A Year in the Life of a Stock: Following a Share of Bank of America Corporation Stock through 2007

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HONORS THESIS

Presented to the Honors Committee of
Texas State University-San Marcos
In Partial Fulfillment of
the Requirements
For Graduation in the Mitte Honors Program

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San Marcos, TX
May 2008

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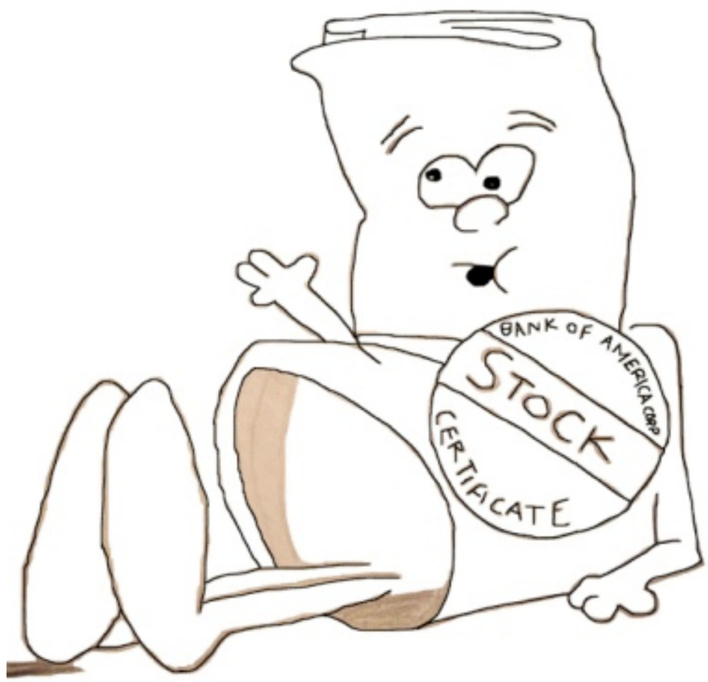

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1) Abstract

This narrative about a single share of Bank of America Corp stock will discuss the "birth" of the stock and will explain the process of issuing a stock and what a stock truly represents. Then the story will follow this stock through the year of 2007, examining certain major fluctuations in the price. In showing what affects this one stock, the narrative will build a background story of the stock market as a whole, explaining financial concepts and vocabulary with companion charts and footnotes, and illustrations. Focusing on the smallest component of the financial market, the stock, will clarify aspects of the whole market.

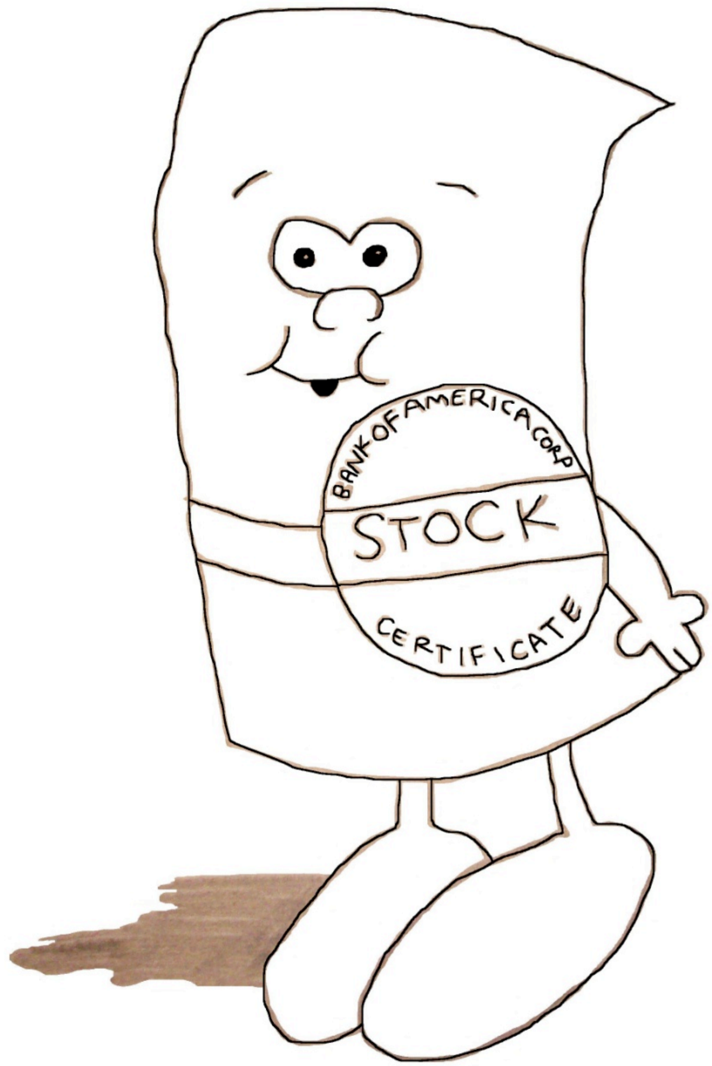
2) Disclaimer

In finance, there are many theories that attempt to predict price fluctuations in the stock market, but there is no proven formula to predict what will happen in the stock market. Although this thesis will present theories of what created the price fluctuations of a Bank of America Corporation stock, it will not attempt to show that the events mentioned are the definite cause of the change in the stock's price. However, I will address how popular theories related to price predictions indicate changes in the stock market.

3) Preface

This is a story about a year in my life. Hi, I am Bank of America Stock Share 3000. The year 2007 was a hectic time for me, but much about finance can be learned studying my journey. So let us examine the events of this year and see how closely they adhere to the financial concepts and theories.

Do not worry about knowing enough about the stock market. I will be here along the way to give you more information about the topics in discussion.



4) Background

a. Becoming a Corporation and Stock Issuance

Bank of America Corporation is one of the largest American financial institutions. It has gone through many transitions in its 133 year history[1]. Like many companies, this financial institution began as a **privately owned firm**. Once a company decides it wants to become a **corporation**, it goes through an **Initial Public Offering** known by the acronym IPO. This is the company's introduction to the stock market. Once a corporation, the company becomes an entity apart from management unlike a privately owned firm. Becoming a corporation comes with its own benefits and risks. **Shareholders** benefit a company as well as create risks. As owners, shareholders are the investors in the corporation. The benefit of acquiring shareholders is that they provide a strong financial backing for a company. The risk of acquiring shareholders is a phenomenon called the **agency problem**. A corporation separates the ownership and management of a

[1] *Hoover's Custom Report Builder Bank of America Corporation* Hoover's a D&B Company, 2007), [database on-line]; available from Hoover's Online, Hoover's Custom Report Builder,

__Privately Owned Firm__: Those that manage the firm have controlling interest. This comes with risks. If the company goes under, the owner is liable for all debts, which could include personal assets.

__Corporation:__ Is an entity separate from its management and investors. This comes with limited liability for the management. All debts are the corporations alone and cannot be settled by acquiring the manager's personal assets. Also, this comes with the ability to sell shares on the stock market.

__Initial Public Offering (IPO)__: Is the first time a company sells shares in the stock market. IPOs usually create large amounts of publicity and raise millions for a company.

__Shareholder:__ Is someone who has an invested interest in a company. This primarily includes those who own shares of stock in the company.

__Agency Problem__: This occurs when ownership and management are separated. It is difficult to be sure managers make decisions that are not only good for their own personal interest, but good for the shareholders. A way of attempting to fix this problem is to give management a substantial amount of shares in the company they manage. Their buying habits are public and full of useful information.

__Preferred Stock__: A type of stock that has rights to dividends before common stock.

__Dividends:__ An amount of retained earnings that a company gives to the stockholders.

__Common Stock:__ The largest block of shares a company issues. In most circumstances, common stockholders have voting rights in company matters.

company. This may create a natural conflict of interest. There are two types of shareholders. First there are shareholders that hold **preferred stock**. Preferred stockholders are paid **dividends** before other stockholders. Dividends are a part of a company's earnings separated out to send to the shareholders. The other type of shareholders owns **common stock**. Although paid dividends after preferred stockholders, common stock has voting rights in the major decisions of the corporation. This paper will focus on a share of Bank of America Corporation common stock.

b. Nature of the Stock Market

When investing or simply observing the stock market, there are several aspects of the market to keep in mind. Like any product, stocks and investments have a variable demand. However, unlike other products, the demand for stocks and other securities is directly related to expectations. More than any other indicator, the investor's expectations on the future of the economy shapes demand for investing in the stock market.

5) History of Bank of America

a. Private

In 1904, the organization was founded as Bank of Italy in San Francisco by Amadeo Peter Giannini. In time, it became Bank of America and was owned by

Giannini's holding company, Transamerica Corporation.[2] In 1968, Bank of America Corporation was formed in Delaware. It functioned as a holding company for Bank of America NT & SA and other financial intermediaries.[3] Bank of America Corporation was also associated with the largest American interstate bank merger to date. In 1983, it acquired Washington state bank Seafirst Corporation.[4] Then in 1991, it became the first financial institution to offer coast-to-coast banking operations.[5]

b. Public

The company that became Bank of America filed for incorporation on July 31, 1998 under the name NationsBank Corporation.[6] On September 30, 1998, the company reinstated the incorporation under the name BankAmerica Corporation.[7]Bank of America Corporation is headquartered in Charlotte, North Carolina. When incorporating, Bank of America issued five billion common stock shares and one hundred million preferred stock shares.[8] The par value of these shares is $0.01 per share.[9] The terms of the incorporation state that common stock holders have unlimited voting rights as well as rights to dividends once the claims of preferred stockholders are

[2] "Bank of America American Corporation," in Encyclopedia Britannica [database online]. [cited 2008]. Available from http://www.britannica.com/bps/topic/51984/Bank-of-America-Corporation#tab=active~checked%2Citems~checked%3E%2Fbps%2Ftopic%2F51984%2FBank-of-America-Corporation&title=Bank%20of%20America%20Corporation%20--%20Britannica%20Online%20Encyclopedia.
[3] Ibid.
[4] Ibid.
[5] Ibid.
[6] "Amended and Restated Certificate of Incorporation of BankAmerica Corporation," in Bank of America Corporation [database online]. [cited 2007]. Available from http://media.corporate-ir.net/media_files/irol/71/71595/corpgov/articles_2_10_05.pdf.
[7] Ibid.
[8] Ibid.
[9] Ibid.

satisfied.[10] As of 2007, Bank of America Corporation had 4,438,318,000 shares outstanding.[11] Now, Bank of America Corporation is a leading financial, banking, and lending institution. Among others, its main competitors are Citigroup Inc., JP Morgan Chase and Company, and America International Group Inc.

6) Theory of Stock Pricing

There are several components in the pricing of an equity investment (shares of stock). First, the **cash flows** from the investment need to be determined.[12] This is difficult with a stock share because the cash flows are variable and hard to predict. Usually, the cash flows are found based on the estimates of analysts. Finally, a discount rate needs to be considered based on the **expected return** on the investment.[13] This is the risk-free rate adjusted for the **systematic risk** associated with the investment.

Cash Flows: Also known as cash earnings, cash flows are earnings reduced by cash expenses.

Expected Return: A measurement of the probability of possible rates of return. It contains the return found on a risk free asset plus a risk premium.

Systematic Risk: Also known as undiversifiable risk, systematic risk is associated with the whole market.

