

# Bank of America Corp.



PHOTO: JOHN R. COUGHLIN

**Rank : 9**

**CEO : kenneth D.  
Lewis**

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# COMPANY PROFILE:

Bank of America wasn't hit quite as hard by the credit crisis as other Financial institutions in 2007. But it did have the misfortune of taking a \$2 billion stake in Countrywide, the nation's biggest subprime lender, in August.

It also took more than \$5.5 billion in writedowns on mortgage-backed securities in the second half of the year.

This past January, CEO Ken Lewis agreed to buy Countrywide for \$4 billion - although as the extent of Countrywide's woes becomes more apparent, it's not clear if the deal will be completed. If the companies do merge, they will control 25% of the U.S. loan market.

# KEY EXECUTIVES.

- ❖ **President & CEO** : Mr. Kenneth D. LEWIS
- ❖ **Director, chairman of corp.** : Mr. Thomas M. Ryan
- ❖ **Managing Director** : Mr. Donald C. Stewart
- ❖ **CFO** : Mr. Joe L. Price
- ❖ **Pres of Home Loans and Insurance** : Ms. Barbara J. Desoer

# Details :

- ❖ **Index Membership** : Dow Jones Composite  
Dow Industrials  
S&P 100 and 500
- ❖ **Sector** : Financial, Banking
- ❖ **Industry** : Money Center Banks
- ❖ **Full time employees** : 283,000

# History:

- ❖ Following several historical merges, the Bank of America has become one of the most well-known banks in the world. The largest merger was with the Bank of Italy, founded by Amadeo Giannini in San Francisco in 1904.
- ❖ The founder and President of Bank of America, Orra E. Monnette, agreed to the merging of the companies in 1929. The merger operated under the name Bank America with Giannini at the helm and Monnette as the co-Chair.
- ❖ In 1958, the bank harnessed the technology that lets credit cards to be linked directly to bank accounts by introducing BankAmericard. (This was the progenitor of VISA.)
- ❖ BankAmerica first expanded the borders of California with its acquisition of Seattle-based Seafirst Corporation in 1983.
- ❖ In 1992, the company acquired its rival, Security Pacific Corporation along with the latter's subsidiary, Security Pacific National Bank in California and other banks situated in Idaho, Arizona, Washington, and Oregon. At the time, the acquisition was the largest in history. In late 1992, BankAmerica extended into Nevada by acquiring Valley Bank of Nevada.

- ❖ In 1994, BankAmerica acquired Continental Illinois National Bank and Trust Co. from the federal government.
- ❖ In 1998, the company was purchased by NationsBank, which moved the headquarters to Charlotte, North Carolina. BankAmerica suffered serious losses when D. E. Shaw & Co. was not able to pay back the large hedge fund it loaned. NationsBank structured the purchase as a merger and renamed the merged company the Bank of America Corporation. The resulting company had assets totaling \$570 billion, with 4,800 branches situated across 22 states.
- ❖ As of 2006 the company had a net income of \$21.3 billion and 203,425 workers under its employ. By market capitalization and deposits, it is currently the largest bank in the United States.

# BUSINESS SUMMARY:

- ❖ Bank of America Corporation, a financial holding company, provides a range of banking and nonbanking financial services and products in the United States and internationally. Its Global Consumer and Small Business Banking segment offers savings accounts, money market savings accounts, certificate of deposits, individual retirement accounts, and checking accounts; U.S. Consumer and Business Card, unsecured lending, and international card; consumer real estate products, including mortgage products for home purchase and refinancing, reverse mortgage products, and home equity products; and insurance services. The company's Global Corporate and Investment Banking segment provides commercial and corporate bank loans, indirect consumer loans, real estate lending products, and leasing and asset-based lending products for banking clients, middle market commercial clients, multinational corporate clients, public and private developers, homebuilders, and commercial real estate firms; advisory services, financing, and related products for institutional investor clients in support of their investing and trading activities; debt and equity underwriting, merger-related advisory services, and risk management solutions; and treasury management, trade finance, foreign exchange, short-term credit facilities, and short-term investing options for correspondent banks, commercial real estate firms, and governments. The company's Global Wealth and Investment Management segment offers investment and brokerage services, estate management, financial planning services, fiduciary management, credit and banking expertise, and diversified asset management products to institutional clients and high-net-worth individuals. As of December 31, 2008, the company operated approximately 6,100 banking centers and 18,700 automated teller machines. Bank of America was founded in 1874 and is headquartered in Charlotte, North Carolina.