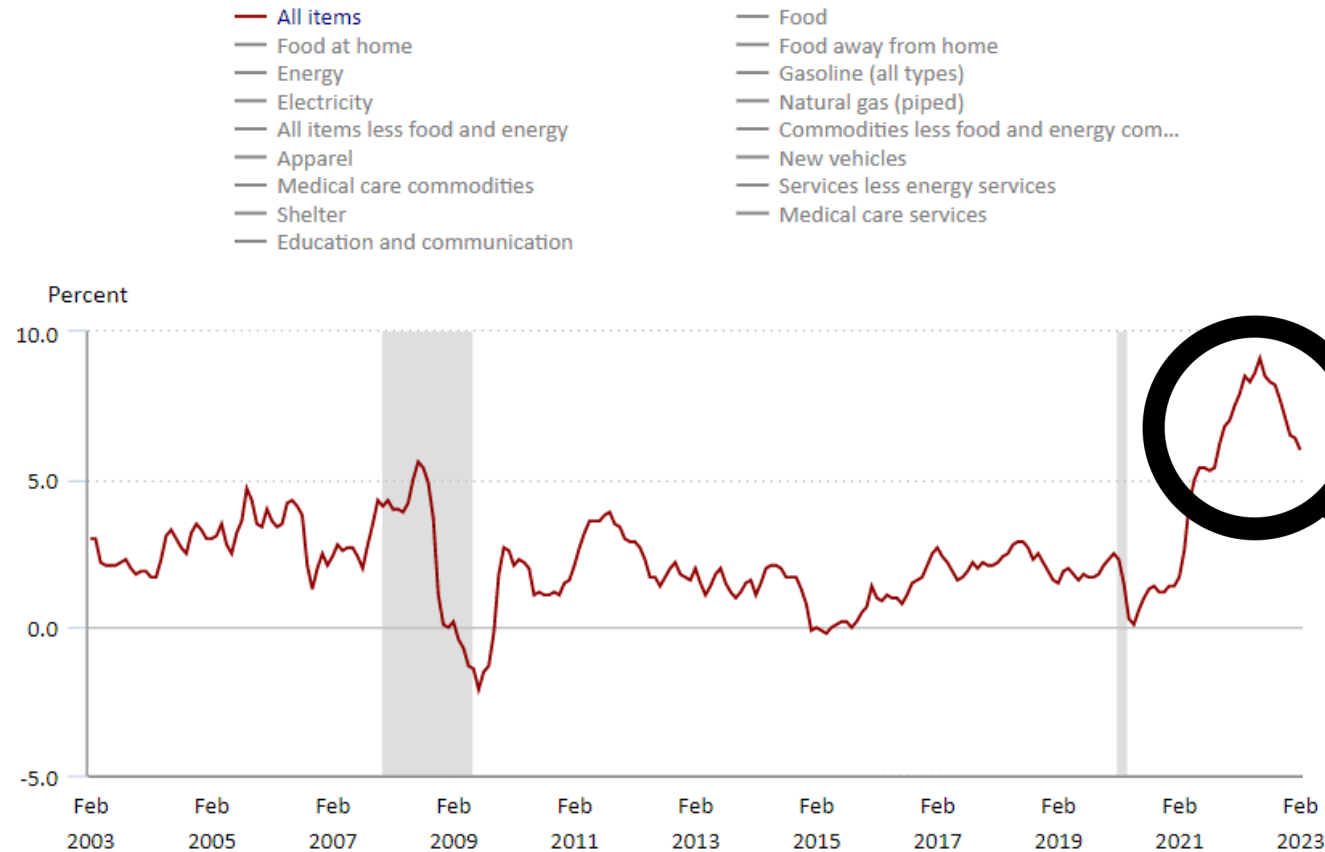
THERE IS NO RISK...



AT LEAST INFLATION IS GOING DOWN, RIGHT?



12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.

UNFORTUNATELY, IT IS NOT.



U.S. BUREAU OF LABOR STATISTICS

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Weight (wait) up! Increasing the Relevance of Consumer Price Index Weights

Tuesday, January 10, 2023

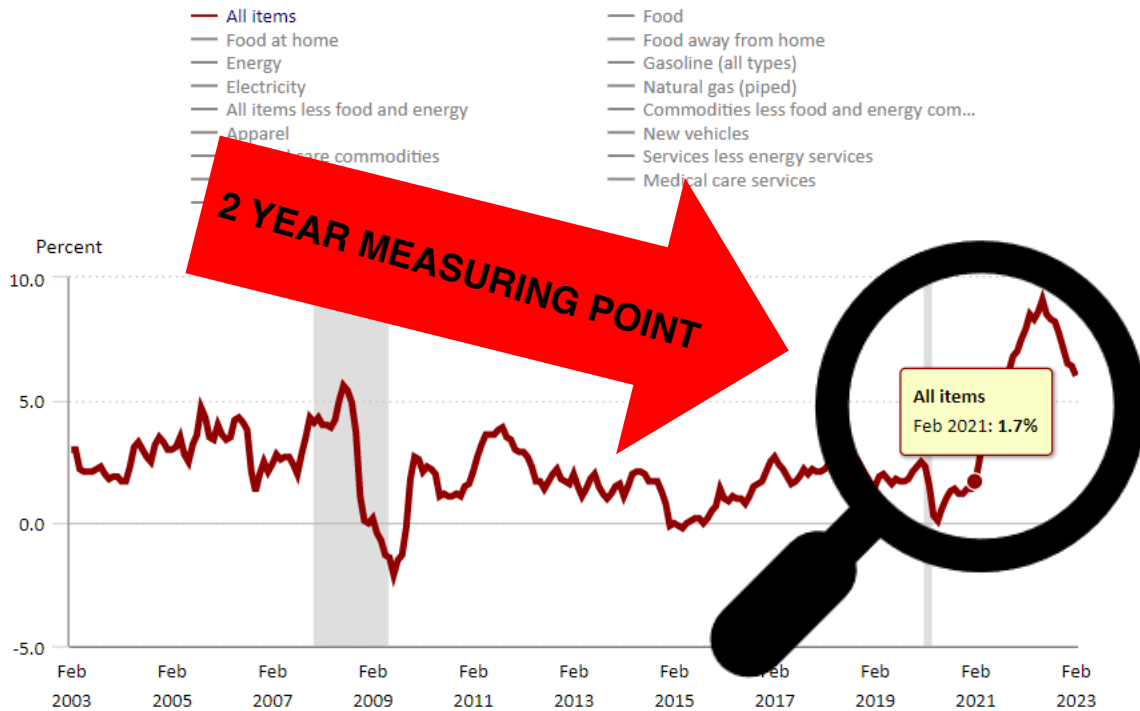
Every year on February 14, there is a celebration of love. This February, BLS will celebrate improvement in the [Consumer Price Index](#) (CPI), which we hope you will love. Beginning with the January 2023 index, scheduled for publication on February 14, 2023, [BLS plans to update the spending weights in the calculation of the CPI every year instead of every 2 years.](#) Spending weights indicate what share of total expenditures each item represents. This change will improve the relevance of CPI spending weights by using the most recent consumer spending information. By improving the relevance of spending weights, BLS can improve the accuracy of the CPI.

