

## READY FOR A NEW YEAR

by [Steve Brown](#)

As the clock winds down on this year and we get set for 2013, we wanted to take a moment to thank all of our readers and customers for 2012. Thank you. To be sure, this has been another tough year for banks, as many have worked to retool the business model, find decent loans to originate and sloshed through the deluge of new regulation that has flooded the industry. We aren't worried about that stuff though, because we know community bankers are a hearty bunch, driven to succeed and that will absolutely never give up no matter how crazy things get. As we look forward to 2013, we take a moment to recap significant events of 2012. For all of us, sadly, the year was marked by the horrible tragedy that shook Sandy Hook Elementary School and the country - our thoughts are with the families of the victims. General: James Bond fell from the sky with the Queen of England, as the monarch celebrated her Diamond Jubilee (60th anniversary on the throne) and Bond enjoyed the Olympics. This leap year also did not result in the end of the world. Despite all the hype, the Mayan calendar just rolled over and began once again. Meanwhile, India was hit with the worst power outage in history (620mm people went without power) and Hurricane Sandy hammered the East Coast of the U.S. Financial: Despite not hosting the Olympics this year, the Greeks lit a never-ending fire in financial circles that engulfed the Eurozone. The three largest world economies struggled; the London Whale was beached at JPMorgan; Hostess filed for bankruptcy; Facebook's IPO flopped; states reached a \$25B settlement with banks over foreclosure abuses; a Goldman Sachs banker called his customers "muppets;" the Fed bought back billions of dollars of mortgages; the city of San Bernardino filed for bankruptcy; banks were cyber-attacked; there was a massive Libor scandal and politicians walked right to the very edge of the Fiscal Cliff and peered over the edge. Sports: The San Francisco Giants swept the Detroit Tigers; the University of Kentucky won the NCAA college hoops tournament; and the New York Giants won the Super Bowl over the New England Patriots. Lance Armstrong was stripped of his Tour victories; Skydiver Felix Baumgartner jumped from a balloon in outer space to set a new record and Linsanity bounced through the NBA basketball scene. Pop Culture: We bid a sad farewell to Whitney Houston; Ben Gazzara; Davy Jones; Mike Wallace; Dick Clark; Vidal Sassoon; Donna Summer; Robin Gibb; Ray Bradbury; Rodney King; Andy Griffith; Ernest Borgnine; Stephen Covey; Sally Ride; Neil Armstrong; Gore Vidal; Marvin Hamlisch; Junior Seau; Joe Paterno; Etta James; Angelo Dundee; Phyllis Diller; Michael Clarke Duncan; Andy Williams; Arlen Specter; George McGovern; Larry Hagman; Daniel Inouye; Charles Durning; Jack Klugman and Norman Schwarzkopf. Science: Steve Austin (the \$6mm man) was made proud, as researchers successfully implanted a bionic eye. We discovered the Higgs Boson particle (proves there is an energy field around us that gives mass to particles that make up our world); Google ushered in driverless cars in 3 states; a diamond planet estimated to be worth \$29 nonillion dollars was discovered; NASA landed a rover on Mars; DNA sequencing was done on a Siberian cave girl (lived 50k years ago) and a private company flew an aircraft into space. No matter what your plans are for this New Year, make it a safe one and we will talk to you all again when the calendar rolls over. Note that 2013 also begins the Chinese Year of the Snake, which according to the zodiac brings a year where business will be difficult, but financial fortune will eventually find us all in the second half of the year. Happy New Year.

## **BANK NEWS**

### **M&A**

Red River Bancshares (\$1.1B, LA) will buy Fidelity Bancorp (\$126mm, LA) for an undisclosed sum. Red River is the parent company of Red River Bank and Fidelity is the parent of Fidelity Bank.

### **M&A**

TF Financial (\$701mm, PA) will buy Roebling Financial (\$162mm, NJ) for \$14.5mm in cash and stock. TF is the parent of 3rd Fed Bank and Roebling is the parent of Roebling Bank.

### **M&A**

Bloomberg reports global M&A activity for all of 2012 declined about 10% from 2011, dropping to the same level as 2010. The fiscal cliff and the euro debt crisis were the primary reasons cited by analysts for the lower activity.

### **M&A**

Carlyle and other private equity firms will buy financial advisory and investment banking firm Duff & Phelps for about \$665.5mm.

### **Bank Earnings**

Reuters estimates financial sector stocks in the S&P 500 will earn \$167.7B in profits in 2012, a 21% increase over 2011.

### **Domination**

The latest research finds Government Sponsored Entities (FN, FH & GN) now guarantee roughly 95% of the conforming mortgage market.

### **Massive Concentration**

The 5 biggest banks in the U.S. control about 44% of deposits, up from 37% in 2007 and 28% 10Ys ago.

### **Mobile Buying**

comScore reports mobile shopping represented 10% of e-commerce in the quarter ended Sep. and IBM reports that on certain heavy days like Black Friday, mobile devices accounted for 16% of all sales.

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