



# ► 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**

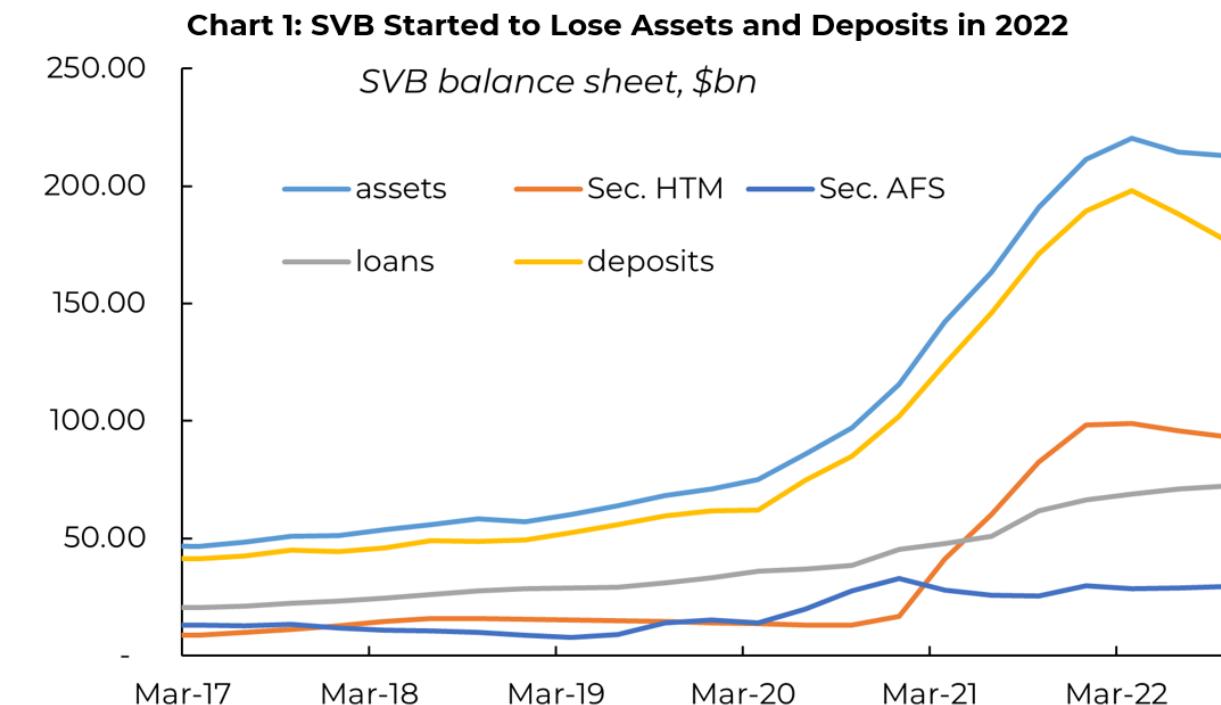


***ARE YOU READY TO GET STARTED?***

# 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)



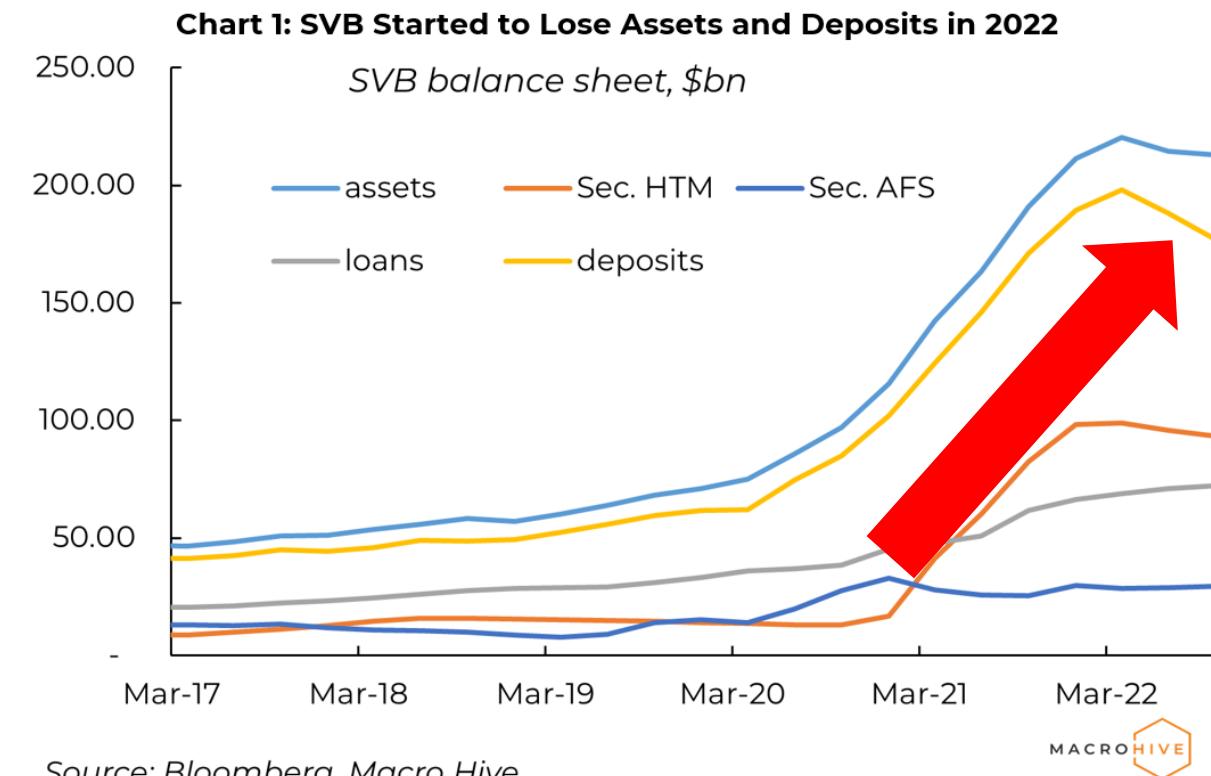
Source: Bloomberg, Macro Hive



# 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



# 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



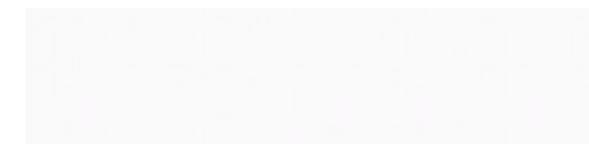
# SILICON VALLEY BANK CRISIS



## \$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

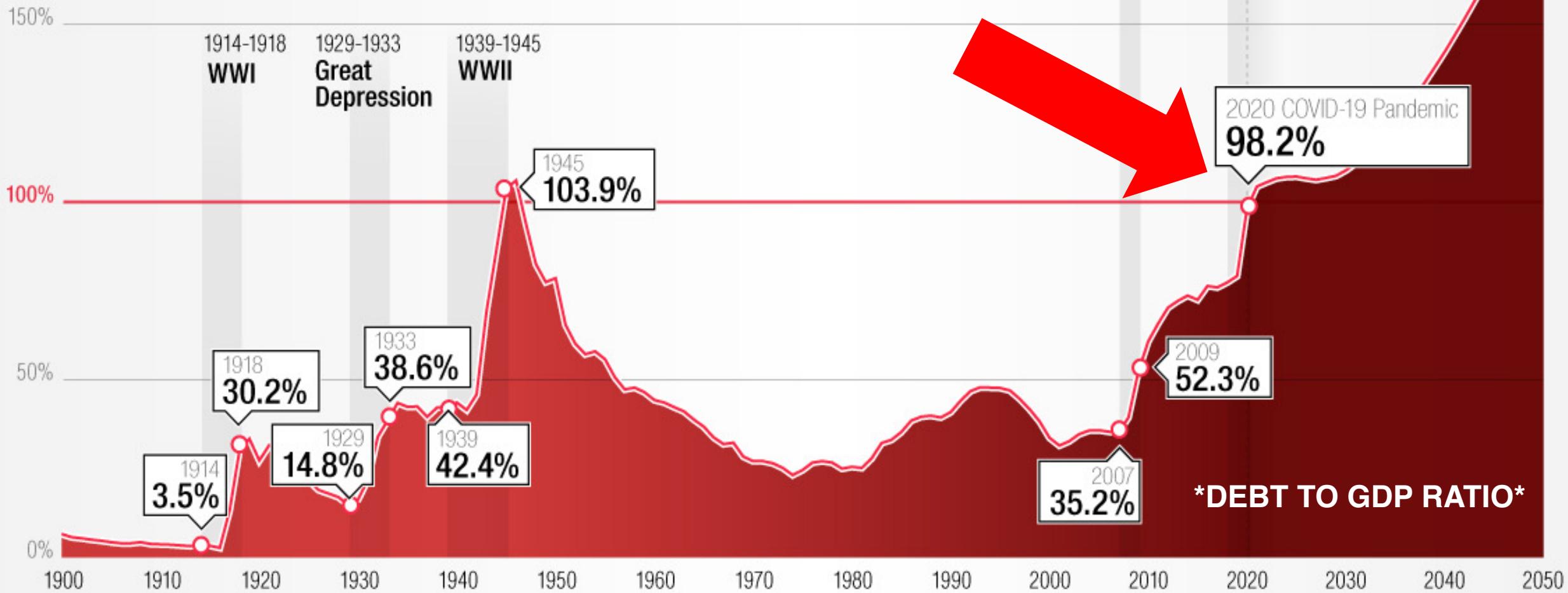


A 150-YEAR VIEW OF ★ ★

2007-2009  
Great Recession



# U.S. National Debt





# 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





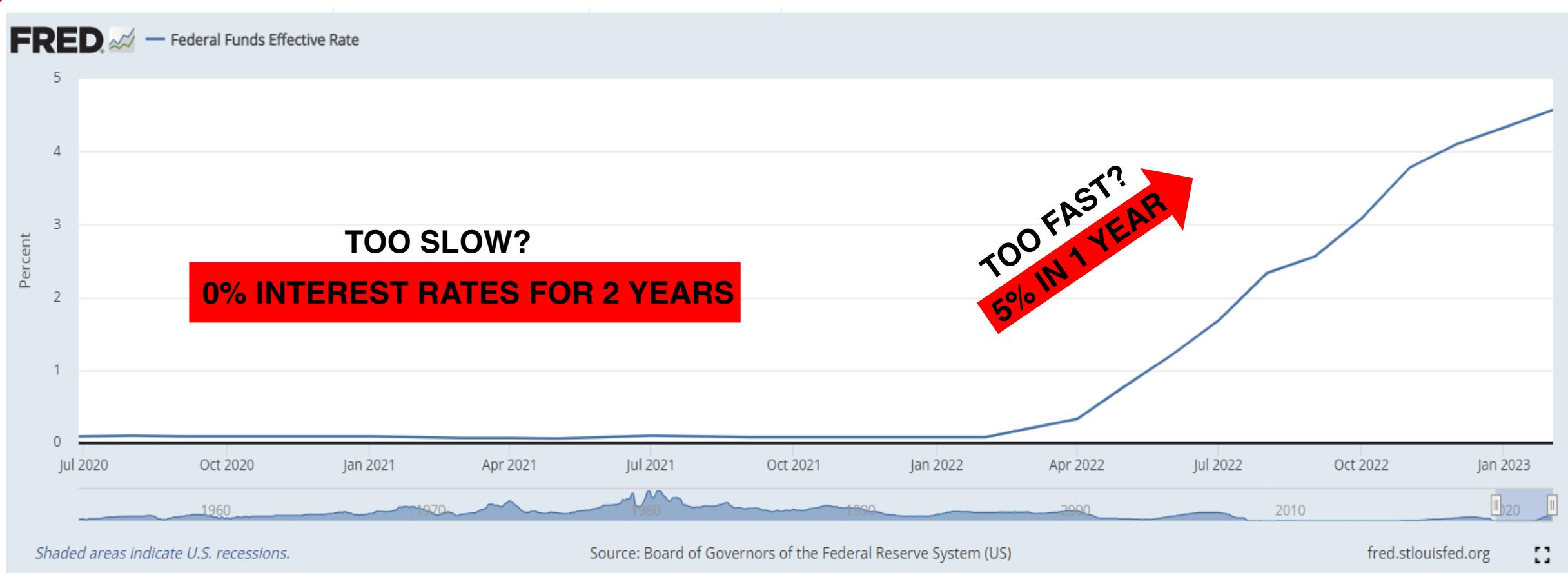
# RESPONSE TO INFLATION

## 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



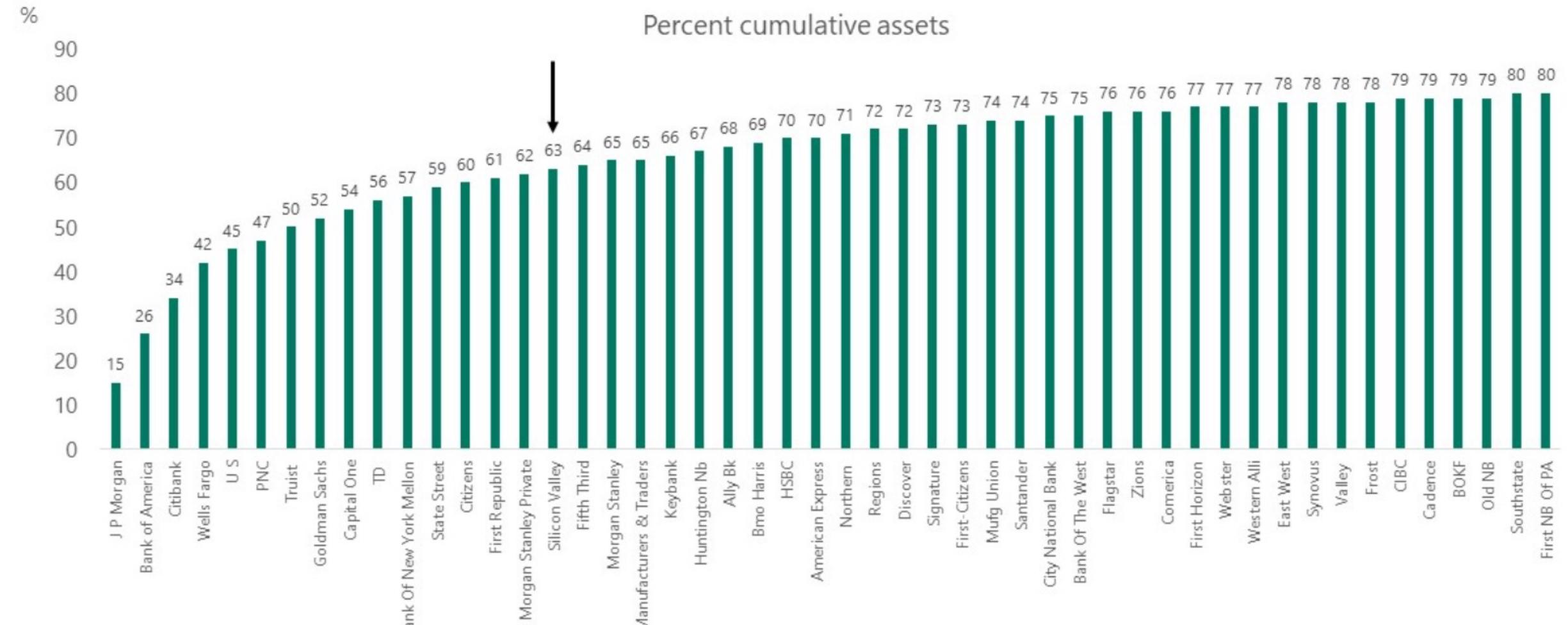
# UNPRECEDENTED ACTION

- **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



# 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 <sup>1</sup>	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
<b>Noncurrent Loan Rate - Total Loans<sup>2</sup></b>	% 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 <sup>3</sup>	% 214.77	178.72	183.71	129.89
<b>Net Charge-Off Rate - All Loans</b>	% 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
<b>Commercial Banks</b>	4,157	4,231	4,375	4,518
New Reporters	12	10	6	13
Mergers	85	152	147	204
<b>Savings Institutions</b>	589	608	627	659
New Reporters	0	0	0	0
Mergers	13	13	21	22
<b>Problem Institutions</b>				
Number	42	44	56	51
Assets	\$ 164	170	56	46
<b>Deposit Insurance Fund<sup>4</sup></b>				
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 <sup>5</sup>	\$ 0.000	0.000	0.455	0.209
Number Assisted Institutions	0	0	0	0
Assisted Assets <sup>5</sup>	\$ 0.000	0.000	0.000	0.000
Estimated Losses(DIF) <sup>6</sup>	\$ 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 STABALIZES FOR GROWTH
- ASSET PRICES GO DOWN & RISE IN UNEMPLOYMENT