MASSIVE IMPACT!!!



DO YOU SEE THE PROBLEM?

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



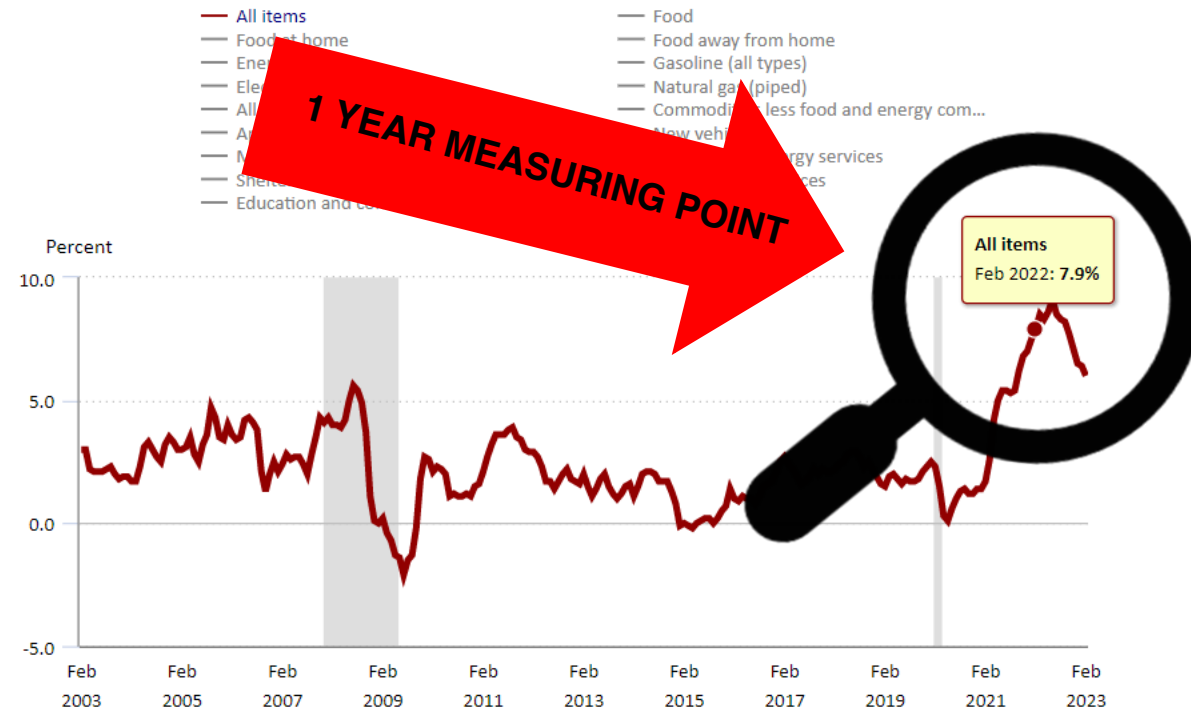
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12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.





WHAT IS THE DIFFERENCE?

• OLD WAY

- MEASUREMENT OF 2 YEAR CHANGE
- CPI FEBRUARY 2021 WAS 1.7%
- CURRENT INFLATION RATE: 6%
- IN THIS MEASUREMENT INFLATION IS UP 4.3%

• NEW WAY

- MEASUREMENT OF 1 YEAR CHANGE
- CPI FEBRUARY 2022 WAS 7.9%
- CURRENT INFLATION RATE: 6%
- IN THIS MEASUREMENT INFLATION IS DOWN 1.9%

