

WE WILL NEVER FORGET

by [Steve Brown](#)

Time is passing. Yet, for the United States of America, there will be no forgetting September the 11th. We will remember every rescuer who died in honor. We will remember every family that lives in grief. We will remember the fire and ash, the last phone calls, the funerals of the children. - President George W. Bush.

BANK NEWS

Acquisition

Zions (\$45.4B, UT) will acquire Stockmen's Bancorp (\$1.2B, AZ) in an all stock transaction currently worth approx. \$205.7mm, or 2.49x book. Stockmen's has 43 offices, including 11 in CA.

Balance Sheet Changes

For the month of Aug., banks grew total assets at a 9% annualized pace. Loans grew at 9%, while retail deposits lagged at a 3% annualized pace. Of interesting note, real estate loans showed one of their very few decreases for the year falling 1%.

Restructuring

Washington Mutual said it will close 80 underperforming branches (4%) in various states by the end of 2006. In addition, it will scale back its aggressive branch opening strategy in order to increase productivity.

Massive Restructure

PNC Financial Services Group (\$89.4B, PA) said they will sell \$6B of MBS securities at a loss of \$200mm. The restructure represents about 27% of the investment portfolio. The loss will be more than offset by a \$1.6B gain PNC will realize when it reduces its majority holdings in BlackRock.

Competitor

Wachovia Corp. said it would join up with a subsidiary of GECC, as the bank tries to boost its credit-card business by providing cards to its commercial, wholesale and treasury services customers. Under the agreement, Wachovia will sell, underwrite and manage the portfolio, while GECC will manage the back-office.

HMDA

The FFIEC released the latest 2005 mortgage lending data that will be used to discern loan pricing practices between racial and ethnic groups. At first pass, the data suggests that minorities continue to receive a statistical preponderance of higher-priced loans.

Real Estate View

Susan Wachter, professor of real estate for Wharton School of Business sees "more housing volatility" and an increased chance of recession in 2007 caused by higher rates on adjustable mortgages and a decrease in home prices.

Blocked

The Treasury blocked Bank Saderat, one of the largest Iranian state-owned banks, from doing business in the US, citing security concerns associated with terrorism funding.

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