[10] Ibid.
[11] "Stock Information," in Bank of America Corporation [database online]. [cited 2007]. Available from http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-govhighlights.
[12] "Forbes Financial Glossary," in Forbes.com LLC [database online]. [cited 2008]. Available from http://www.forbes.com/tools/glossary/searchWord.jhtml.
[13] Ibid.

The price of a stock should be based on its **present value**. This concept is the foundation of finance and the basis of the pricing model. Present value of a stock is the current worth of its future cash flows.[14] This includes the dividends and **capital gains** expected in the future discounted to the present.[15] Cash flows closest to the current period have more value because of the concept that present earnings are worth more than future earnings.

a. The Capital Asset Pricing Model

The theory known as the capital asset pricing model was created by William Sharpe and John Lintner.[16] Sharpe was awarded the Nobel Prize for the theory in 1990.[17] The model was the first to price equity based on the testable principle of **risk** and return.[18] Not only is risk and return considered in the theory, but the model addresses the opportunities investors have in the market.[19] The capital

PRESENT VALUE: The foundation of finance and the basis of the pricing model. Present value of a stock is the current worth of its future cash flows.

CAPITAL GAINS: The profit an investor gains on the price increase in an investment.

RISK: The possibility of a reduction in price or disruption of cash flows associated with an investment.

[14] "Present Value (PV)," in Investopedia ULC [database online]. [cited 2008]. Available from http://www.investopedia.com/terms/p/presentvalue.asp.
[15] *Forbes Financial Glossary*
[16] Eugene F. Fama and Kenneth R. French, "**the Capital Asset Pricing Model: Theory and Evidence**," *Journal of Economic Perspectives* 18, no. Summer (March 2004): 25.
[17] Ibid.
[18] *Forbes Financial Glossary*
[19] Fama and French, ***the Capital Asset Pricing Model: Theory and Evidence***, 25.

asset pricing model is used to find the rate to discount the cash flows from an investment.[20]

An important concept on which the theory is based is the difference between unsystematic and systematic risk. **Unsystematic risk** is the risk associated with the issues affecting one company or industry not the whole market. Unsystematic risk can be avoided or **diversified** away through portfolio choice.[21] However, systematic risk cannot be diversified away because it is associated with the whole market.[22] The capital asset pricing model addresses systematic risk because it uses a measure of a company's risk that cannot be diversified.

UNSYSTEMATIC RISK: Also known as diversifiable or residual risk, unsystematic risk is associated with the issues affecting one company or industry not the whole market

DIVERSIFIED PORTFOLIO: A portfolio where the weight of any single investment is small. Investments are spread over many industries and types of investments.

i) The Equation

The capital asset pricing model (CAPM) estimates the rate of return an investor expects to gain from an asset or equity.[23] It takes into consideration the risk associated with the investment, the rate of return expected from an investment devoid of risk, and the return found in the

[20] Ibid.
[21] *Forbes Financial Glossary*
[22] Ibid.
[23] Patrick Casabona and Robert M. Traficanti, ***Investment Pricing Methods: A Guide for Accounting and Financial Professionals*** (New York: John Wiley & Sons, Inc, 2002), 351.

aggregate. The model suggests that the expected return is the return on a **risk-free asset** plus a **risk premium**.[24] This risk premium is assumed using an expected **market return** multiplied by a measure of risk.[25] This measure of the company's non-diversifiable risk is shown as the Greek symbol β.[26] **β (Beta)** is the company's risk compared to the risk of the market. The market's risk is assumed to be 1. If a company has a beta over 1, it is associated with more risk than the market. Likewise, if the company has a beta lower than 1, it has less risk than then the market. The CAPM uses expectations to define return. Returns found with the model theoretically pay an investor for their expectations.

The CAPM formula[27]:

$$\left[\quad rE = rf + \beta(rm - rf) \quad \right]$$

Where:

rE =expected rate of return

rf = risk-free rate of return

β = the beta associated with the investment

[24] *Forbes Financial Glossary*
[25] Ibid.
[26] Ibid.
[27] Casabona and Traficanti, ***Investment Pricing Methods: A Guide for Accounting and Financial Professionals***, 351.

RISK-FREE ASSET: An asset whose value is known with certainty.

RISK PREMIUM: The compensation or holding a risky investment. It is the difference between a treasury bill and an investment with a comparable maturity.

MARKET RETURN: The return found for the aggregate of the market.

Β (BETA): A measurement of a stocks risk compared to the market.

rm = market rate of return

i) Expected Rate of Return

The expected rate of return is the percentage amount of gain or loss assumed with an investment. This is the return that is believed to compensate the investor for the risk he or she incurs.

ii) Risk-Free Rate of Return

A risk-free investment is a security that has a guaranteed rate of return. The best example of a risk-free investment is a **10 year treasury note**.[28] It is assumed that the treasury can pay back all of its debt because it has a direct line to the money supply.

10 YEAR TREASURY NOTES: United States Treasury debt obligations with maturities of 10 years.

iii) Beta

Beta is the hardest component to calculate. It can be computed by multiplying the **variance** of the return on the stock with the variance of the overall market's return divided by the variance on the overall market return.[29]

VARIANCE: The measurement of the distribution of data points around a mean value.

Beta is found with the following formula[30]:

[28] *Forbes Financial Glossary*
[29] Reuben Advani, *Wall Street MBA : Your Personal Crash Course in Corporate Finance* (Blacklick, OH: McGraw-Hill Companies, 2006), 114.
[30] Ibid.

$$\beta=\delta_s\delta_m/\delta_m^2$$

Where:

$\delta_s\delta_m$ = covariance between the return on the stock (represented by s) and the overall market return

δ_m^2 = variance of the market return

Most who use beta to value a stock use a given beta found through a company like Datastream or Worldscope. However, it is important to have an understanding of the variables that make up the term.

iv) Market Rate of Return

To find the market rate of return, **indexes** like the Russell 2000 or the S&P 500 are used. Although an index like the S&P 500 is a market portfolio consisting of only 500 stocks compared to the thousands in the market, it accounts for most of the market's activity. The index chooses stocks that are fairly good indicators of the whole market.

Stock Market Index: It is a market portfolio consisting of a select number of stocks. It accounts for most of the market's activity. The index chooses stocks that are fairly good indicators of the whole market.

b. Pricing Equation

i) Free Cash Flow

The free cash flow of the firm can be found when looking at a company's Statement of Cash Flows or through analyzing the income statement.

The Free Cash Flow (FCF) formula[31]:

FCF = Revenue – Cash Costs

This is the cash available to the firm after taking out cash related expenses. This is different than retained earnings because it does not include depreciation expense and other non-cash related expenses.

ii) Terminal Value (Growth Percentage)

This is the long term growth potential of the firm that will drive the price of the stock.[32] This growth percentage should be similar to that of **Gross Domestic Product (GDP)** growth.[33] Analysts suggest that **GDP growth** during 2007 was around 2%.[34] Higher growth firms have a higher terminal growth, but this percentage rarely rises about 9%.[35] When determining this growth percentage, elements of the company's financials and

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[31] Manish Aurora, "Pricing a Stock," *Rationalinvesting.Com* (2008)
[32] Ibid.
[33] Martin Fridson and Fernando Alvarez, *Financial Statement Analysis A Practitioner's Guide*, 3rdd ed. (Danvers, MA: John Wiley & Sons, Inc., 2002)
[34] Aurora, *Pricing a Stock*
[35] Ibid.

industry are analyzed. Specifically, historical returns and trends found in the company's financial statements are projected into the future.[36]

iii) Number of Shares Outstanding

In order to find the worth of an individual stock, there must be a valuation of the company of which the investor is buying part ownership. Once the value of the company is known, this amount must be divided among the shares of stock outstanding. This is because holding a share of stock is ownership of a small percentage of an organization. In the pricing equation, a company's free cash flows and terminal growth are divided by the number of shares outstanding.[37]

iv) Expected Return

Expected return is the end result of the capital asset pricing model. This percentage represents the return expected for a stock based on the systematic risk it holds compared to the market. The free cash flows along with the terminal growth

[36] Ibid.
[37] Ibid.

GROSS DOMESTIC PRODUCT (GDP): The total value of finished goods and services made in a country.

GDP GROWTH: The rate at which the Gross Domestic Product grows from one year to the next.

divided by shares outstanding are discounted by the expected return on the stock to find the present value of the share.[38]

c. What should be the price of bank of America stock simply using the pricing model?

Using this idea of the present value of a stock driving its price, the theoretical price of the stock is variable. Many analysts use different methods to find the value of the variables used in the formula, thus finding different results. Below is the formula for finding the present value of a Bank of America Corporation stock in 2007.

Capital Asset Pricing Model

Figures based on information available at the beginning of 2007.

Bank of America's Beta (β)[39] = .48

10 yr Treasury Note Return (rf)[40] = 4.5%

Market Return (rm)[41] = 8%

$$rE = rf + \beta(rm - rf)$$

$$rE = 4.5\% + .48(8\% - 4.5\%)$$

$$rE = 4.5\% + .48(3.5\%)$$

$$rE = 6.18\%$$

Finding the Present Value of the Stock

38 Ibid.

39 "Thomson ONE Banker - Bank of America Corporation," in Thomson Financial [database online]. [cited 2008]. Available from http://banker.thomsonib.com.libproxy.txstate.edu/ta/.

40 Aurora, *Pricing a Stock*

41 Ibid.

Free Cash Flow (FCF):

Income Statement (SCALE: 1000000)

Net Sales or Revenues	119,190.00
Cost of Goods Sold	N/A
Depreciation, Depletion & Amortization	2,844.00
Gross Income	N/A
Selling, General & Admin Expenses	N/A
Operating Expenses - Total	97,856.00
Operating Income	21,334.00
Non-Operating Interest Income	N/A
Earnings Before Interest And Taxes (EBIT)	30,283.00
Interest Expense On Debt	9,359.00
Pretax Income	20,924.00
Income Taxes	5,942.00
Minority Interest	0.00
Equity In Earnings	N/A
Net Income Before Extra Items/Preferred Div	14,982.00
Extra Items & Gain(Loss) Sale of Assets	0.00
Net Income Before Preferred Dividends	14982
Preferred Dividend Requirements	182.00
Net Income Available to Common	**14,800.00**

FCF = Revenue – Cash Costs

or

FCF = Earnings before Interest and Taxes (EBIT) + Depreciation Expense

FCF = 430,283.00 + $2,844.00

FCF = $33,127.00 X 1,000,000

FCF = 33,127,000,000.00

Free Cash Flow = $33,127,000,000.00

Terminal Growth of GDP[42] = 2%

Number of Shares Outstanding[43]= 4,438,318,000

Expected Return = 6.18%

[42] Ibid.

[43] *Thomson ONE Banker - Bank of America Corporation*

Pricing Equation:

Price = [FCF*(1+Terminal Growth)/#Shares Outstanding]*(1-Expected Return)

Price = [33,127,000,000.00 (1+.02)/ 4,438,318,000]*(1-.0618)

Price = [33,789,540,000.00/4,438,318,000]*(1-.0618)

Price = 7.613141*(1-.0618)

Price = $7.14

d. What indicators affect the variables in the pricing model?

Issues in the economy, industry, and within the company shape the value of a stock.[44]

i) Cash Flow

The amount of liquid assets that a company has on hand is important in its valuation. One of the reasons why cash flow analysis is so important is because it is an key factor in a company's ability to pay off debt and receive funding.

ii) Historical Returns and Financial Performance

A stock price is directly related to the financial performance of the company it represents. The past financial records of the organization can shed light on the stability of the company's future.