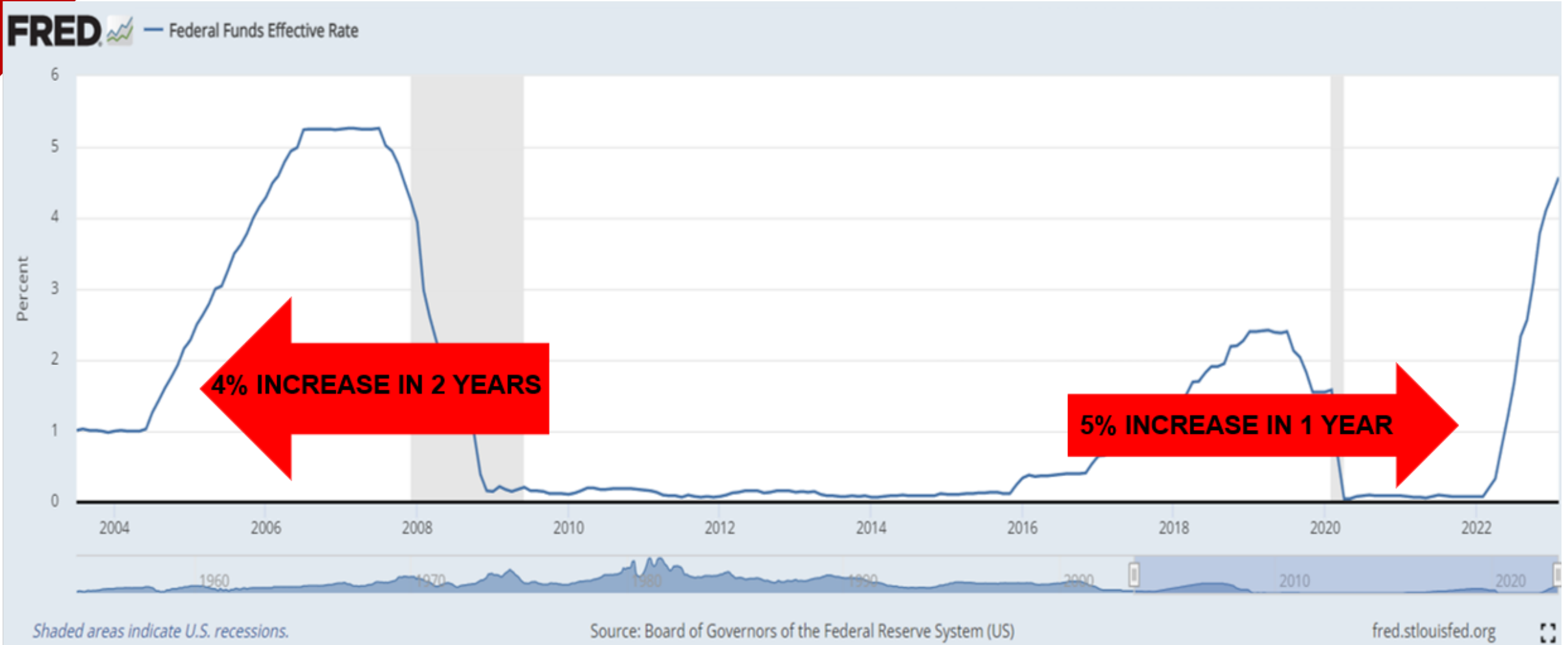


**THE FED ALSO JUST
RAISED INTEREST RATES...**



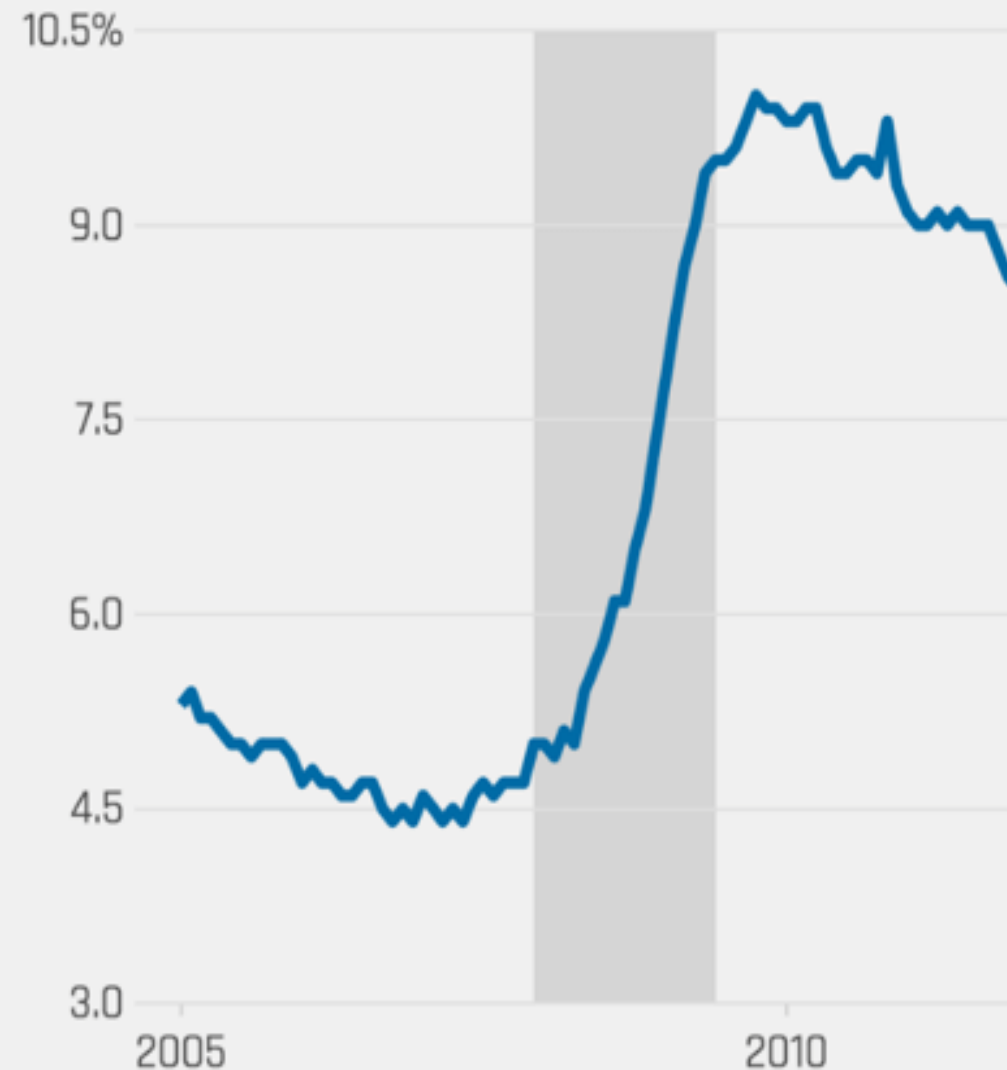
**THIS IS ALL NEW AND THE
OUTCOME IS VERY UNCERTAIN...**

WILL THIS RESEMBLE 2008 CRISIS?