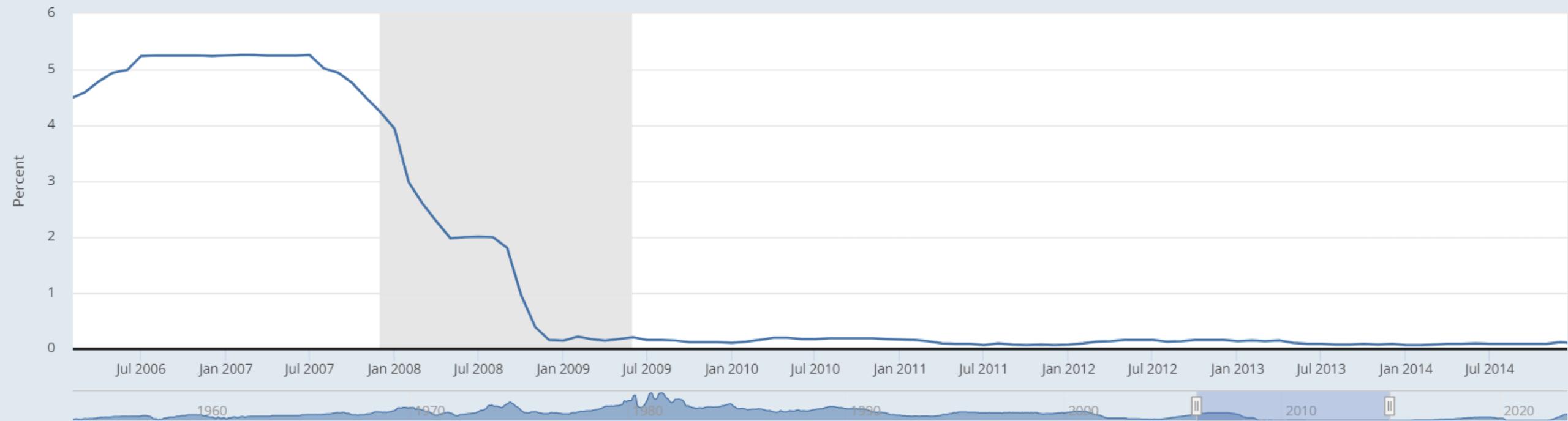
# THE VOLCKER YEARS





# THE BERNAKE YEARS

**FRED**  — Federal Funds Effective Rate



Shaded areas indicate U.S. recessions.

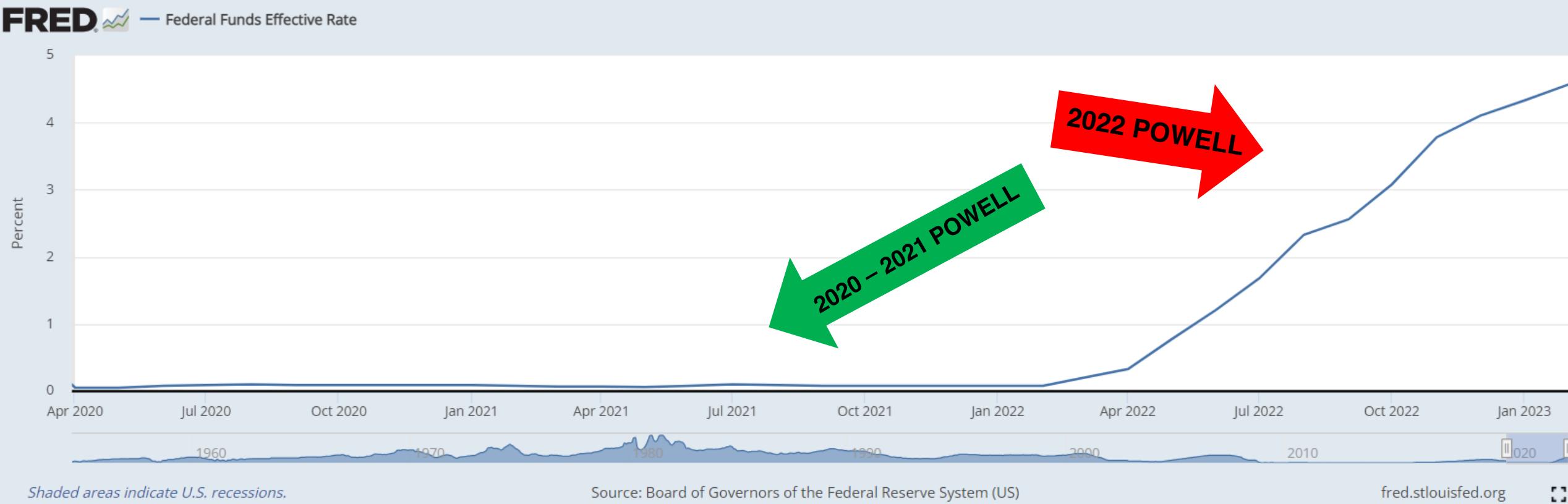
Source: Board of Governors of the Federal Reserve System (US)

[fred.stlouisfed.org](http://fred.stlouisfed.org)