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[44] *Business Cycles and Economic Growth: An Analysis using Leading Indicators.(Book Review)*, 2005), 1100(1).

iii) Beta- Risk

The systematic risk a company has compared to the market is a strong driving factor in the valuation of a stock. In a strong economy a risky stock on average will have higher returns than a less risky stock. However, in a downturned economy, a risky stock will be affected more than less risky stocks on average. Risk is also associated with a company's industry. Technology and internet industries among others are historically more risky than the financial industry.

iv) Growth

The growth of an industry is estimated in several ways. One of the main ratios analysts look at for growth information is the **P/E Ratio**.[45] This compares the market price of a stock to the earnings per share. When comparing the P/E ratio of a company to others in the same industry, the growth potential of the firm can be estimated. Also, research and development expenses and past returns can be good predictors of future growth.

v) Cost Structure- Comparing the companies financials to the industry averages

The only way to view the standing of a company in the proper perspective is to compare its financials and growth potential

[45] *Forbes Financial Glossary*

P/E Ratio: Represents the price of a share of stock divided by the current earnings of the company. This ratio evaluates growth expectations of a company. Also, this ratio can mean that the price of a share in the company is either under or over priced compared to the earnings the company saw during the same period. A high P/E ratio suggests that the price of the share is based on more than the just earnings of the company. This could be an estimate of growth potential, because investors are paying more for a share of stock than what the company is worth at the present time.

P/E Ratio = Price per Share/ Earnings

to its competition. Specifically, it is essential to compare the company to the leaders in the industry.

7) Overview of the Price Fluctuations through 2007

As shown in figure 1, this share of Bank of America stock has had many fluctuations in 2007. These changes in price can be linked to Bank of America's financials, the company's dividend payouts during the year, and changes in the federal funds rate and discount rate. Overshadowing all other events in this year, the collapse of the subprime mortgage market has affected the price of this stock. However, more than any other factor, the public's expectations based on these events shaped the stock's price.

a. Statistics

This stock ended the year at a $12.13 decrease in price compared to its price at the start of the period. This is a 23% decrease in price from the beginning of the year. The average price of the stock in 2007 was $49.56.

b. Visualizing the price changes

The figure below follows the price of this Bank of America Corporation stock through 2007. The fluctuations shown in the chart are based on the daily changes in the stock price from January 1 through December 31. As the graph shows, after October the price saw more volatility than in any other period during the year.

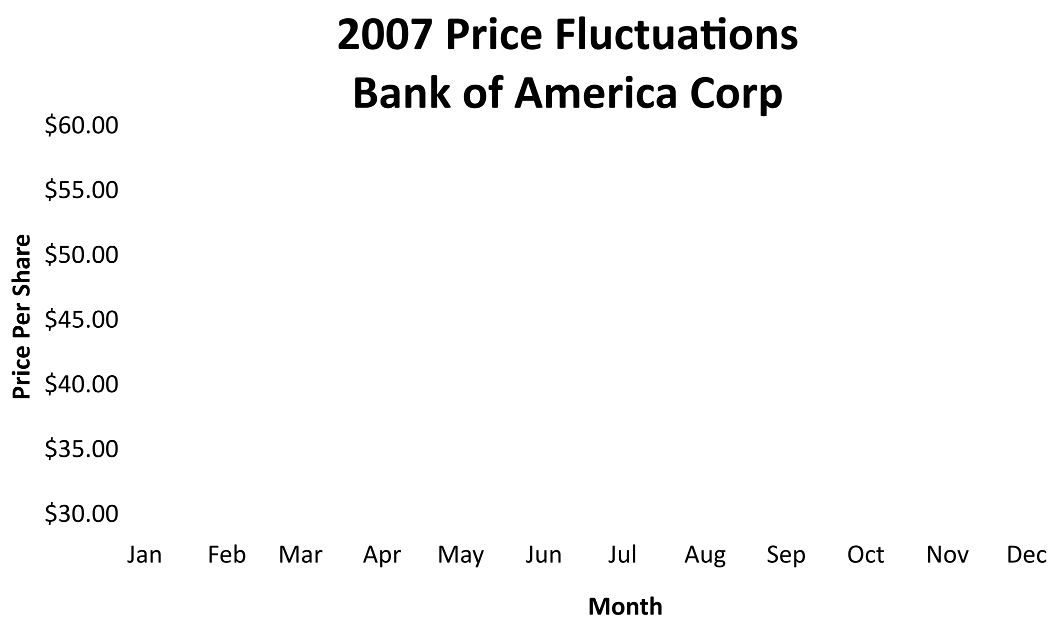


Figure 1 Source: Thomson ONE Banker

c. Comparison to Previous Years and the Market

To understand the changes during 2007, it is useful to look at recent years to find patterns and view the larger picture. Also, visualizing the changes in the price of the whole market is telling of the issues affecting the price of Bank of America stock.

i) 2006 Stock Prices

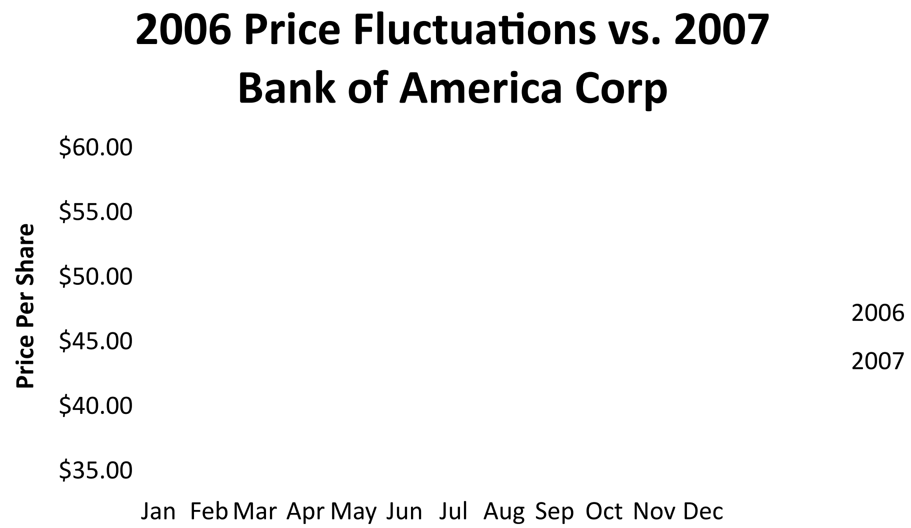


Figure 2 Source: Thomson ONE Banker

As shown in figure 2, the stock saw a fairly steady increase in price throughout 2006. There are no obvious similarities in the trends when comparing the two years.

ii) 2005 Stock Prices

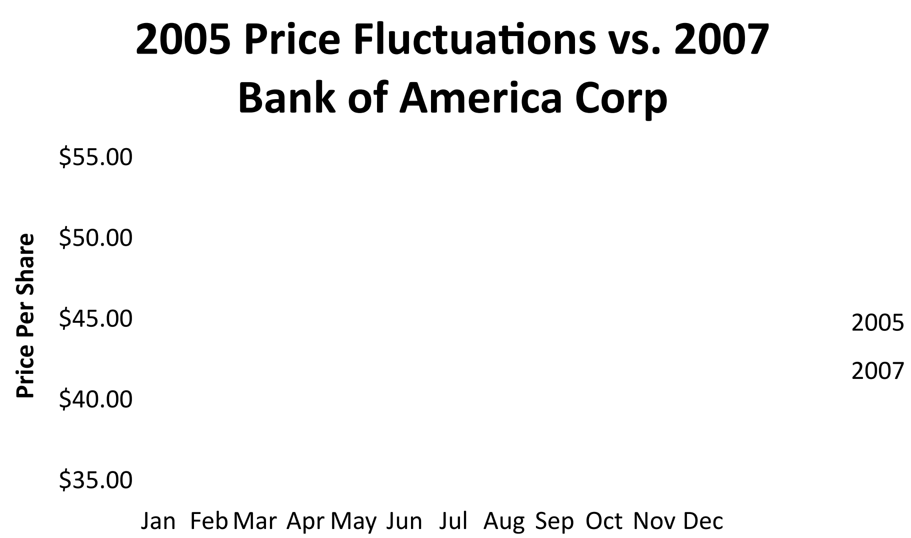


Figure 3 Source: Thomson ONE Banker

As seen in figure 3, there is a dip in the stock price between August and November in 2005. Unlike 2006, there are some similarities between the two years early in the period.

iii) 2004 Stock Prices

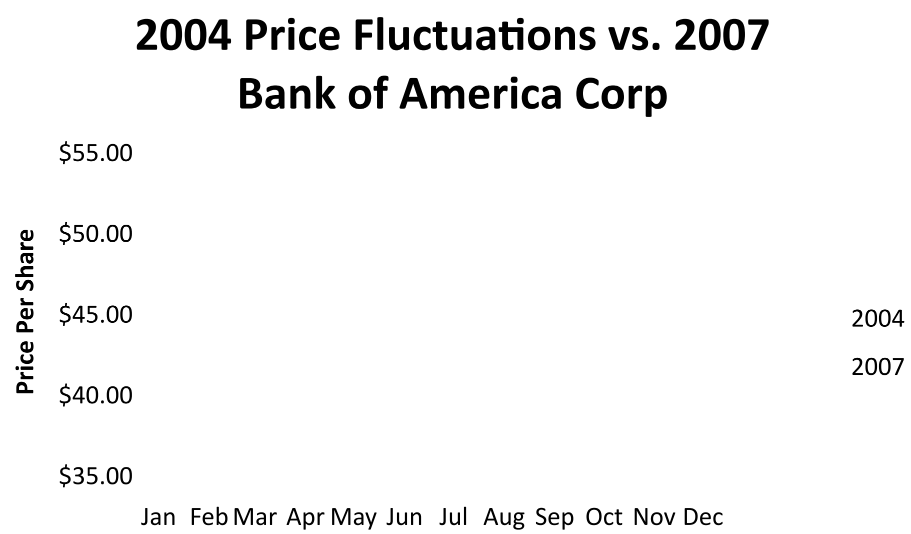


Figure 4 Source: Thomson ONE Banker

Although 2004 does not resemble 2007's price fluctuations, it is similar to 2006. Figure 4 shows that the stock price steadily increased throughout the year.

iv) 2003 Stock Prices

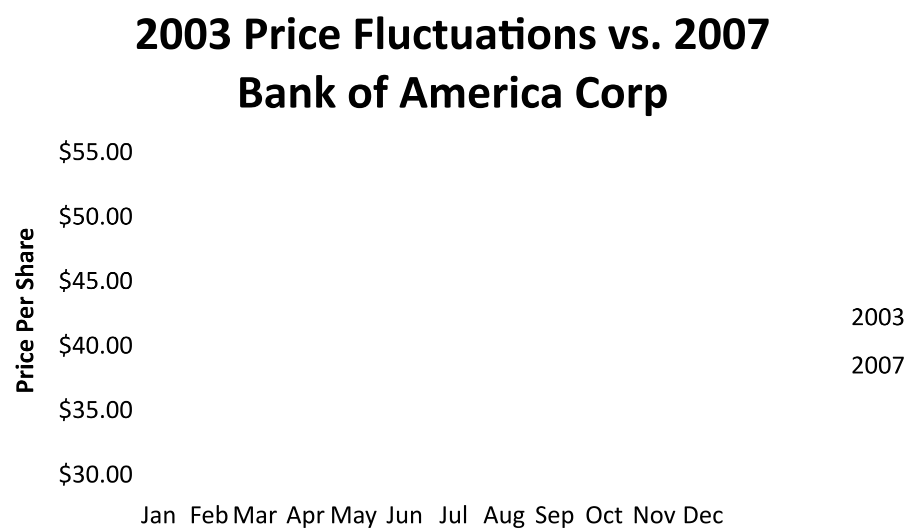


Figure 5 Source: Thomson ONE Banker

When viewing figure 5, it is clear that 2003 saw a fairly steady increase in price during the first half of the period then had some rocky fluctuations. Although the year ended with an unstable price, the stock finished the year approximately $5.00 more expensive than when it started. Like 2007, the stock price in 2003 saw a sharp decline toward the end October.