UNEMPLOYMENT WILL SKYROCKET

U.S. rate of unemployment, 2005-2019

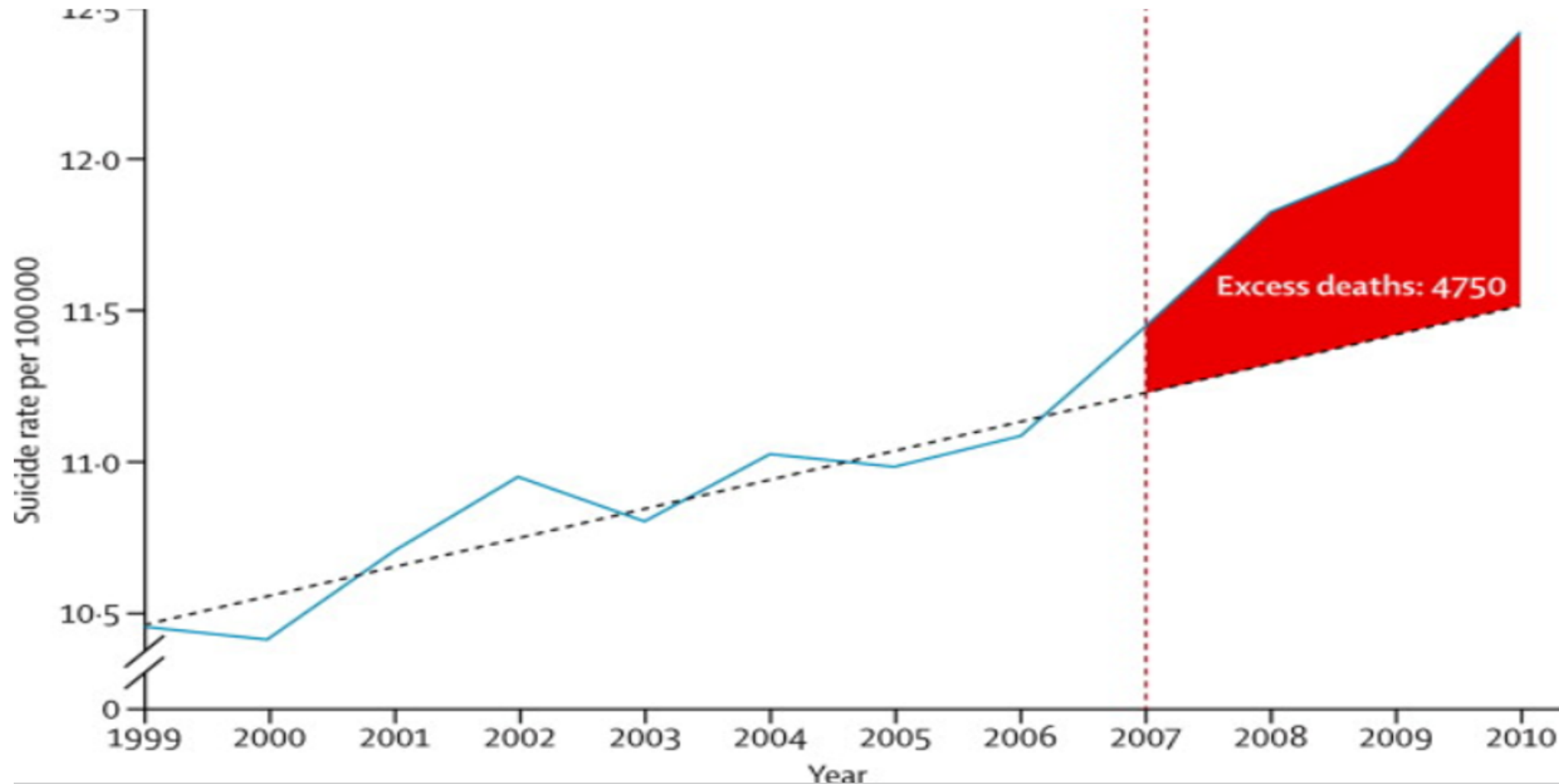


Source: Federal Reserve Economic Data <https://fred.stlouisfed.org/>

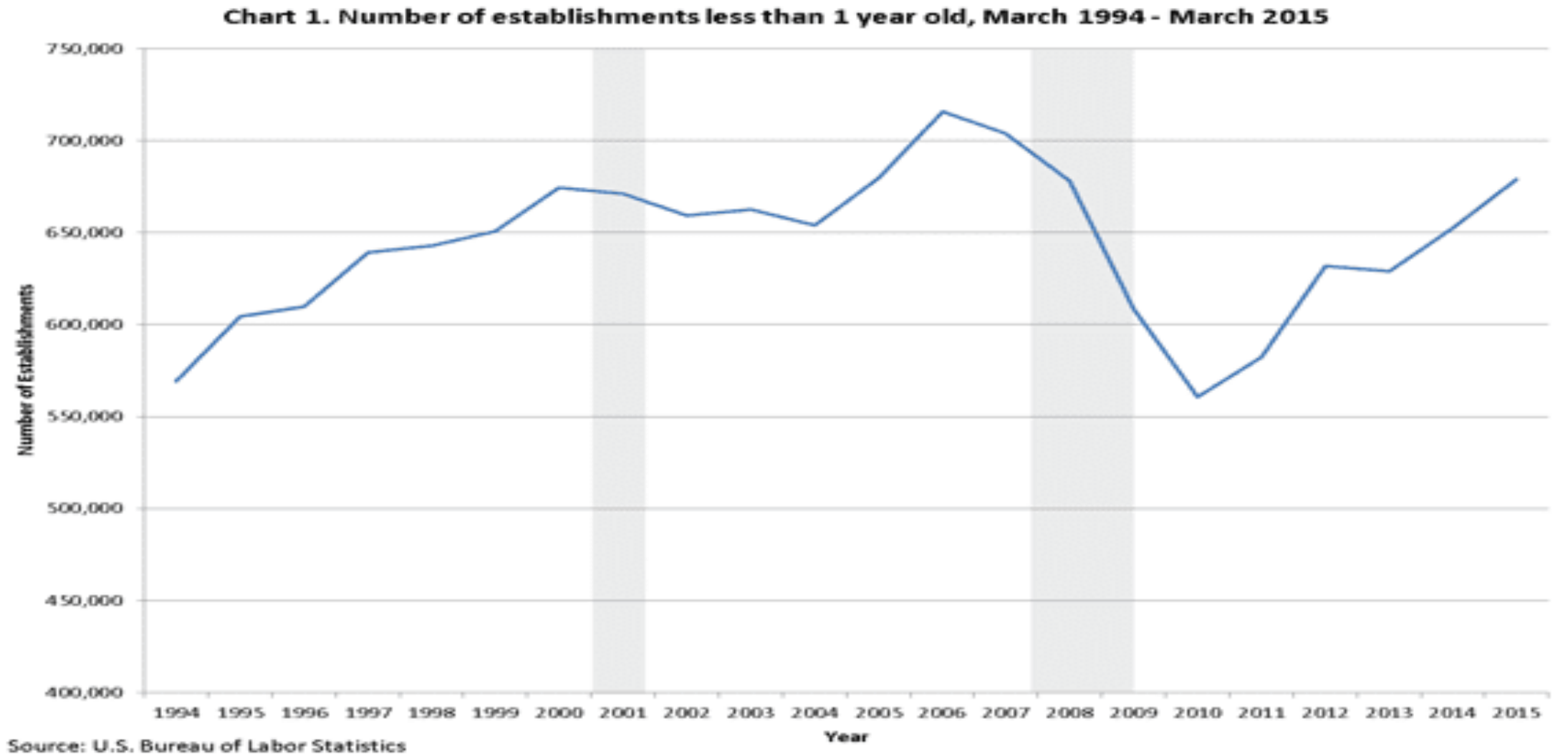




2008 CAUSED A SPIKE IN SUICIDES

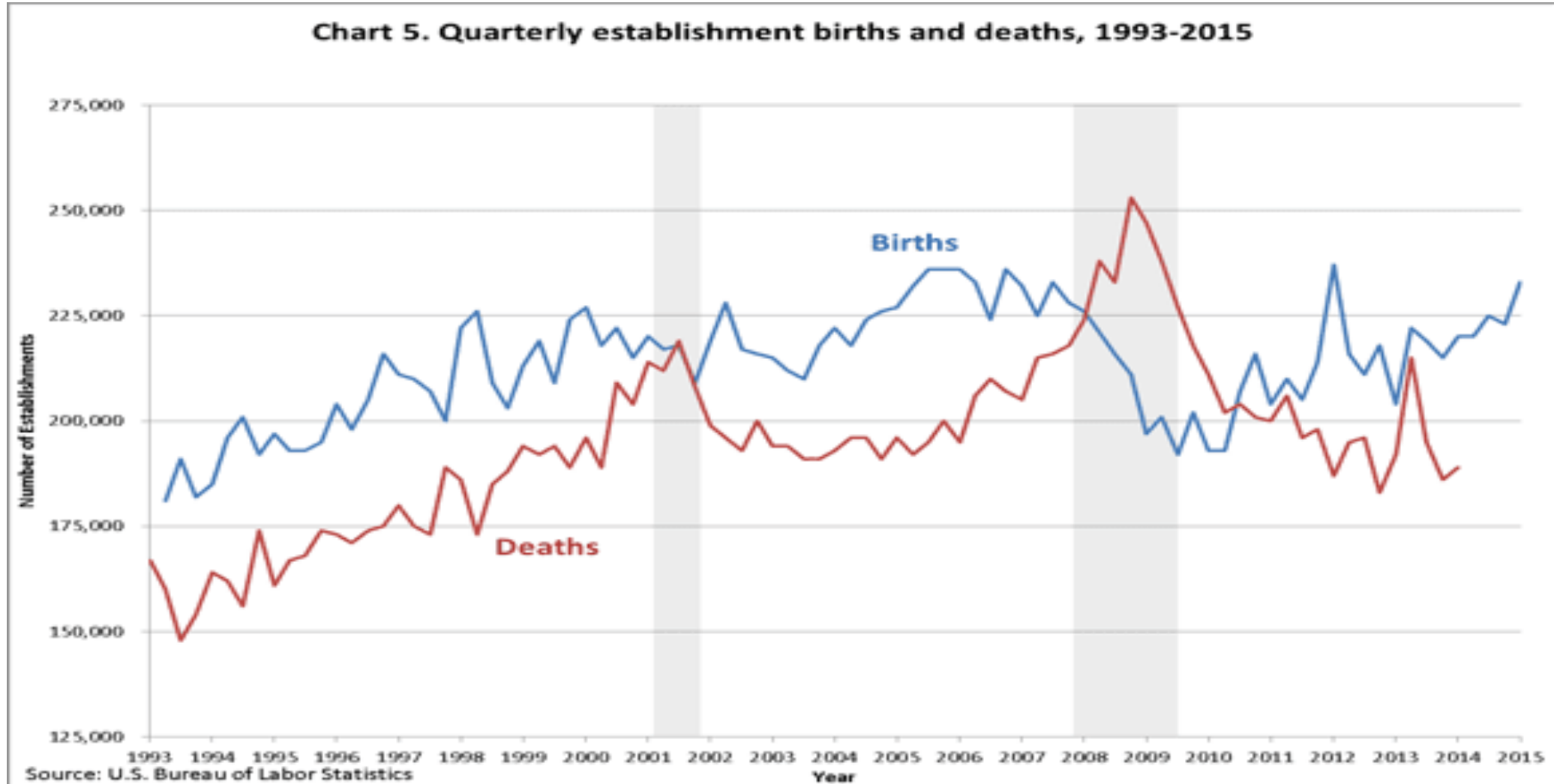


NEW STARTUPS VANISHED IN 2008





BIRTHS ↓ & DEATHS ↑





LET'S TAKE A TIMEOUT