# WHO WILL POWELL BE IN 2023?

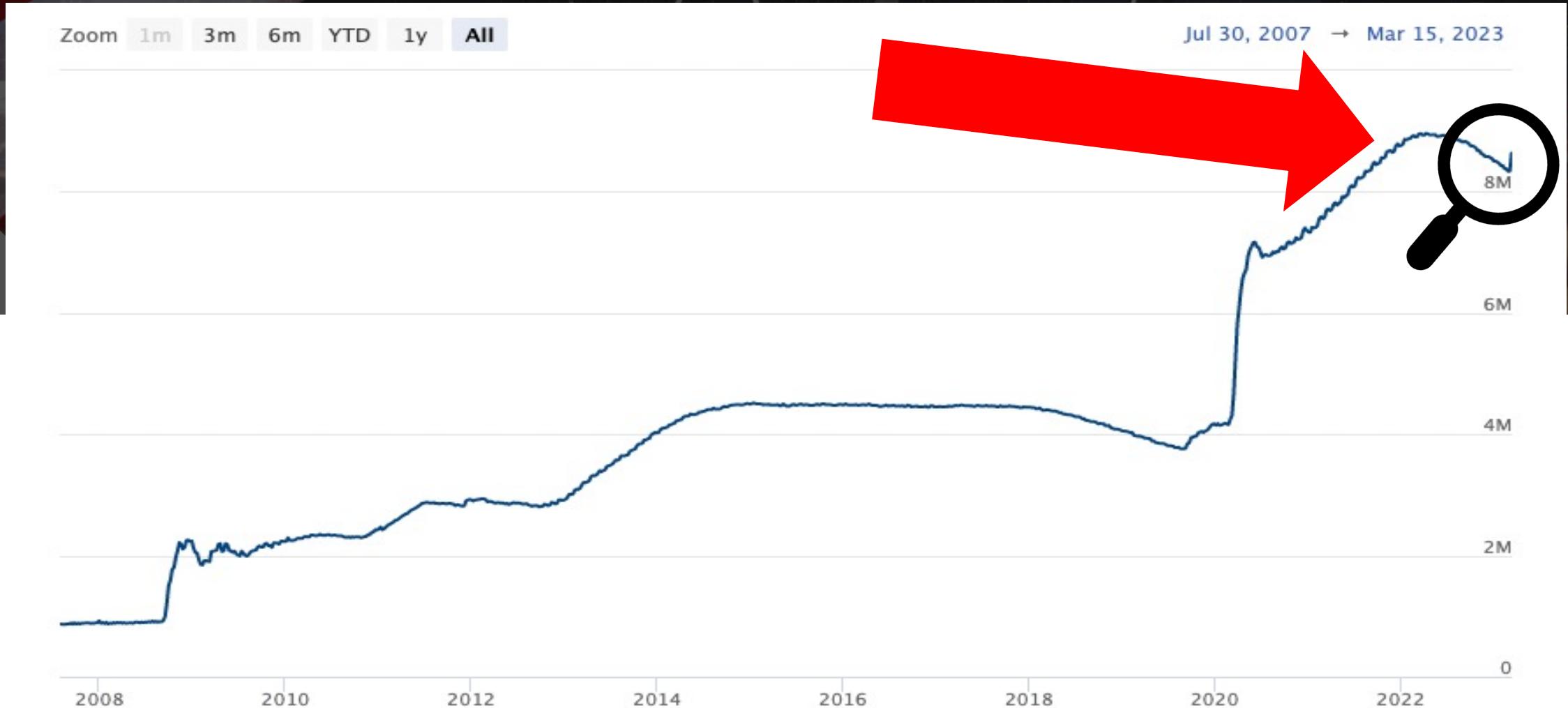




# POWELL'S UNIQUE CHALLENGE

- 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

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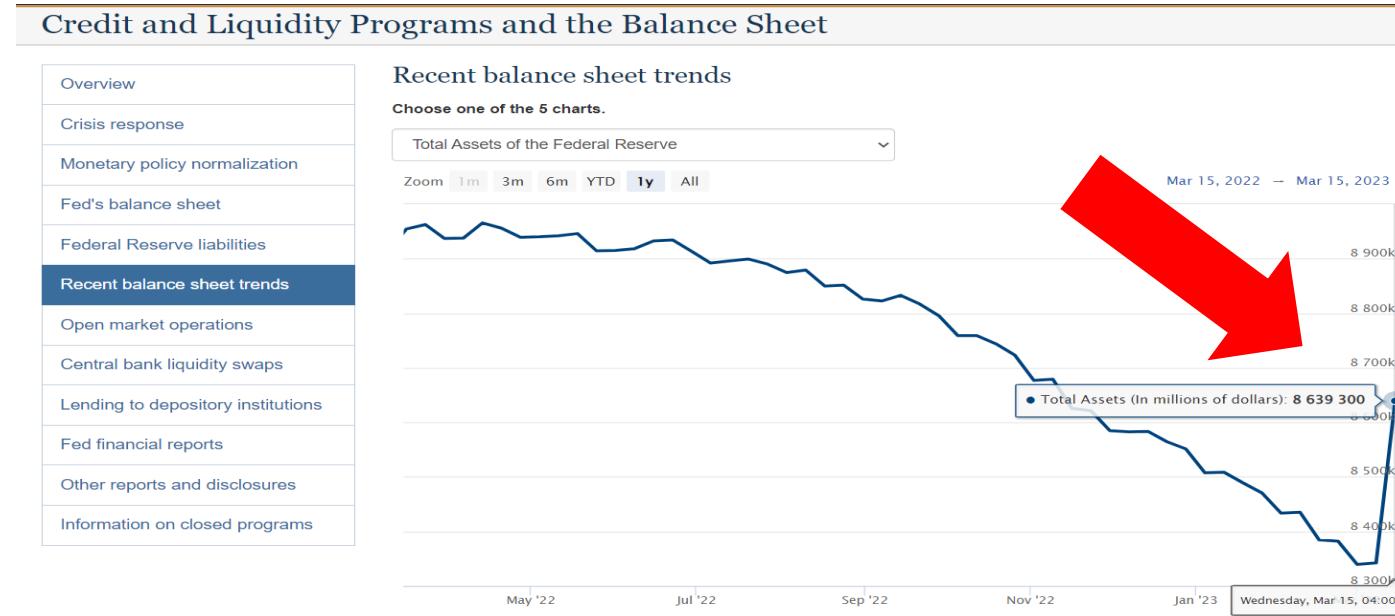
### Recent balance sheet trends

Choose one of the 5 charts.





# 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 purchase 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?





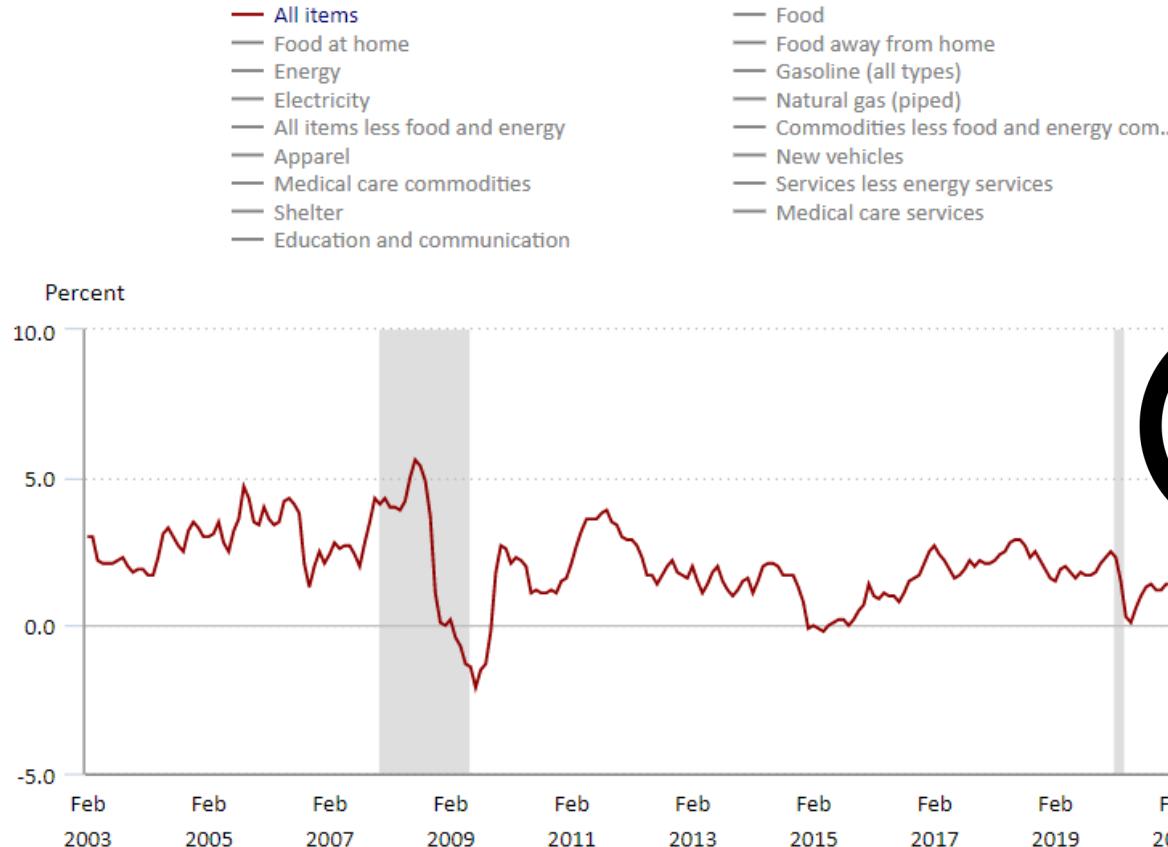
# THERE IS NO RISK...