v) 2002 Stock Prices

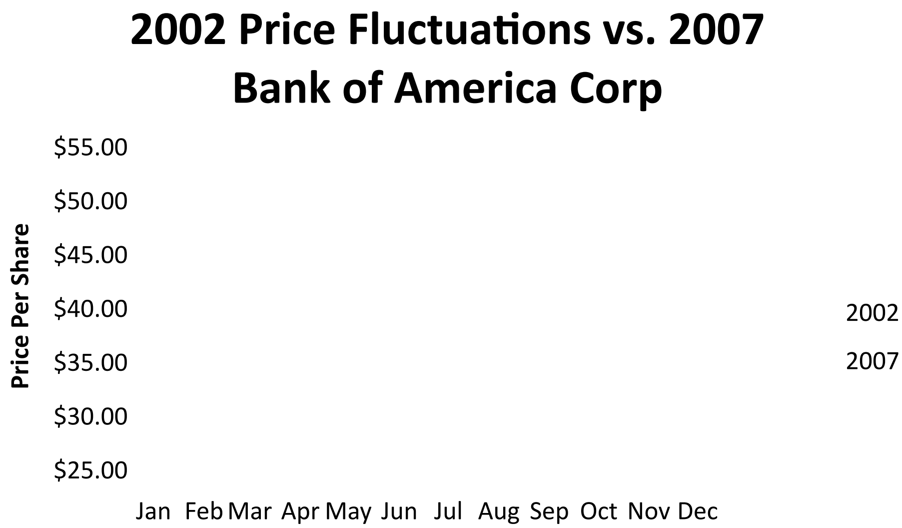


Figure 6 Source: Thomson ONE Banker

In figure 6, the stock prices in 2002 and 2007 are compared. Although these fluctuations are not similar to 2007, it is important to note that the 2002 stock price drops in July and early October.

vi) Bank of America Corp stock prices through the last 5 years

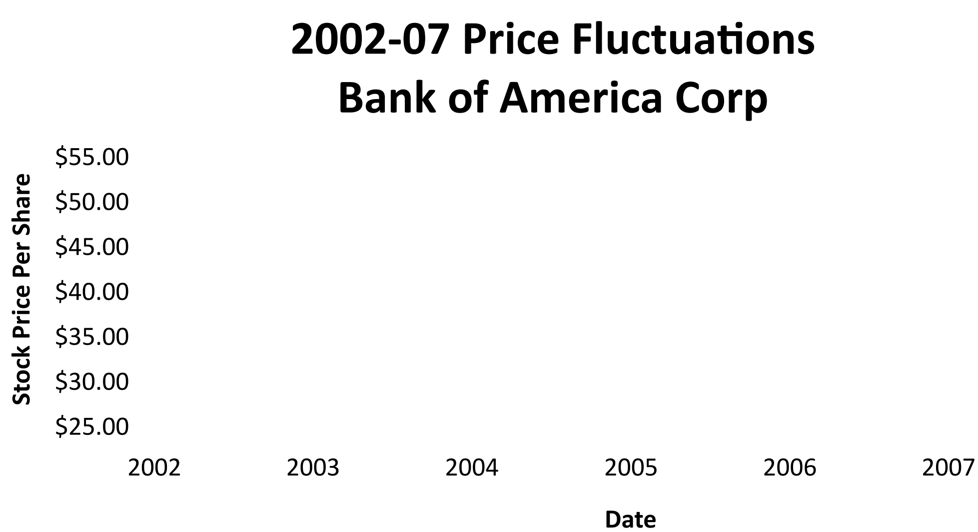


Figure 7 Source: Thomson ONE Banker

When looking at the stock price's journey through 2002 to 2007, first the steady increase in price throughout the years is noticed. Then, it is clear that the most drastic downturns in price took place at the end of 2002 and 2007. This is more reflective of the economic environment in these periods than in issues with the industry or the corporation. In these periods, the United States economy was in an economic downturn.

vii) Bank of America Corp 2007 stock prices vs. S&P 500

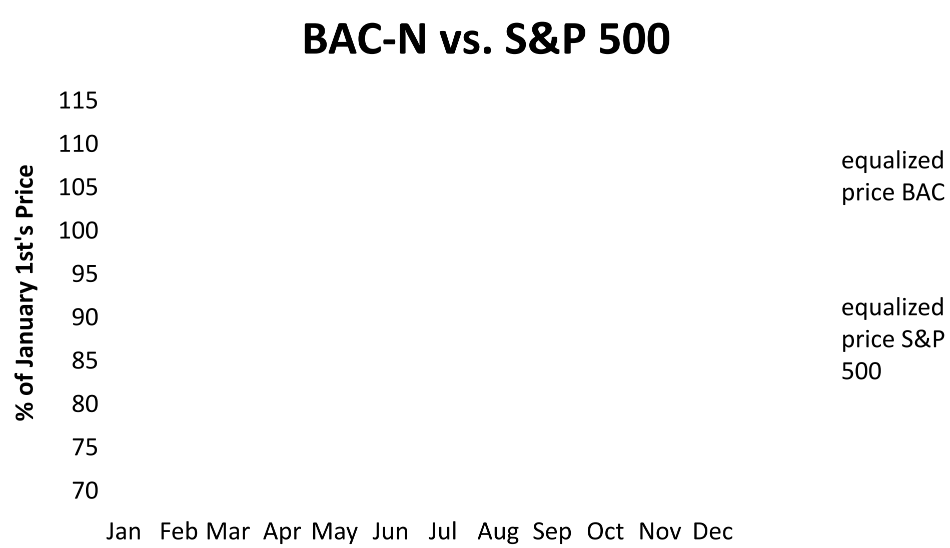


Figure 8 Source: Thomson ONE Banker

In figure 8, the stock price of Bank of America stock is compared to the S&P 500, an index that represents the entire market. From January to April, the two have a similar pattern. Then between April and July their patterns diverge into mirror opposites. The period between October and December, Bank of America Corporation stock has a similar pattern to that of the S&P 500 but the swings are more dramatic.

8) Is there a difference between actual and what is expected?

a. Difference in Expected Return vs. Real Return

This stock defied analysts' expectations in 2007 by showing a loss at the end of the year. The real return on this stock at the end of 2007 was -7.07%. This was calculated by finding the yield in a present value equation, taking the capital loss on the stock and the dividends paid out throughout the year. This negative return is far from the expected return of 6.18%.

BANK OF AMERICA CORPORATION PRICES	
Expected Return	6.18%
Real Return	-7.07%

Table 1

Historical returns are usually projected into the future and 2007 did not follow the trend of previous years. Issues like the subprime mortgage crisis, the slowing of the housing market, and the lagging economy have affected not only this share of Bank of America stock, but the whole market.

b. Discrepancy between Pricing Model and Real Price

The theoretical price is very different than what was seen in 2007. This demonstrates the price of the stock based only on what can be measured. The theoretical price considers the cash flows available to shareholders, the risk associated with the company, and the calculated growth potential. However, these factors represent only a small part of the price of a stock. Investor's expectations and speculations on the future of an industry or company is a large component of the price of a share. This theoretical price only shows the amount of the price based only these measurable components. Although not the exact price, this theoretical value is useful in determining whether the stock is overpriced or estimated to grow in value.

BANK OF AMERICA CORPORATION PRICES	
Theoretical Price	\$7.14
January 1, 2007	\$53.39
December 31, 2007	\$41.26

Table 2

9) What explains the discrepancy?

a. Capital Asset Pricing Model

Although the capital asset pricing model (CAPM) is a popular theory of expected return in the financial market, it is not usually a good indication of what really happens in an investment situation. Because the CAPM is a model, its creators can either hold constant or disregard certain elements affecting stock return. The model assumes that returns are normally distributed, capital markets are perfectly competitive, and investors always prefer more wealth to less wealth with certainty. In reality these elements do change the stock price making the theoretical price differ from the actual price.

b. Macroeconomic Factors

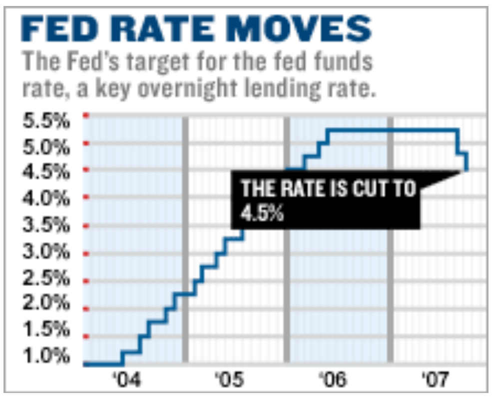
i) Subprime Mortgage Crisis

The latter half of 2007 has been colored by one issue, the subprime mortgage market collapse. In recent years, because of the low interest rates in the housing market there has been a push to write mortgages for those with less than favorable credit levels. Many were poorly underwritten mortgages entered into with fraudulent information. These circumstances set the stage for the subprime mortgage collapse of 2007. All national lending institutions have been financially strained by this event. Many other financial institutions that invested these mortgages in the stock market are also struggling. Bank of America is in both of these industries. As seen in figure 1, there is a gradual downward trend in the summer of 2007 and a severe drop in price in October and November. More than the events themselves, the public's fearful reaction to the subprime mortgage collapse affects the price of this share of Bank of America Corporation stock.

FEDERAL FUNDS RATE Although the name is misleading, this is the rate at which banks can borrow from other banks. This is the main tool that the Federal Reserve uses to control the money supply. If it is less expensive for banks to receive money, they are able to reduce the rate that the public pays to borrow money. This is important to the economy and in turn the stock market because this affects how frugal people are with their money. When people have disposable income, they invest.

ii) Federal Funds Rate and Discount Rate

As a reaction to the weakening economy caused by 2007's subprime mortgage crisis and housing slump, the Federal Reserve lowered the **Federal Funds Rate** as seen in the following chart.[46] On October 31st of 2007, the last rate reduced the fed funds rate by a quarter of a point.[47]



DISCOUNT RATE The rate at which banks can borrow money from the Federal Reserve. This is used less frequently than the Federal Funds Rate in order to manipulate the money supply.