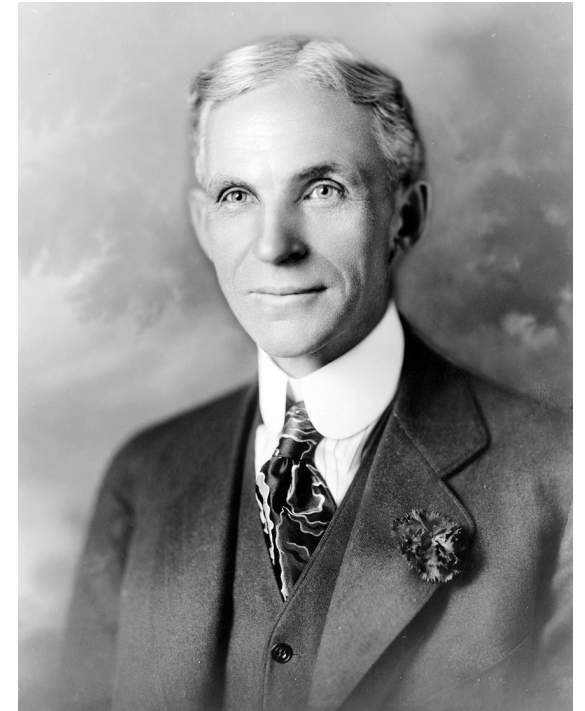
IF YOU'RE STRUGGLING RIGHT NOW

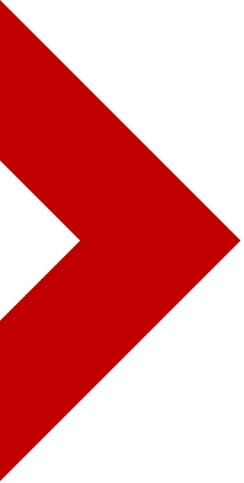
- **DON'T MAKE ANY IRRESPONSIBLE DECISIONS**
 - **DELAY THEM TILL NEXT YEAR**
- **JUST BECAUSE YOU'RE IN THIS PLACE RIGHT NOW DOESN'T MEAN IT WILL REMAIN THIS WAY**
- **KEEP YOURSELF BUSY WITH POSITIVE DISTRACTIONS**
- **AVOID HAVING TOO MUCH TIME ON YOUR HANDS**