# 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 an 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!!!**



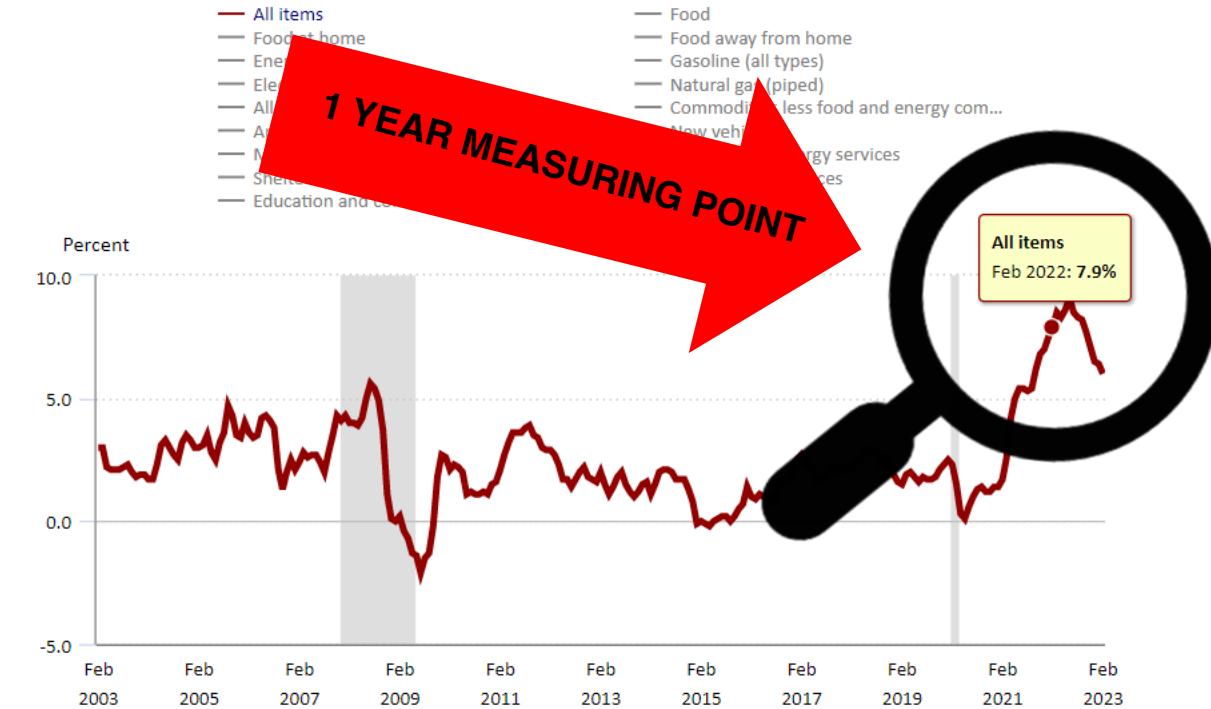
# DO YOU SEE THE PROBLEM?

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



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.

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?

**FRED**  — Federal Funds Effective Rate



Shaded areas indicate U.S. recessions.

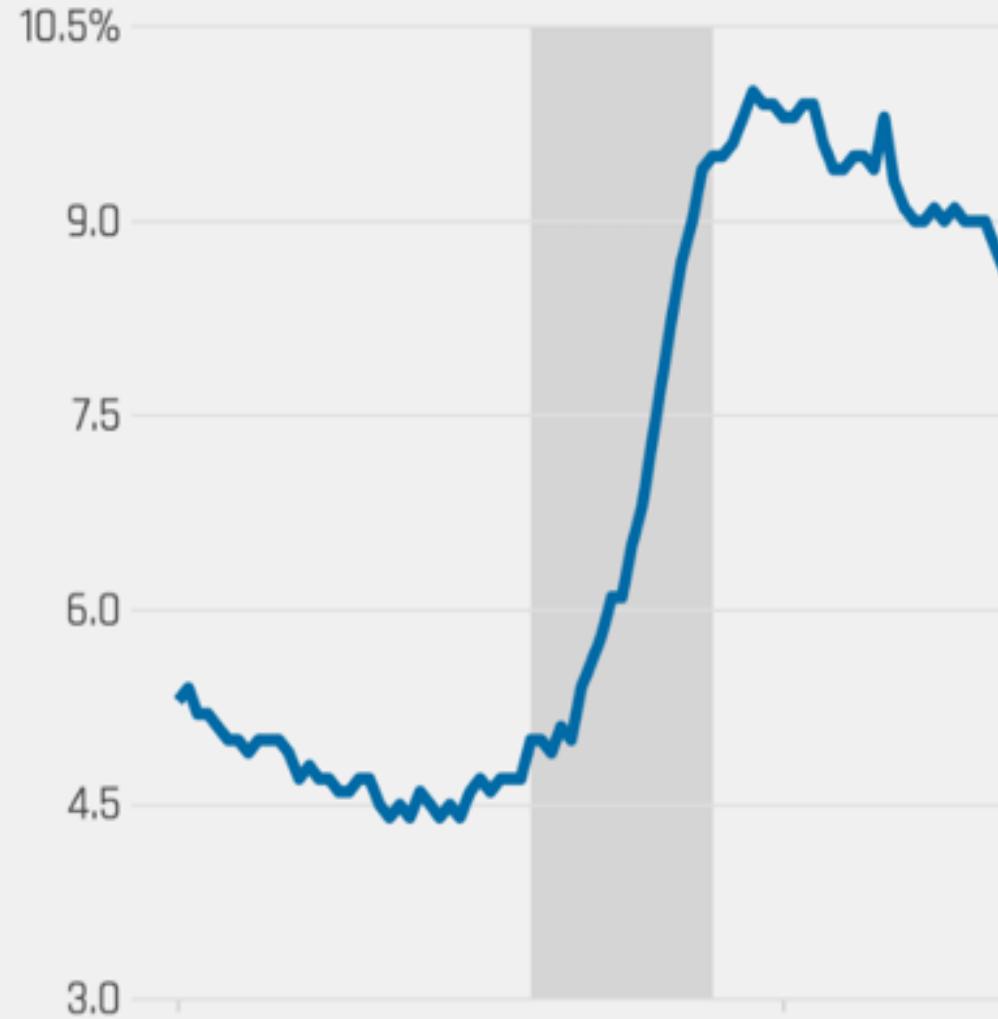
Source: Board of Governors of the Federal Reserve System (US)

[fred.stlouisfed.org](http://fred.stlouisfed.org)