By the end of 2007, the Fed decided to reduce the Federal Funds Rate again by a quarter of a point.[48] It also determined it would reduce the **Discount Rate** by a half a point.[49]This directly affects the price of this Bank of America stock. Since Bank of America Corporation is in the banking industry, the Federal Funds Rate is an important factor in the interest rates

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[46] La Monica, Paul R., "The Fed's Plan B," *CNNMoney.Com* (2007), [journal on-line]; available from http://money.cnn.com/2007/12/07/news/economy/fed_preview/index.htm; Internet; accessed 2007.
[47] Ibid.
[48] Ibid.
[49] Ibid.

it will set for credit loans, car loans, and home equity.[50] Also, lowering the Federal Funds Rate encourages people to invest in the stock market, which positively affects the demand for this share of Bank of America stock. As seen in figure one, the near anticipation of a Federal Funds Rate decrease can increase prices in the stock market.

c. Bank of America Corporation Financials

When looking at this share of Bank of America Corporation stock, it is important to consider Bank of America Corporation's **financial reports** from previous years or previous months. Financial reports portent changes in the price of the company's stock. Using these financial reports, financial analysts determine their predictions for the company's performance for the future. These predictions shape the opinions of investors concerning the company, which establishes their habits in terms of the stock market. One way analysts evaluate financial data for Bank of America Corporation is looking at its **net profit margin**. The net profit margin for the past quarters and years can affect the stock price of this share of Bank of America

[50] Ibid.

FINANCIAL REPORTS Includes all information on the companies finances that companies are required to make public. Financial Reports are usually the Balance Sheet, Income Statement, Statement of Retained Earnings, and Statement of Cash Flows. These are made public to inform investors, creditors, and the government.

NET PROFIT MARGIN Net profit margin is a percentage of net income compared to revenues (sales). This is considered a common ratio number meaning it can be compared to other years and other industries without conversion.

FORMULA:

(Net Income/ Sales) X 100 = Net Profit Margin

Corporation stock. Also, other ratios are used to evaluate the performance of the company and thus the stock price.

Profitability Ratios		
Ratio	**2007**	**2003**
Operating Profit Margin	17.90%	32.81%
Net Profit Margin	12.42%	22.06%
Return on Total Assets	0.86%	1.47%
Return on Equity	6.49%	11.01%
Return on Common Equity	10.39%	22.56%

Table 3 Data Source: Thomson ONE Banker

The profitability ratios shown in the table above specify how well Bank of America generates profits in 2007 compared to 2003. Except for 2007, Bank of America has seen a steady increase in these ratios since 2003.

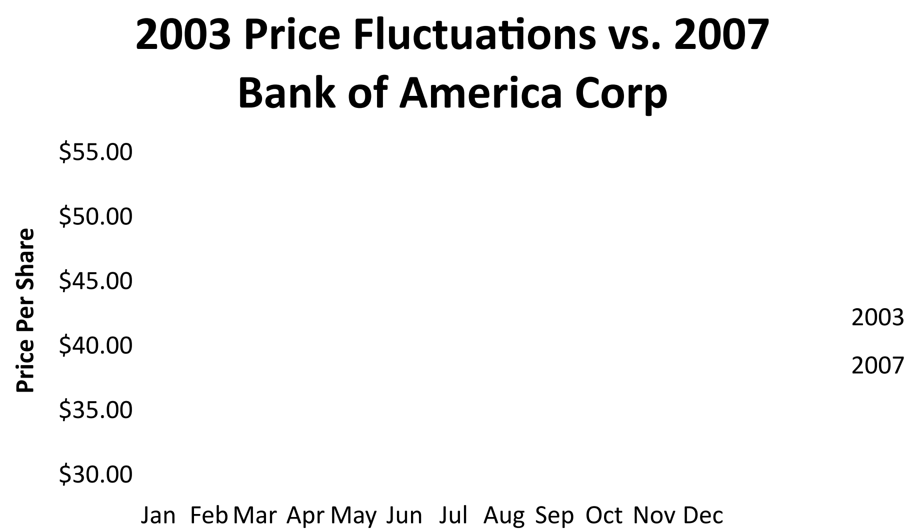
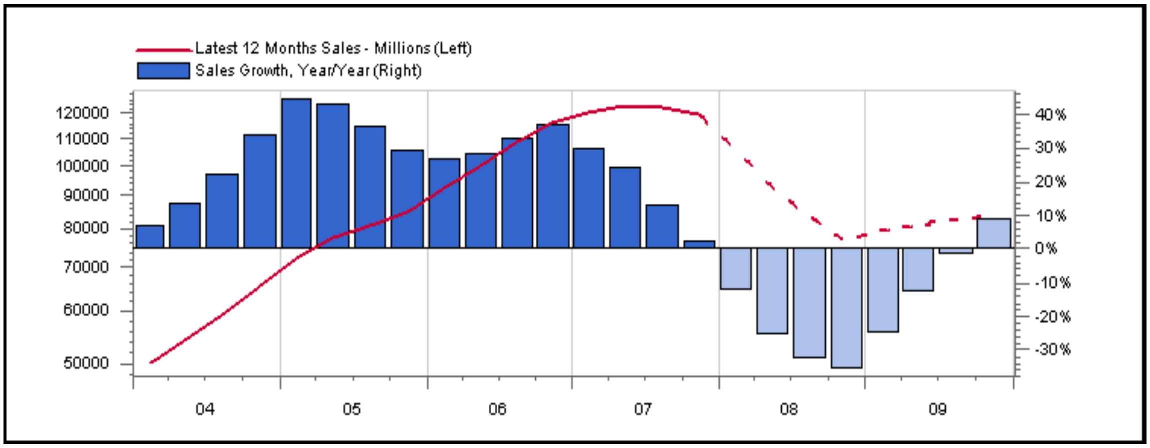


Figure 5 Source: Thomson ONE Banker

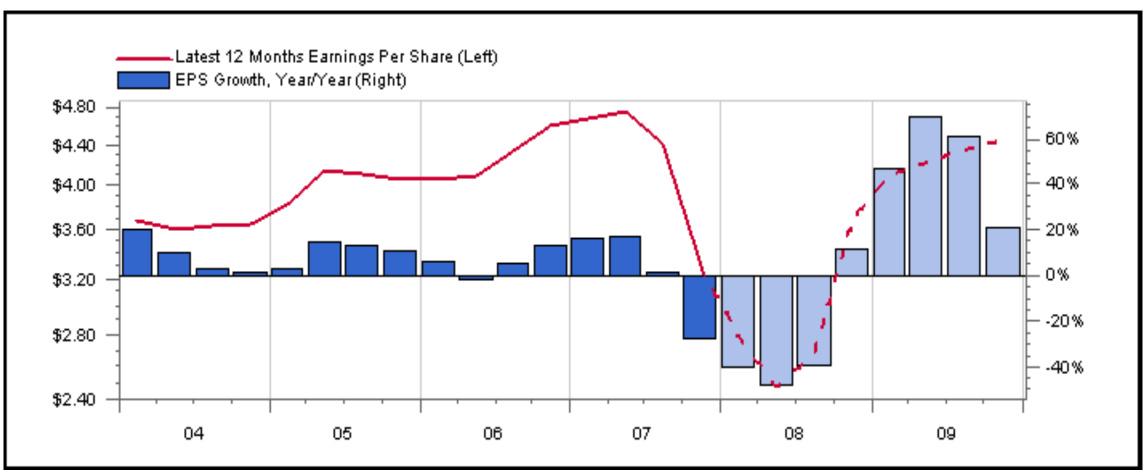
As seen in the graph above, Bank of America's 2007 stock prices never fall farther than its stock prices in 2003. However, the stock price in 2003 continues to increase throughout the year. This could be partially due to stable and growing financials. This is not true for the stock in 2007. As Bank of America Corporation's financials foretell problems, the stock price falls.

Not only do current financial reports and figures affect the stock price of a Bank of America stock share, but also the expectations of future profits or losses.



As seen in the graph above, monthly sales for Bank of America Corporation decrease sharply at the end of 2007. As shown by the line graph, the sales for 2007 were far lower than what was predicted for the period. This trend is expected to continue in the next two years.

Another ratio that analysts consider in valuing a company and its investment potential is earnings per share. This is the net income of a company divided by the number of shares it has outstanding. It shows how many dollars of net income generated for each stockshare outstanding.



As seen in the graph above, this ratio has been low throughout the past four years. This has not matched the predictions for these periods as seen with the red line graph. This ratio was negative at the end of 2007. This means that for this period, Bank of America did not have enough net income to cover the number of shares outstanding. This trend is expected to continure through 2008, but should recover significantly in 2009.

i) Quarterly Financial Changes

To better understand the real return on this Bank of America stock in 2007, the quarterly financial reports are analyzed. The net income for Bank of America Corporation in the first quarter stayed consistent with the numbers from the previous quarter. In the second quarter of the year however, the net income increased, quickly followed by a 45% decrease in the third quarter. This trend continues in the last quarter of the year with an even more significant decrease in net income from the previous quarter.

Figure 1 Source: Thomson ONE Banker

SCALE: 1000000	Quarter Ending Dec 06	Quarter Ending Mar 07	Quarter Ending Jun 07	Quarter Ending Sep 07	Quarter Ending Dec 07
Revenue	30,357.00	30,385.00	32,471.00	29,347.00	32,118.00
Cost of Goods Sold	3,989.00	4,034.00	4,261.00	4,545.00	5,253.00
Gross Profit	26,368.00	26,351.00	28,210.00	24,802.00	26,865.00
SG&A Expense	9,930.00	9,606.00	10,294.00	9,863.00	17,919.00
Depreciation & Amortization	712	664	671	710	799
Operating Income	15,726.00	16,081.00	17,245.00	14,229.00	8,147.00
Nonoperating Income	--	--	--	--	--
Nonoperating Expenses	7,903.00	8,258.00	8,585.00	8,873.00	9,062.00
Income Before Taxes	7,823.00	7,823.00	9,020.00	4,996.00	-915
Income Taxes	2,567.00	2,568.00	2,899.00	1,658.00	-1,183.00
Net Income After Taxes	5,256.00	5,255.00	6,121.00	3,338.00	268
Net Profit Margin	17.30%	17.30%	17.70%	12.60%	0.80%
Dividends per Share	0.56	0.56	0.56	0.64	0.64

Table 4 Source: Hoover's

As seen in the graph above and following chart, the price changes in the Bank of America stock mirror the changes the company generated in income for the year. The dividend history mentioned in these quarterly financial reports are telling of the concerns the company has with the stability of its stock price. Bank of America Corporation increased the dividend payout to its shareholders in the third quarter and maintained this higher dividend in the fourth quarter of the year. The company paid these higher dividends in the least profitable quarters. These dividends were paid to give shareholders an incentive to keep their investments in Bank of America Corporation in light of capital losses.

ii) Bank of America’s financials compared to the Industry Averages

Bank of America’s financial performance during 2007 is compared to others in the industry when shareholders evaluate their investment options. Its performance compared to its competition is a large part of Bank of America’s attraction as an investment. Investors consider the company’s risk, growth potential, profitability, and leverage compared to its competition in the financial industry. The following comparisons pair Bank of America’s financial information to three of the largest financial institutions in the industry. These companies were chosen for comparison based on revenue figures for the current period. AIG, CitiGroup, and JP Morgan along with Bank of America Corporation together generated the majority of the revenues for the financial industry in 2007.

a) Beta- Risk

One of the most common measures of investment risk is beta. The risk, measured by beta, is a part of the expected return for a stock share. Investors consider the comparative risk of Bank of America to its competition in the industry.