**“NOBODY CAN THINK STRAIGHT
WHO DOES NOT WORK.
IDLENESS WARPS THE MIND”**

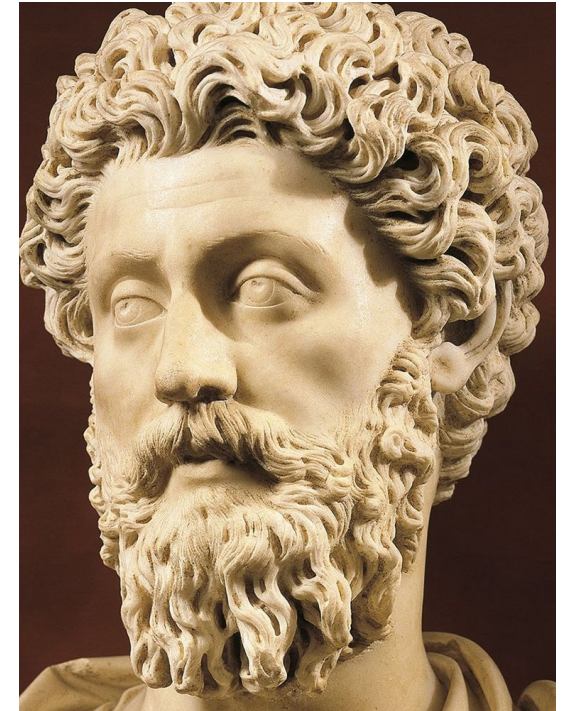
HENRY FORD





**“PURGE YOUR MIND OF ALL
AIMLESS AND IDLE THOUGHTS,
ESPECIALLY THOSE THAT PRY
INTO THE AFFAIRS OF OTHERS
OR WISH THEM ILL”**

MARCUS AURELIUS





**“TROUBLE SPRINGS
FROM IDLENESS, AND
GRIEVOUS TOIL FROM
NEEDLESS EASE.”**

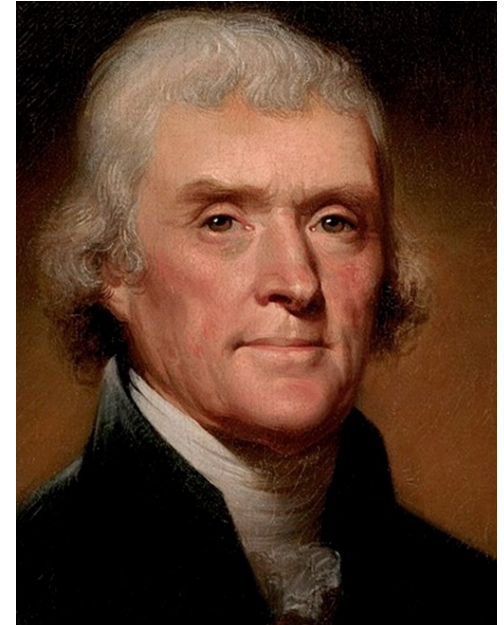
BENJAMIN FRANKLIN





**“DETERMINE NEVER TO BE IDLE.
NO PERSON WILL HAVE
OCCASION TO COMPLAIN OF
THE WANT OF TIME WHO NEVER
LOSES ANY. IT IS WONDERFUL
HOW MUCH CAN BE DONE IF WE
ARE ALWAYS DOING.”**

THOMAS JEFFERSON





THINGS TO KEEP IN MIND DURING TURBULENT TIMES:

- **YOU NEED THE RIGHT EMOTIONAL RESPONSE**
- **YOU NEED THE RIGHT STRATEGY**
- **YOU NEED TO MAINTAIN A LEVEL OF POISE**
- **YOU NEED TO HAVE THE RIGHT LEVEL OF URGENCY TO
FIND A SOLUTION**



**IT TAKES 20 YEARS TO BUILD A
REPUTATION AND FIVE MINUTES
TO RUIN IT. IF YOU THINK ABOUT
WHAT, YOU'LL DO THINGS
DIFFERENTLY.**

- WARREN BUFFETT





HOW TO APPROACH CRISIS:

1. WHAT CAUSED IT?

- **IS IT IN YOUR CONTROL OR OUT OF YOUR CONTROL**

2. QUANTIFYING THE RISK OF CRISIS – (WORST CASE SCENARIO)

3. CONFRONT THE CRISIS WITH THE RIGHT LEVEL OF URGENCY (1-10)

4. FIND THE ROOTS OF THE CRISIS TO ELIMINATE FUTURE REPETITION OF THE EVENT

5. CREATE A BATTLE PLAN – DEFENSE + OFFENSE

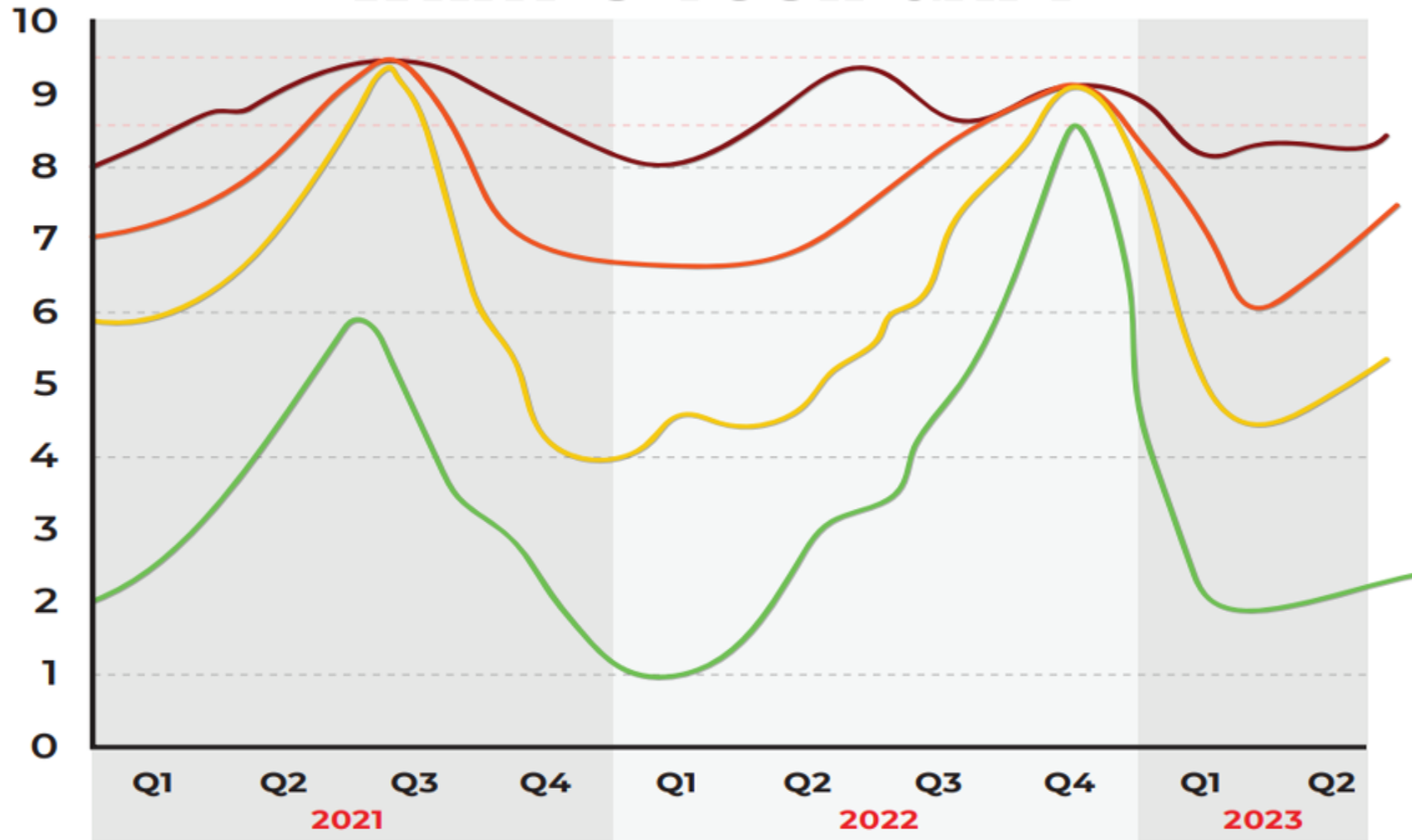


TIMELINES OF CRISIS

- 1 HOUR
- 1 DAY
- 1 WEEK
- 1 MONTH
- 1 QUARTER
- 1 YEAR
- LEARN TO CONDENSE TIMEFRAMES



WHAT'S YOUR GAP?



	1%	10%	20%	80%
HIGH	9.5	9.5	9.5	8.5
LOW	8	6	4	1



SKILLS DICTATE YOUR VALUE IN THE MARKET PLACE



HOW ARE YOU RECREATING YOURSELF?

- I LEARNED THE SKILLSET OF SALES
- THEN I LEARNED HOW TO BECOME A SALES LEADER
- THEN I LEARNED HOW TO BECOME A CEO
- EACH TIME I LEARNED NEW SKILLS MY MARKET VALUE WENT UP





SALES IS A SKILL THAT CHANGED MY LIFE



**I HAVE SOMETHING
SPECIAL FOR YOU**



THE PBD SALES SYSTEM

- **MOST INDEPTH COURSE I
HAVE ON SALES**
- **IT CONSISTS OF 5 LESSONS
+ BONUS MATERIAL**
- **VIDEOS + PDF'S AND
LEARNING MATERIAL**

**PBD
SALES
SYSTEM**





YOU'LL LEARN:

1. HOW TO KNOW YOUR STYLE OF SELLING
2. HOW TO KNOW YOUR SALES PERSONALITY
3. HOW TO STUDY YOUR INDUSTRY
4. HOW TO KNOW YOUR SALESFLOW
5. HOW TO CREATE TRACKING SYSTEMS IN YOUR SALES

**BONUS – THE BEST CLOSES I'VE USED IN THE
LAST 20+ YEARS**

**PBD
SALES
SYSTEM**



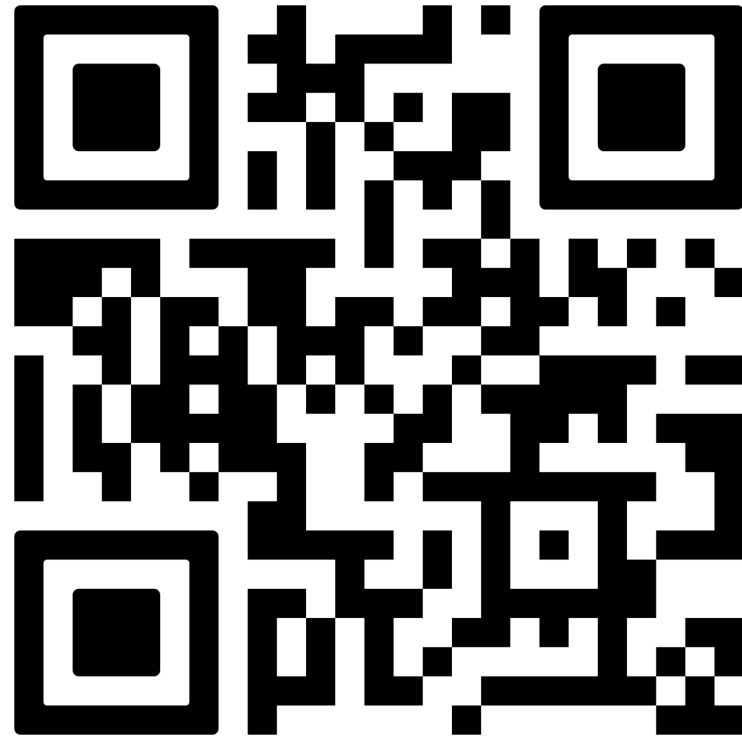


PBD SALES SYSTEM



RETAIL PRICE:
\$1,497

SPECIAL PRICING:
\$199



WWW.VTOFFER.COM TO BUY NOW



SOME OF YOU MIGHT BE THINKING...

***“PAT I KNOW HOW TO SELL, BUT
WHAT I WANT TO LEARN MORE
ABOUT IS HOW TO DEVELOP AND
LEAD A SALES TEAM”***





THE 2023 SALES LEADERSHIP SUMMIT



WWW.VTOFFER.COM



WHAT WE'LL BE COVERING AT SLS

- HOW TO DRIVE YOUR SALES TEAM
- PERSONAL AND TEAM ACCOUNTABILITY
- HOW TO RETAIN VALUABLE TEAMMATES
- HOW TO BUILD A COMPETITIVE ENVIRONMENT
- HOW TO STAY DRIVEN AS A SALES LEADER
- HOW TO CREATE AN EFFECTIVE COMPENSATION PLAN FOR YOUR SALESFORCE
- HOW TO REACH REVENUE GOALS BY MAXIMIZING SALES TEAM METRICS AND HOW TO DEVELOP A STRONG COMPANY CULTURE
- 20 YEARS OF PATRICK BET-DAVIDS EXPERIENCE RUNNING A SALESTEAM OF OVER 30,000 REPS IN 49 STATES
- HOW TO COME UP WITH INNOVATIVE CAMPAIGNS AND MORE!