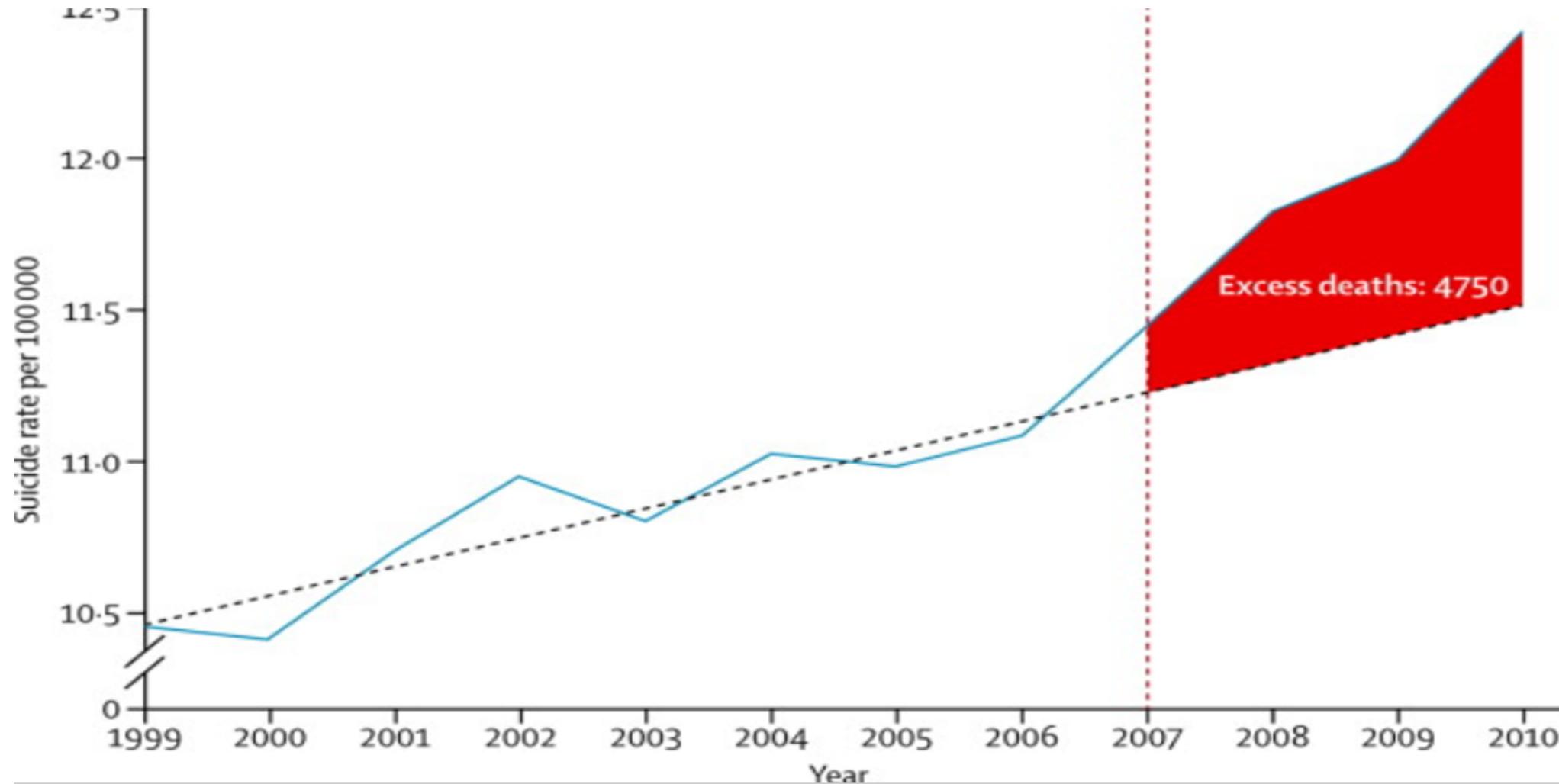
# UNEMPLOYMENT WILL SKYROCKET



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

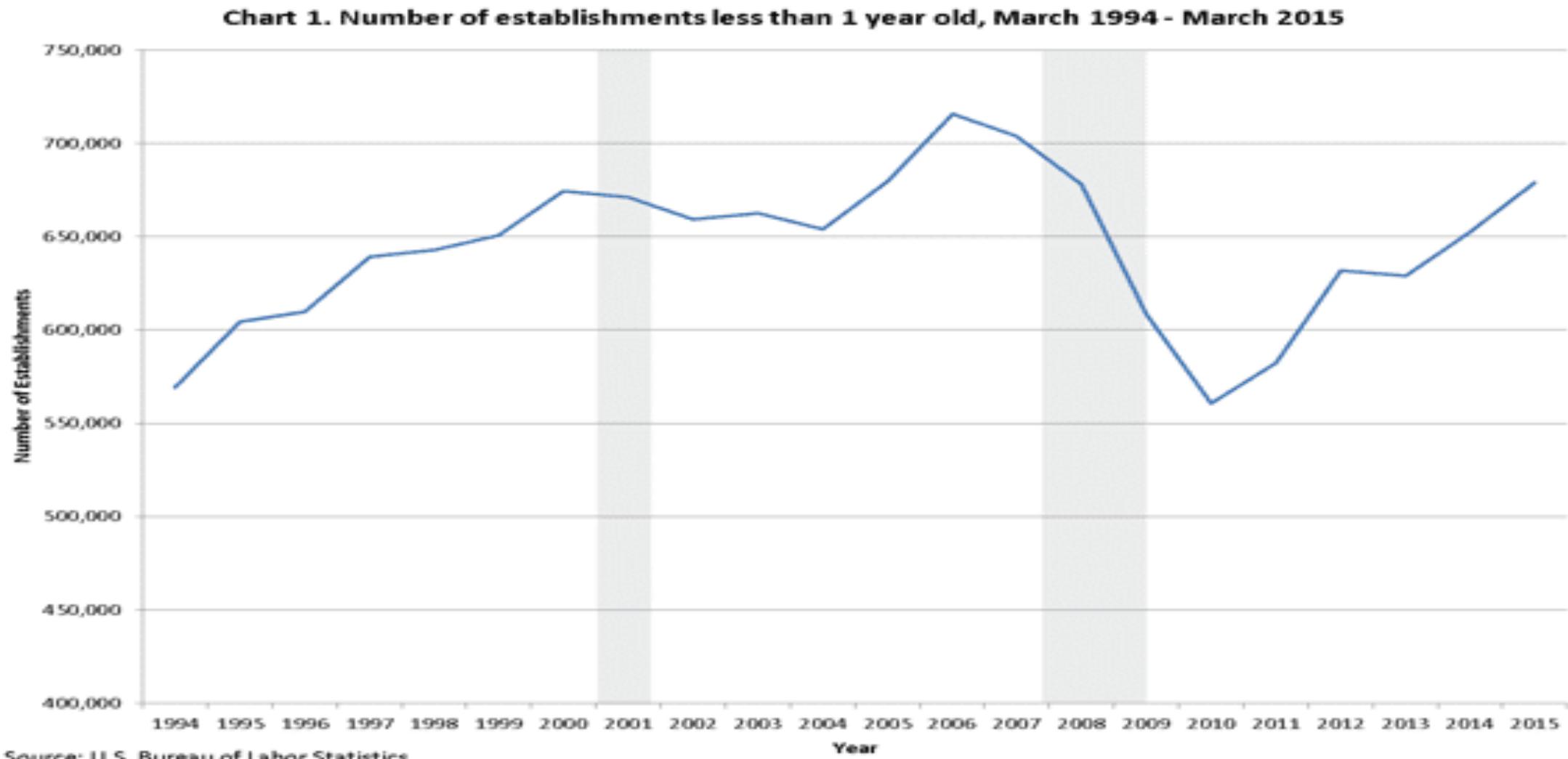


# 2008 CAUSED A SPIKE IN SUICIDES



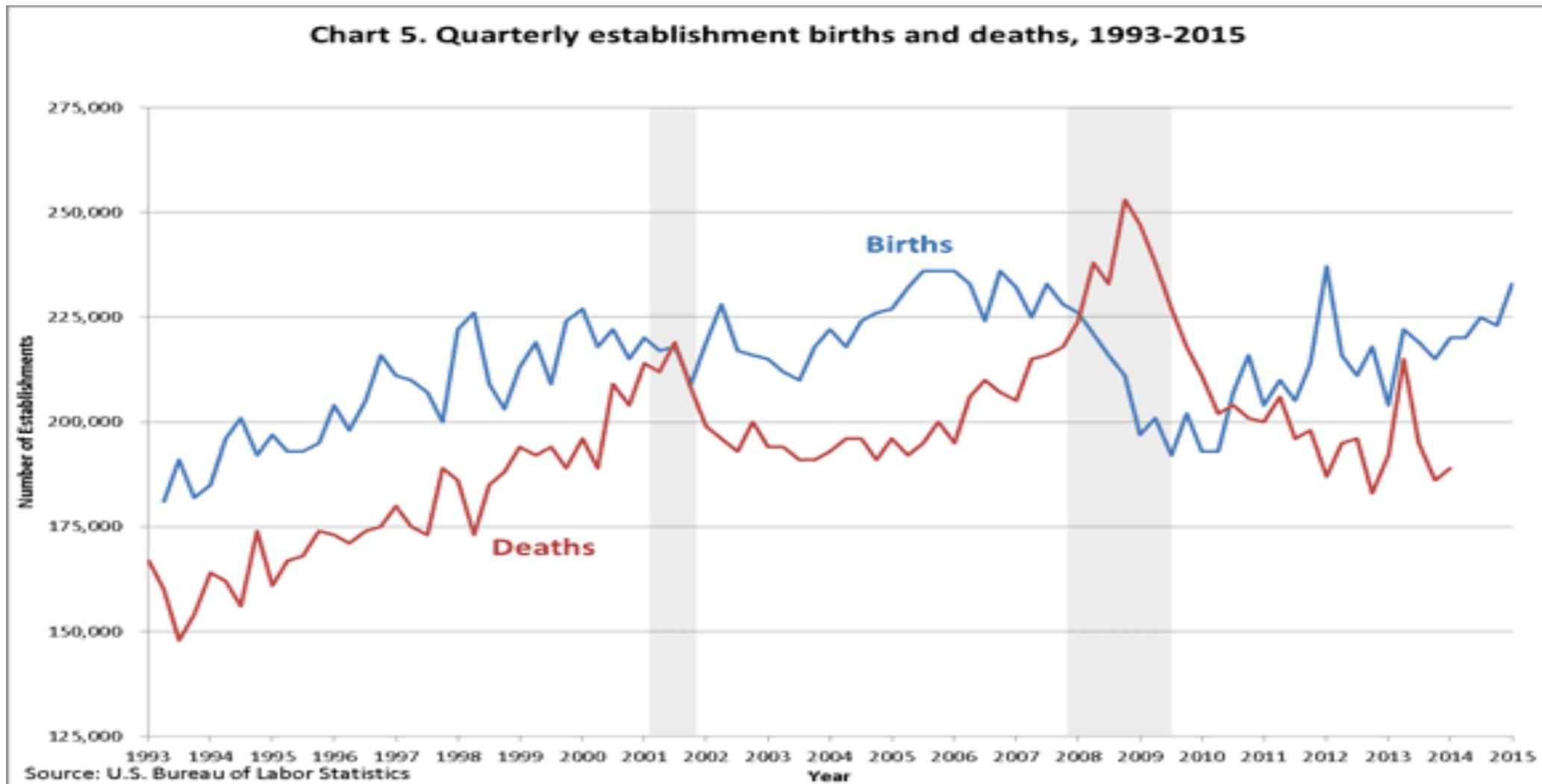


# NEW STARTUPS VANISHED IN 2008





# 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



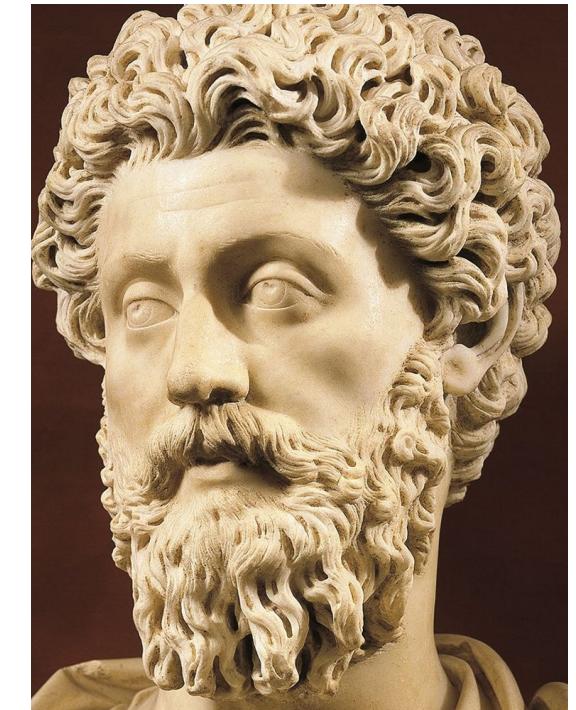
**“NOBODY CAN THINK STRAIGHT  
WHO DOES NOT WORK.  
IDLENESS WARPS THE MIND”**

**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.”**

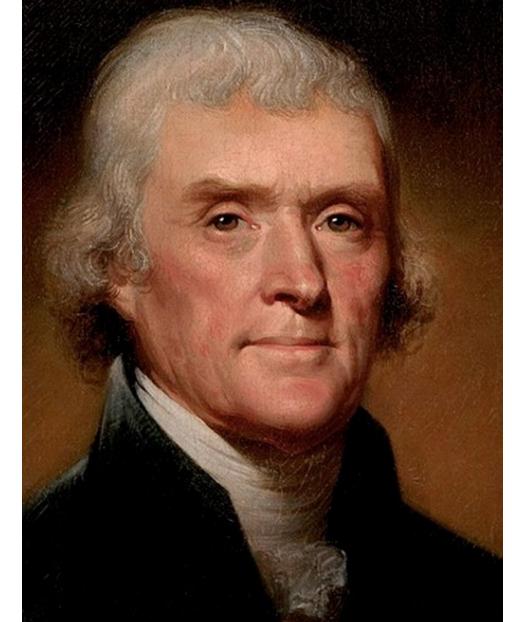