BAC-N	*AIG*	*CitiGroup*	*JP Morgan*
Beta	**Beta**	**Beta**	**Beta**
.48	1.37	1.32	.71

Table 5 Source: Thomson ONE Banker

As seen in the table above, Bank of America Corporation has the lowest beta of the three competitors mentioned. This indicates that Bank of America Corporation is perceived to have less investment risk compared to these companies. For investors, this means that a share Bank of America stock is a stable investment compared to its industry, but will have lower returns based on the capital asset pricing model.

b) Growth

Price to Earnings Ratio is the most common measures of growth potential for a company. This ratio compares the price of a stock share to the earnings a company generated in the same period. The formula is as follows:

[P/E Ratio = Price per Share/ Earnings per Share]

This ratio evaluates growth expectations of a company. Also, this ratio can be interpreted to mean that the price of a share in the company is either under or over priced compared to the earnings the company saw during the same period. A high P/E ratio suggests that the price of the share is based on more than the earnings of the company. This could be an estimate of growth potential, because investors are paying more for a share of stock than what the company is worth in the present time. This means investors believe the value of the stock and the company will increase in the future.

BAC-N	***AIG***	***CitiGroup***	***JP Morgan***
PE Ratio	**PE Ratio**	**PE Ratio**	**PE Ratio**
11.13	17.94	29.04	8.58

Table 6 Source: Thomson ONE Banker

As shown in the table above, Bank of America Corporation has one of the lowest P/E ratios in the industry. This indicates that more than most other companies in the financial industry, Bank of America's stock price is closely linked to the earnings produced in 2007. JP Morgan is the only company out of the three competitors that shows a lower P/E Ratio than Bank of America Corporation. To investors, this could mean that Bank of America's stock is undervalued compared to the industry average.

c) Profitability and Leverage Ratios

As mentioned previously, the profitability ratios measure the success of the firm at generating profits. How a company fairs in generating profits compared to the competition determines its attractiveness to investors. In table seven, the column labeled industry averages includes an average of the three companies: AIG, CitiGroup, and JP Morgan. The analysis column measures Bank of America's 2007 ratios compared to the figures for 2003 and the Industry Average. Since the 2007 Bank of America Corporation ratios are lower than those of its history and the competition, the analysis reads poorly for the company.

Profitability Ratios				
Ratios	Industry Avg	2007	2003	Analysis
Operating Profit Margin	22.17%	17.90%	32.81%	VeryBad
Net Profit Margin	13.49%	12.42%	22.06%	VeryBad
Return on Total Assets	1.19%	0.86%	1.47%	VeryBad
Return on Equity	8.22%	6.49%	11.01%	VeryBad
Return on Common Equity	14.97%	10.39%	22.56%	VeryBad

Table 7 Data Source: Thomson ONE Banker

Another type of ratio indicative of a company's financial health is a leverage ratio. Leverage ratios provide an indication of the long-term solvency of a firm. These ratios show the amount of debt a company has compared to its assets and equity. Unlike the profitability ratios, leverage ratios indicate a healthy relationship between debt and equity or debt and assets when they are low.

Leverage Ratios				
Ratios	Industry Avg	2007	2003	Analysis
Total Debt Ratio	91.64%	91.44%	93.48%	Very Good
Long-term Debt Ratio	11.66%	9.74%	8.57%	Good
LTD to Total Capitalization	44.47%	42.27%	39.14%	Good
Debt to Equity	6.54x	6.88x	7.01x	Bad
LTD to Equity	81.08%	73.21%	64.31%	Good

Table 8 Data Source: Thomson ONE Banker

In the table above, the industry average column averages the ratios for AIG, JP Morgan, and CitiGroup. In 2007, Bank of America Corporation debt structure faired well against the competition and its figures in 2003. However, total debt to equity was higher than its competition.

10) News and Press Release Indicators of Expectation

Many of the fluctuations during 2007 can be linked to news and press releases published in the same period. These news articles inform the investing public of Bank of America's operations, and this information forms public opinion on the company's investment potential. The largest fluctuations in price during the year were during February, mid-August, mid-October, and the beginning of December. Each of these fluctuations occurs during times of significant activity for Bank of America Corporation.

Figure 1 Source: Thomson ONE Banker

On February 13th of 2007, Bank of America Corporation introduced a new type of banking. As describe in a press release published by the company, this new innovation in banking is called Leading-Edge Mobile Banking.[51] This service was opened to over twenty-one million online customers already banking with the company.[52] These movements in technology helps the public consider Bank of America a forward thinking corporation. During the time this news was released to the public, the Bank of America stock share saw an increase in price.

Later in the year, Bank of America announced an investment in Countrywide Financial, the largest lending institution in the United States. The company announced in an August 22nd press release that it purchased convertible preferred stock in

[51] "Bank of America Introduces Leading-Edge Mobile Banking for More than 21 Million Online Banking Customers," 13 February [cited 2008]. Available from http://newsroom.bankofamerica.com/index.php?s=press_releases&item=7677.

[52] Ibid.

Countrywide Financial for two billion dollars.[53] Due to the subprime mortgage concerns during this period, Bank of America Corporation's top management believed that these stocks were underpriced thus buying shares was a quality investment.[54] The stock price of this Bank of America share saw a large increase in price during this period followed by a decline. Investors who disagreed with Bank of America's assessment of Countrywide Financial's investment potential could have shown their dissent through reducing their investment in Bank of America.

After the fluctuations in August, the first part of October saw an even larger increase in price. Coinciding with this brief increase in price, Bank of America announced its purchase of LaSalle Bank. On October 1st of 2007, a press release issued by the company stated that it had completed its purchase LaSalle Bank a commercial real estate banking institution that will be based in Chicago.[55] This purchase shows growth potential for Bank of America Corporation. The news in this press release gives investors expectations of future earnings for the firm.

Following the increase at the beginning of the month, the middle of October saw one of the largest decreases in price of 2007. During this period Bank of America

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[53] "Bank of America Makes Investment in Countrywide Financial," in PRNewswire [database online]. Charlotte, NC 22 August [cited 2008]. Available from http://newsroom.bankofamerica.com/index.php?s=press_releases&item=7864.

[54] Ibid.

[55] "Bank of America Completes Purchase of LaSalle Bank," in PRNewswire [database online]. Charlotte, NC 1 October [cited 2008]. Available from http://newsroom.bankofamerica.com/index.php?s=press_releases&item=7885.

published its third quarter earnings on October 18th.[56] These earnings were less than expected considering the earnings earlier in the year.

SCALE: 1000000		Quarter Ending Jun 07	Quarter Ending Sep 07
Revenue		32,471.00	29,347.00
Cost of Goods Sold		4,261.00	4,545.00
Gross Profit		28,210.00	24,802.00
SG&A Expense		10,294.00	9,863.00
Depreciation & Amortization		671	710
Operating Income		17,245.00	14,229.00
Nonoperating Income		--	--
Nonoperating Expenses		8,585.00	8,873.00
Income Before Taxes		9,020.00	4,996.00
Income Taxes		2,899.00	1,658.00
Net Income After Taxes		6,121.00	3,338.00
Net Profit Margin		17.70%	12.60%
Dividends per Share		0.56	0.64

Table 9 Source: Hoover's

As seen in the table above, the company saw a 45.47% decrease in Net Income after Taxes from one quarter to the next. This directly influences investors' expectations of the future potential of this Bank of America stock share.

Due to rate cut expected in 2008, top management expects a return to growth at the beginning of December.[57] These optimistic expectations coincide with a brief price spike at the end of November through the beginning of December.

11) With these indicators explained, does the theory hold true?

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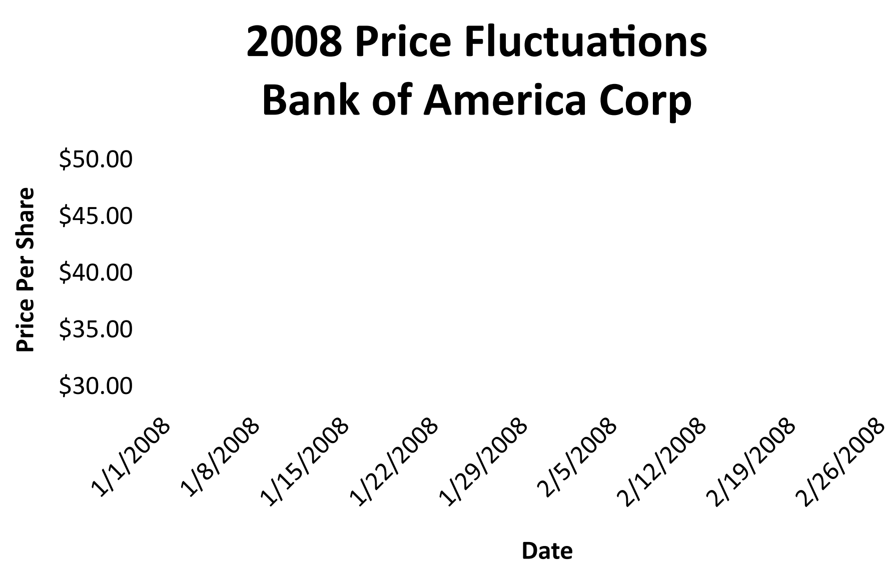
[56] "Bank of America Announces Third Quarter Earnings Conference Call," in PRNewswire [database online]. Charlotte, NC 30 August [cited 2008]. Available from http://newsroom.bankofamerica.com/index.php?s=press_releases&item=7866.

[57] "Manufacturing CFOs Expect Business Growth in 2008 Despite Mounting Economic Concerns According to Bank of America Business Capital Survey," in PRNewswire [database online]. New York 6 December [cited 2008]. Available from http://newsroom.bankofamerica.com/index.php?s=press_releases&item=7939.

The capital asset pricing model and other pricing methods are not precise in the real market. It and other pricing models hold certain elements constant that, in reality, are variable. This also shows the effect other elements have on price without the interference of variables that are not as easily measured. These models also indicate what the price of the stock should be without speculation. It does not take into consideration increases in price due to investment habit not associated with concrete financial concepts. These habits are based on expectations and speculations.

12) Update on this stock

The influence of the issues affecting this stock through 2007 stretched into the beginning of 2008. The subprime mortgage crisis is still continuing to affect the industries involved and in turn the whole market. As seen in the following figure, Bank of America Corporation stock continued to fall in 2008.



a. Bank of America News during 2008

In the later part of April 2008, Bank of America CEO Kenneth Lewis discussed the company's current situation on Bloomberg Television. During the interview, Lewis stated, "US subprime crisis will continue."[58] Broadcasted on April 22nd of 2008, the news segment discussed Bank of America's 77% decrease in first quarter profits along with other financial woes.[59] With this news, Bank of America Corporation stock saw a sharp decline in price.[60] The main culprit is the continuing collapse of the subprime mortgage market.[61] Lewis stated in the report that the housing market will not see a turnaround in 2008.[62] Due to these concerns, Bank of America has allocated six billion dollars to cover bad loans.[63] Helping to worsen Bank of America's prospects for 2008, its consumer unit, the company's most profitable division, will see a decline in profits because of the coming recession.[64] These concerns not only affect the price of the stock, but also the dividend returns investors should expect. According to Bloomberg Television, Lewis says a cut in dividends is possible in 2008.[65]

13) Conclusion

Through all of the fluctuations this stock has had through the year of 2007, its journey is far from over. Analysts will continue to try to map its future and it will always have

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[58] *Bank of America CEO, Kenneth Lewis Says, "US Subprime Crisis to Continue"* Consumer Mortgage Reports, 2008)[database on-line]; available from Bloomberg,
[59] Ibid.
[60] Ibid.
[61] Ibid.
[62] Ibid.
[63] Ibid.
[64] Ibid.
[65] Ibid.

surprises for them. Beyond any theory or ratio created to predict changes in the stock market, human opinion, expectations, and even paranoia will determine price fluctuations. Although the methods analysts and investors use to predict stock prices do give an understanding of the nature of the market, there will always be an element of chance in investing in the stock market.