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THE SALES LEADERSHIP SUMMIT

- THE MOST EXCLUSIVE
EVENT HOSTED ALL YEAR
- LIMITED TO 250 PEOPLE
- INVITE ONLY EVENT
- HIGH LEVEL NETWORKING
OPPORTUNITIES



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THE QUALIFICATIONS:

- **NETTING \$250,000 A YEAR**
- **GENERATING OVER \$1M**
- **LEADING AT LEAST 5 SALES
PEOPLE**



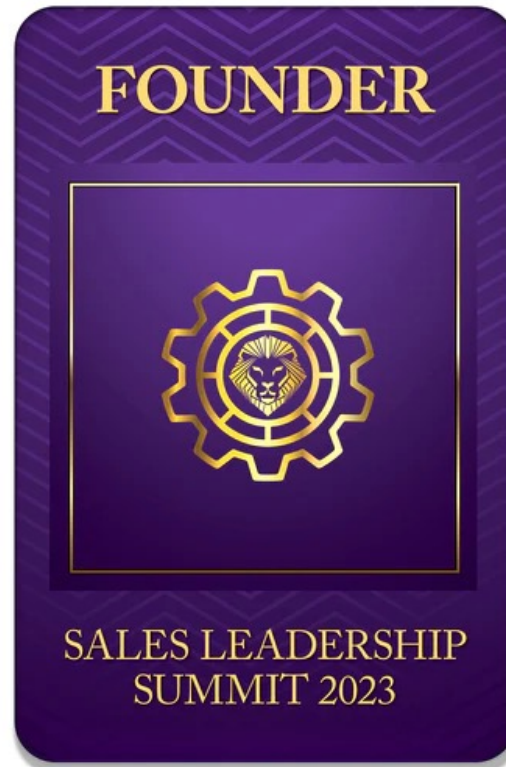
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THE QUALIFICATIONS:



PRICE: SOLD OUT



PRICE: \$5,000



PRICE: \$2,500



SEE IF YOU QUALIFY

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QUESTIONS YOU MIGHT BE ASKING

- IS THIS EVENT FOR A SPECIFIC INDUSTRY?

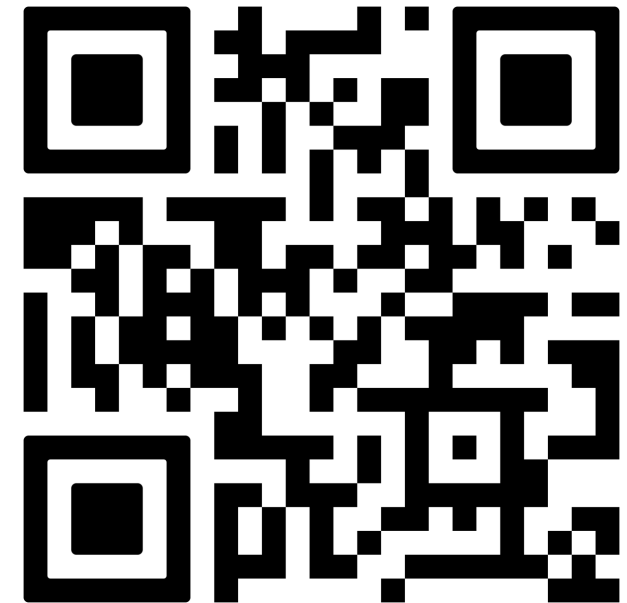


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QUESTIONS YOU MIGHT BE ASKING

- IS THIS EVENT AVAILABLE VIRTUALLY?

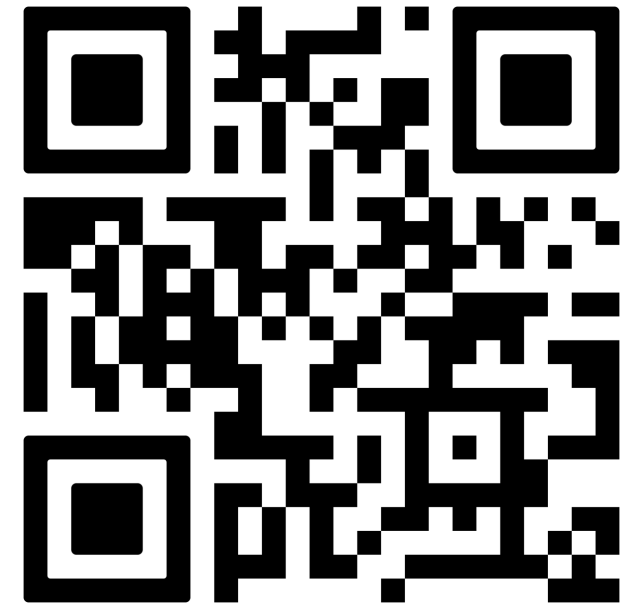


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QUESTIONS YOU MIGHT BE ASKING

- CAN I BRING SOMEONE FROM MY TEAM?

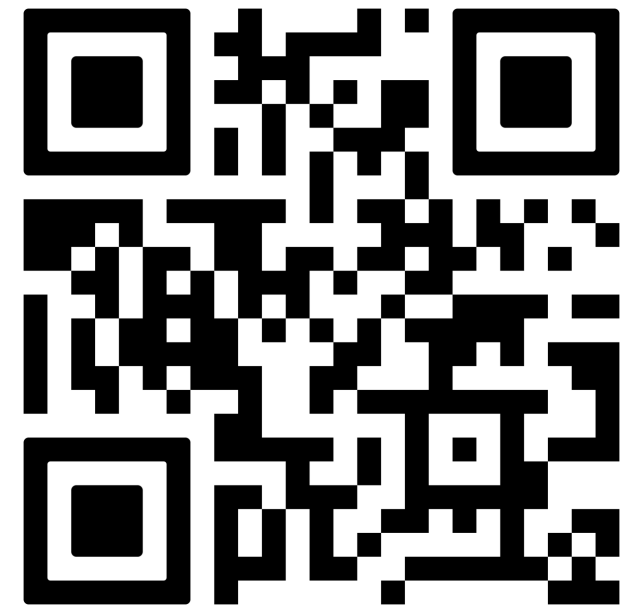


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QUESTIONS YOU MIGHT BE ASKING

- ARE THERE ANY DISCOUNTS?



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WEBINAR OFFER RECAP:

**PBD
SALES
SYSTEM**



RETAIL: \$1,497

NOW : \$199



SLS
SALESLEADERSHIP SUMMIT

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