**BENJAMIN FRANKLIN**



**“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



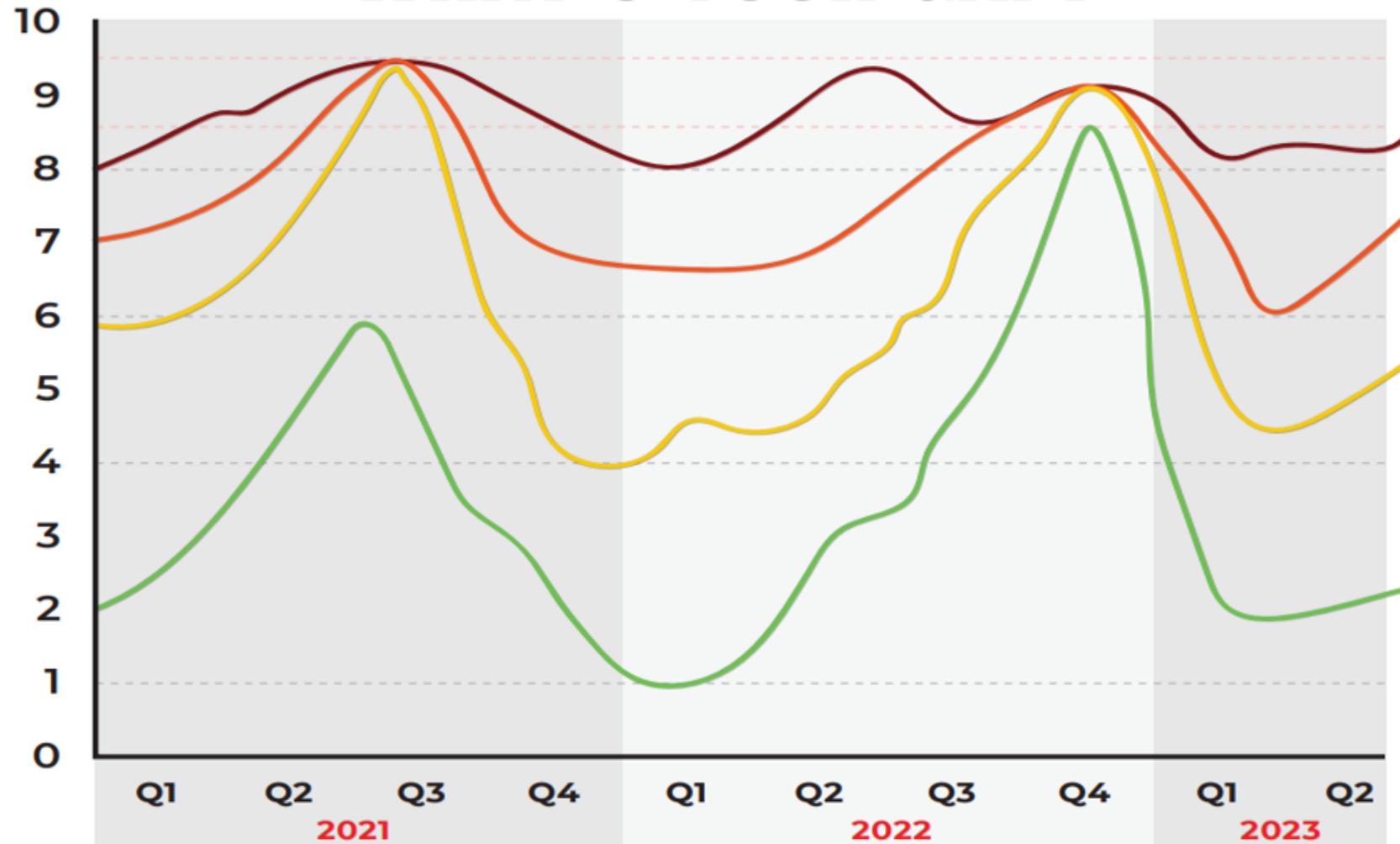
# TIMELINES OF CRISIS

- 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**



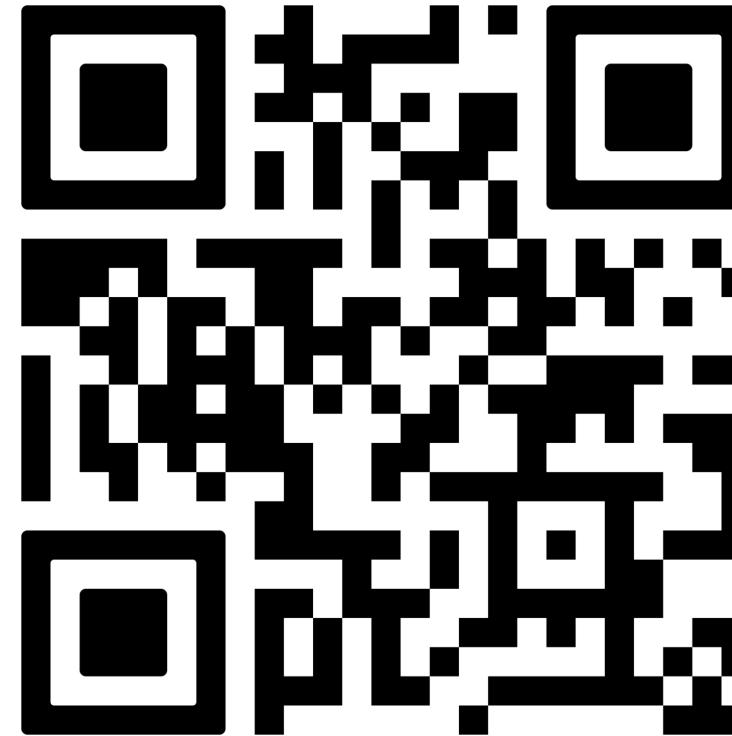


# **PBD SALES SYSTEM**



**RETAIL PRICE:  
\$1,497**

**SPECIAL PRICING:  
\$199**

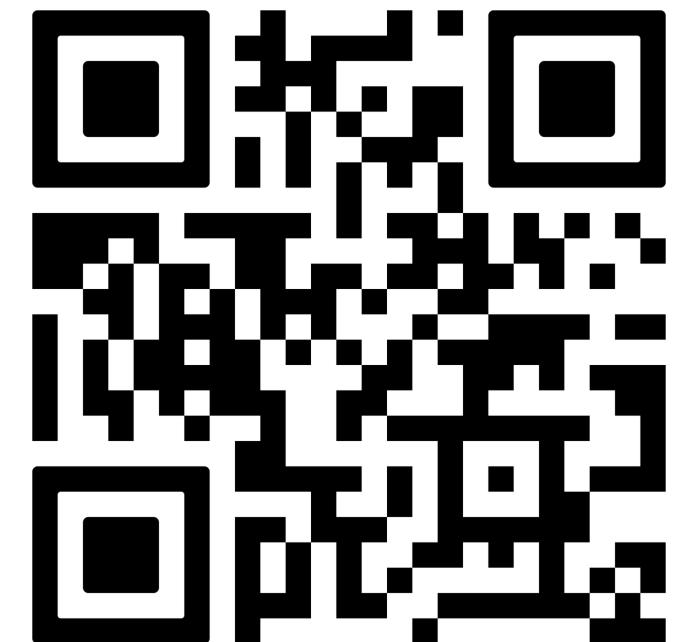


**WWW.VTOFFER.COM TO BUY NOW**



# 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



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# 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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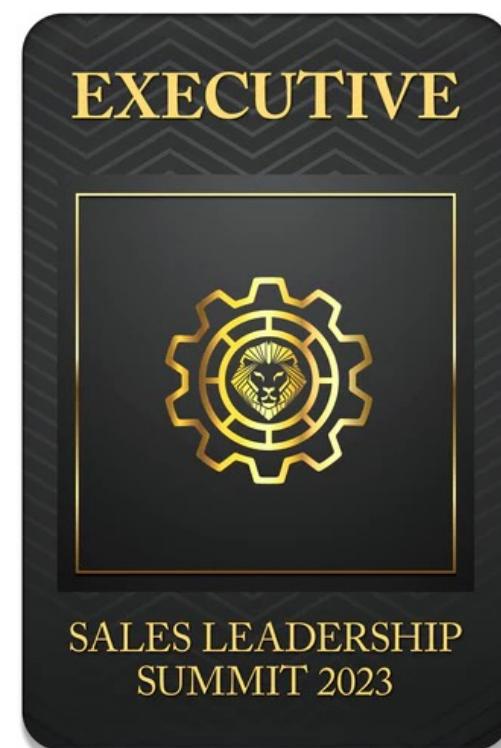