Index of Concepts and Definitions

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Appendix I

Price Table for Bank of America Corporation found on Thomson ONE Banker

Period	BAC-N	SP500 PriceClose
12/28/2007	41.100	1478.490
12/21/2007	41.920	1484.460
12/14/2007	42.160	1467.950
12/7/2007	45.370	1504.660
11/30/2007	46.130	1481.140
11/23/2007	43.150	1440.700
11/16/2007	44.370	1458.740
11/9/2007	43.980	1453.700
11/2/2007	45.110	1509.650
10/26/2007	48.030	1535.280
10/19/2007	47.570	1500.631
10/12/2007	52.070	1561.800
10/5/2007	52.710	1557.590
9/28/2007	50.270	1526.750
9/21/2007	51.240	1525.750
9/14/2007	49.950	1484.250
9/7/2007	49.020	1453.550
8/31/2007	50.680	1473.990
8/24/2007	51.870	1479.370
8/17/2007	51.760	1445.940
8/10/2007	48.590	1453.640
8/3/2007	47.000	1433.060
7/27/2007	47.410	1458.950
7/20/2007	48.310	1534.100
7/13/2007	49.500	1552.500
7/6/2007	49.150	1530.440
6/29/2007	48.890	1503.350
6/22/2007	48.950	1502.560
6/15/2007	50.080	1532.910

6/8/2007	50.260	1507.670
6/1/2007	50.780	1536.340
5/25/2007	51.200	1515.730
5/18/2007	51.280	1522.750
5/11/2007	50.950	1505.850
5/4/2007	51.240	1505.620
4/27/2007	50.770	1494.070
4/20/2007	51.040	1484.350
4/13/2007	50.420	1452.850
4/6/2007	50.850	1443.760
3/30/2007	51.020	1420.860
3/23/2007	51.690	1436.110
3/16/2007	49.620	1386.950
3/9/2007	50.950	1402.850
3/2/2007	50.010	1387.170
2/23/2007	52.860	1451.190
2/16/2007	54.050	1455.540
2/9/2007	52.990	1438.060
2/2/2007	52.740	1448.390
1/26/2007	52.040	1422.180
1/19/2007	53.590	1430.500
1/12/2007	53.380	1430.730
1/5/2007	53.240	1409.710
12/29/2006	53.390	1418.300
12/22/2006	53.350	1410.760
12/15/2006	53.320	1427.090
12/8/2006	51.660	1409.840
12/1/2006	53.500	1396.710
11/24/2006	54.560	1400.950
11/17/2006	54.850	1401.200
11/10/2006	54.770	1380.900
11/3/2006	53.430	1364.300
10/27/2006	53.700	1377.340
10/20/2006	53.620	1368.600
10/13/2006	54.390	1365.620

10/6/2006	54.240	1349.580
9/29/2006	53.570	1335.850
9/22/2006	52.430	1314.780
9/15/2006	51.450	1319.870
9/8/2006	51.660	1298.920
9/1/2006	51.660	1311.010
8/25/2006	52.130	1295.090
8/18/2006	52.490	1302.300
8/11/2006	51.400	1266.743
8/4/2006	52.320	1279.360
7/28/2006	51.660	1278.550
7/21/2006	50.140	1240.291
7/14/2006	48.310	1236.200
7/7/2006	48.800	1265.480
6/30/2006	48.100	1270.200
6/23/2006	47.410	1244.504
6/16/2006	47.420	1251.540
6/9/2006	48.790	1252.300
6/2/2006	49.260	1288.218
5/26/2006	49.380	1280.160
5/19/2006	48.270	1267.030
5/12/2006	49.200	1291.240
5/5/2006	50.470	1325.760
4/28/2006	49.920	1310.610
4/21/2006	46.870	1311.280
4/14/2006	45.730	1289.120
4/7/2006	45.740	1295.500
3/31/2006	45.540	1294.830
3/24/2006	46.900	1302.950
3/17/2006	46.900	1307.250
3/10/2006	45.950	1281.580
3/3/2006	45.190	1287.230
2/24/2006	45.720	1289.430
2/17/2006	44.660	1287.240
2/10/2006	43.920	1266.990

2/3/2006	43.090	1264.030
1/27/2006	44.800	1283.720
1/20/2006	44.190	1261.490
1/13/2006	45.800	1287.610
1/6/2006	46.570	1285.450
12/30/2005	46.150	1248.290
12/23/2005	46.940	1268.660
12/16/2005	46.970	1267.320
12/9/2005	45.900	1259.370
12/2/2005	46.130	1265.080
11/25/2005	46.990	1268.250
11/18/2005	45.560	1248.270
11/11/2005	45.460	1234.720
11/4/2005	44.230	1220.140
10/28/2005	43.980	1198.410
10/21/2005	42.260	1179.590
10/14/2005	42.050	1186.570
10/7/2005	42.270	1195.900
9/30/2005	42.100	1228.810
9/23/2005	42.230	1215.290
9/16/2005	43.680	1237.910
9/9/2005	42.950	1241.480
9/2/2005	42.910	1218.020
8/26/2005	42.840	1205.100
8/19/2005	43.620	1219.710
8/12/2005	42.690	1230.390
8/5/2005	43.250	1226.420
7/29/2005	43.600	1234.180
7/22/2005	44.850	1233.680
7/15/2005	45.980	1227.920
7/8/2005	45.150	1211.860
7/1/2005	44.980	1194.440
6/24/2005	46.750	1191.570
6/17/2005	46.640	1216.960
6/10/2005	46.000	1198.110

6/3/2005	45.780	1196.020
5/27/2005	46.650	1198.780
5/20/2005	46.570	1189.280
5/13/2005	45.130	1154.050
5/6/2005	45.490	1171.350
4/29/2005	45.040	1156.850
4/22/2005	44.370	1152.120
4/15/2005	44.280	1142.620
4/8/2005	44.680	1181.200
4/1/2005	44.010	1172.920
3/25/2005	43.750	1171.420
3/18/2005	44.940	1189.650
3/11/2005	45.770	1200.080
3/4/2005	46.780	1222.120
2/25/2005	46.790	1211.370
2/18/2005	45.740	1201.590
2/11/2005	46.820	1205.300
2/4/2005	46.890	1203.030
1/28/2005	45.700	1171.360
1/21/2005	45.090	1167.870
1/14/2005	44.890	1184.520
1/7/2005	44.730	1186.190
12/31/2004	46.990	1211.920
12/24/2004	46.700	1210.130
12/17/2004	45.200	1194.220
12/10/2004	45.880	1188.000
12/3/2004	46.320	1191.170
11/26/2004	46.470	1182.650
11/19/2004	45.850	1170.340
11/12/2004	47.440	1184.170
11/5/2004	45.950	1166.170
10/29/2004	44.790	1130.200
10/22/2004	43.800	1095.740
10/15/2004	44.990	1108.200
10/8/2004	45.140	1122.140

10/1/2004	44.160	1131.500
9/24/2004	43.980	1110.110
9/17/2004	44.660	1128.550
9/10/2004	44.600	1123.920
9/3/2004	43.610	1113.630
8/27/2004	44.505	1107.770
8/20/2004	44.250	1098.350
8/13/2004	42.480	1064.800
8/6/2004	41.955	1063.970
7/30/2004	42.505	1101.720
7/23/2004	42.430	1086.200
7/16/2004	42.235	1101.390
7/9/2004	41.955	1112.810
7/2/2004	42.115	1125.380
6/25/2004	42.000	1134.430
6/18/2004	42.255	1135.020
6/11/2004	42.105	1136.470
6/4/2004	41.800	1122.500
5/28/2004	41.565	1120.680
5/21/2004	40.735	1093.560
5/14/2004	40.100	1095.700
5/7/2004	39.275	1098.700
4/30/2004	40.245	1107.300
4/23/2004	40.725	1140.600
4/16/2004	40.390	1134.610
4/9/2004	40.525	1139.320
4/2/2004	40.255	1141.810
3/26/2004	40.050	1108.060
3/19/2004	39.925	1109.780
3/12/2004	40.160	1120.570
3/5/2004	41.370	1156.870
2/27/2004	40.960	1144.940
2/20/2004	40.670	1144.110
2/13/2004	40.785	1145.810
2/6/2004	41.380	1142.760

1/30/2004	40.730	1131.130
1/23/2004	40.635	1141.550
1/16/2004	39.510	1139.830
1/9/2004	39.175	1121.860
1/2/2004	39.545	1108.480
12/26/2003	39.795	1095.890
12/19/2003	39.500	1088.660
12/12/2003	37.925	1074.140
12/5/2003	37.555	1061.500
11/28/2003	37.715	1058.200
11/21/2003	37.175	1035.280
11/14/2003	37.360	1050.350
11/7/2003	38.075	1053.210
10/31/2003	37.865	1050.710
10/24/2003	40.930	1028.910
10/17/2003	40.850	1039.320
10/10/2003	40.560	1038.060
10/3/2003	39.775	1029.850
9/26/2003	39.400	996.850
9/19/2003	39.610	1036.300
9/12/2003	37.915	1018.630
9/5/2003	38.075	1021.390
8/29/2003	39.625	1008.010
8/22/2003	39.190	993.060
8/15/2003	40.750	990.670
8/8/2003	40.645	977.590
8/1/2003	40.370	980.150
7/25/2003	41.765	998.680
7/18/2003	41.575	993.320
7/11/2003	41.440	998.140
7/4/2003	40.005	985.700
6/27/2003	39.805	976.220
6/20/2003	39.455	995.690
6/13/2003	39.245	988.610
6/6/2003	38.460	987.760

5/30/2003	37.100	963.590
5/23/2003	36.875	933.220
5/16/2003	37.080	944.300
5/9/2003	37.000	933.410
5/2/2003	37.455	930.080
4/25/2003	36.290	898.810
4/18/2003	36.440	893.580
4/11/2003	35.670	868.300
4/4/2003	35.000	878.850
3/28/2003	34.290	863.500
3/21/2003	35.250	895.790
3/14/2003	33.655	833.270
3/7/2003	34.495	828.890
2/28/2003	34.620	841.150
2/21/2003	35.180	848.170
2/14/2003	34.435	834.890
2/7/2003	33.970	829.690
1/31/2003	35.025	855.700
1/24/2003	34.810	861.400
1/17/2003	35.740	901.780
1/10/2003	35.900	927.570
1/3/2003	35.120	908.590
12/27/2002	34.585	875.400
12/20/2002	35.150	895.750
12/13/2002	34.125	889.480
12/6/2002	34.120	912.230
11/29/2002	35.040	936.310
11/22/2002	35.635	930.550
11/15/2002	34.395	909.830
11/8/2002	33.555	894.740
11/1/2002	35.130	900.960
10/25/2002	34.910	897.650
10/18/2002	34.660	884.390
10/11/2002	29.700	835.320
10/4/2002	29.000	800.580