# THE QUALIFICATIONS:



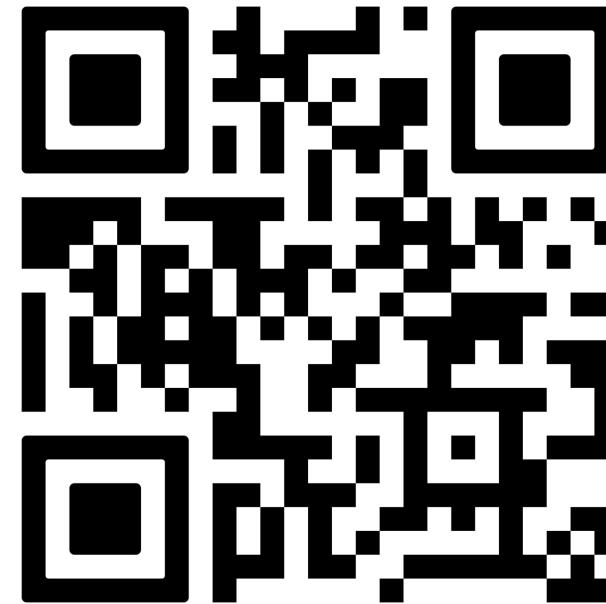
**PRICE: SOLD OUT**



**PRICE: \$5,000**



**PRICE: \$2,500**



**SEE IF YOU QUALIFY**

**WWW.VTOFFER.COM**



# 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?

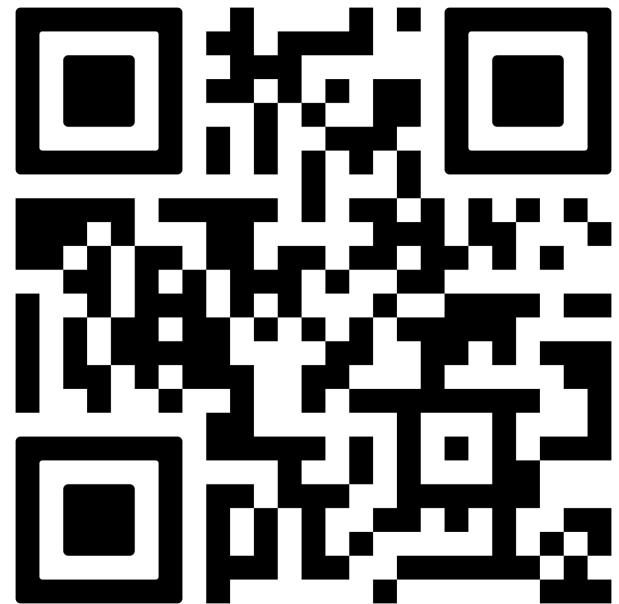


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# QUESTIONS YOU MIGHT BE ASKING

- CAN I BRING SOMEONE FROM  
MY TEAM?



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# QUESTIONS YOU MIGHT BE ASKING

- ARE THERE ANY  
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