9/27/2002	32.040	827.370
9/20/2002	31.550	845.390
9/13/2002	34.150	889.810
9/6/2002	34.645	893.920
8/30/2002	35.040	916.070
8/23/2002	34.700	940.860
8/16/2002	34.355	928.770
8/9/2002	34.405	908.640
8/2/2002	31.755	864.240
7/26/2002	30.825	852.840
7/19/2002	30.760	847.760
7/12/2002	34.305	921.390
7/5/2002	35.410	989.030
6/28/2002	35.180	989.810
6/21/2002	35.130	989.140
6/14/2002	35.550	1007.270
6/7/2002	35.485	1027.530
5/31/2002	37.905	1067.140
5/24/2002	38.070	1083.820
5/17/2002	38.450	1106.590
5/10/2002	36.925	1054.990
5/3/2002	36.840	1073.430
4/26/2002	35.890	1076.320
4/19/2002	35.810	1125.170
4/12/2002	35.025	1111.010
4/5/2002	34.460	1122.730
3/29/2002	34.010	1147.390
3/22/2002	34.325	1148.700
3/15/2002	34.590	1166.160
3/8/2002	33.915	1164.310
3/1/2002	32.400	1131.780
2/22/2002	30.660	1089.840
2/15/2002	30.400	1104.180
2/8/2002	30.300	1096.220
2/1/2002	30.680	1122.200

1/25/2002	31.675	1133.280
1/18/2002	30.400	1127.580
1/11/2002	30.450	1145.600
1/4/2002	31.935	1172.510

Appendix II

Quarterly Income Statement provided by Hoover's A D&B Company

SCALE: 1000000	Quarter Ending Dec 07	Quarter Ending Sep 07	Quarter Ending Jun 07	Quarter Ending Mar 07
Revenue	32,118.00	29,347.00	32,471.00	30,385.00
Cost of Goods Sold	5,253.00	4,545.00	4,261.00	4,034.00
Gross Profit	26,865.00	24,802.00	28,210.00	26,351.00
Gross Profit Margin	83.60%	84.50%	86.90%	86.70%
SG&A Expense	17,919.00	9,863.00	10,294.00	9,606.00
Depreciation & Amortization	799	710	671	664
Operating Income	8,147.00	14,229.00	17,245.00	16,081.00
Operating Margin	25.40%	48.50%	53.10%	52.90%
Nonoperating Income	--	--	--	--
Nonoperating Expenses	9,062.00	8,873.00	8,585.00	8,258.00
Income Before Taxes	-915	4,996.00	9,020.00	7,823.00
Income Taxes	-1,183.00	1,658.00	2,899.00	2,568.00
Net Income After Taxes	268	3,338.00	6,121.00	5,255.00
Continuing Operations	268	3,698.00	5,761.00	5,255.00
Discontinued Operations	--	--	--	--
Total Operations	268	3,698.00	5,761.00	5,255.00
Total Net Income	268	3,698.00	5,761.00	5,255.00
Net Profit Margin	0.80%	12.60%	17.70%	17.30%
Dividends per Share	0.64	0.64	0.56	0.56

Income Statement provided by Thomson ONE Banker

Bank of America Corp. 5yr Income Statement

5 YR INCOME STATEMENT	12/31/07	12/31/06	12/31/05	12/31/04	12/31/03
Net Sales or Revenues	119,190.00	116,574.00	85,064.00	65,910.00	49,006.00
Cost of Goods Sold	#N/A	#N/A	#N/A	#N/A	#N/A
Depreciation, Depletion & Amortization	2,844.00	2,869.00	#N/A	#N/A	#N/A
Gross Income	#N/A	#N/A	#N/A	#N/A	#N/A
Selling, General & Admin Expenses	#N/A	#N/A	#N/A	#N/A	#N/A
Operating Expenses – Total	97,856.00	83,796.00	60,172.00	43,608.00	32,925.00
Operating Income	21,334.00	32,778.00	24,892.00	22,302.00	16,081.00
Non-Operating Interest Income	#N/A	#N/A	#N/A	#N/A	#N/A
Earnings Before Interest And Taxes (EBIT)	30,283.00	39,007.00	28,898.00	23,625.00	17,895.00
Interest Expense On Debt	9,359.00	7,034.00	4,418.00	2,404.00	2,034.00
Pretax Income	20,924.00	31,973.00	24,480.00	21,221.00	15,861.00
IncomeTaxes	5,942.00	10,840.00	8,015.00	7,078.00	5,051.00
Minority Interest	0.00	0.00	0.00	0.00	0.00
Equity In Earnings	#N/A	#N/A	#N/A	#N/A	#N/A
Net Income Before Extra Items/Preferred Div	14,982.00	21,133.00	16,465.00	14,143.00	10,810.00
Extr Items & Gain(Loss) Sale of Assets	0.00	0.00	0.00	0.00	0.00
Net Income Before Preferred Dividends	14982	21133	16465	14143	10810
Preferred Dividend Requirements	182.00	22.00	18.00	16.00	4.00
Net Income Available to Common	**14,800.00**	**21,111.00**	**16,447.00**	**14,129.00**	**10,810.00**

Balance Sheet provided by Thomson ONE Banker

Bank of America Corp. 5yr Balance Sheet

5 YR ANNUAL BALANCE SHEET					
ASSETS	**12/31/07**	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**
Cash And ST Investments	#N/A	#N/A	#N/A	#N/A	#N/A
Receivables (Net)	#N/A	#N/A	#N/A	#N/A	#N/A
Total Inventories	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Assets	#N/A	#N/A	#N/A	#N/A	#N/A
Current Assets - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Other Assets	225,021.00	194,546.00	126,926.00	126,876.00	69,753.00
Total Assets	**1,715,746.00**	**1,459,737.00**	**1,291,803.00**	**1,110,457.00**	**736,445.00**

LIABILITIES & SHAREHOLDERS' EQUITY	12/31/07	12/31/06	12/31/05	12/31/04	12/31/03
Accounts Payable	#N/A	#N/A	#N/A	#N/A	#N/A
ST Debt & Current Portion of LT Debt	442,959.00	376,021.00	368,112.00	207,850.00	132,717.00
Income Taxes Payable	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Liabilities	#N/A	#N/A	#N/A	#N/A	#N/A
Current Liabilities - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Long Term Debt	167,073.00	128,806.00	89,660.00	88,567.00	63,150.00
Other Liabilities	153,734.00	126,141.00	97,828.00	95,825.00	78,485.00
Total Liabilities	**1,568,943.00**	**1,324,465.00**	**1,190,270.00**	**1,010,812.00**	**688,465.00**
Shareholders' Equity					
Minority Interest	0.00	0.00	0.00	0.00	0.00
Preferred Stock	4,409.00	2,851.00	271.00	271.00	54.00
Common Equity	142,394.00	132,421.00	101,262.00	99,374.00	47,926.00
Retained Earnings	81,393.00	79,024.00	67,552.00	58,006.00	50,213.00
Total Liabilities & Shareholders' Equity	**1,715,746.00**	**1,459,737.00**	**1,291,803.00**	**1,110,457.00**	**736,445.00**

Income Statement provided by Thomson ONE Banker

American International Group, Inc. 5yr Income Statement

5 YR INCOME STATEMENT	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Net Sales or Revenues	114,138.00	109,294.00	97,987.00	81,303.00	67,482.00
Cost of Goods Sold	#N/A	#N/A	#N/A	#N/A	#N/A
Depreciation, Depletion & Amortization	2,374.00	2,200.00	2,035.00	1,865.00	1,653.00
Gross Income	#N/A	#N/A	#N/A	#N/A	#N/A
Selling, General & Admin Expenses	#N/A	#N/A	#N/A	#N/A	#N/A
Operating Expenses - Total	84,498.00	87,958.00	76,810.00	61,708.00	55,711.00
Operating Income	29,640.00	21,336.00	21,177.00	19,595.00	11,771.00
Non-Operating Interest Income	#N/A	#N/A	#N/A	#N/A	#N/A
Earnings Before Interest And Taxes (EBIT)	28,696.00	20,947.00	21,177.00	19,595.00	11,771.00
Interest Expense On Debt	7,009.00	5,798.00	6,286.00	5,739.00	3,690.00
Pretax Income	21,687.00	15,213.00	14,950.00	13,908.00	8,142.00
IncomeTaxes	6,537.00	4,258.00	4,620.00	4,264.00	2,328.00
Minority Interest	1,136.00	478.00	455.00	379.00	295.00
Equity In Earnings	#N/A	#N/A	#N/A	#N/A	#N/A
Net Income Before Extra Items/Preferred Div	14,014.00	10,477.00	9,875.00	9,265.00	5,519.00
Extr Items & Gain(Loss) Sale of Assets	34.00	0.00	-144.00	9.00	0.00
Net Income Before Preferred Dividends	14048	10477	9731	9274	5519
Preferred Dividend Requirements	0.00	0.00	0.00	0.00	0.00
Net Income Available to Common	**14,014.00**	**10,477.00**	**9,886.00**	**9,265.00**	**5,519.00**

Balance Sheet provided by Thomson ONE Banker

American International Group, Inc. 5yr Balance Sheet

5 YR ANNUAL BALANCE SHEET

ASSETS	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Cash And ST Investments	#N/A	#N/A	#N/A	#N/A	#N/A
Receivables (Net)	#N/A	#N/A	#N/A	#N/A	#N/A
Total Inventories	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Assets	#N/A	#N/A	#N/A	#N/A	#N/A
Current Assets - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Other Assets	177,770.00	171,407.00	163,327.00	161,907.00	131,799.00
Total Assets	**979,414.00**	**853,370.00**	**798,660.00**	**678,346.00**	**561,229.00**

LIABILITIES & SHAREHOLDERS' EQUITY	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Accounts Payable	#N/A	#N/A	#N/A	#N/A	#N/A
ST Debt & Current Portion of LT Debt	52,948.00	36,381.00	28,668.00	25,877.00	55,494.00
Income Taxes Payable	9,546.00	#N/A	#N/A	1,977.00	793.00
Other Current Liabilities	#N/A	#N/A	#N/A	#N/A	#N/A
Current Liabilities - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Long Term Debt	127,766.00	95,367.00	96,973.00	76,842.00	40,305.00
Other Liabilities	202,917.00	171,098.00	160,046.00	139,490.00	104,716.00
Total Liabilities	**879,851.00**	**761,743.00**	**713,270.00**	**603,590.00**	**498,393.00**
Shareholders' Equity					
Minority Interest	7,778.00	5,124.00	4,584.00	3,311.00	1,580.00
Preferred Stock	191.00	186.00	199.00	192.00	2,153.00
Common Equity	91,594.00	86,317.00	80,607.00	71,253.00	59,103.00
Retained Earnings	84,996.00	72,330.00	64,393.00	60,960.00	52,270.00
Total Liabilities & Shareholders' Equity	**979,414.00**	**853,370.00**	**798,660.00**	**678,346.00**	**561,229.00**

Income Statement provided by Thomson ONE Banker

Citigroup, Inc. 5yr Income Statement

5 YR INCOME STATEMENT	12/31/06	12/31/05	12/31/04	12/31/03	12/31/02
Net Sales or Revenues	146,558.00	120,276.00	108,276.00	94,713.00	92,556.00
Cost of Goods Sold	#N/A	#N/A	#N/A	#N/A	#N/A
Depreciation, Depletion & Amortization	2,503.00	2,318.00	#N/A	#N/A	#N/A
Gross Income	#N/A	#N/A	#N/A	#N/A	#N/A
Selling, General & Admin Expenses	#N/A	#N/A	#N/A	#N/A	#N/A
Operating Expenses - Total	116,919.00	91,025.00	84,099.00	68,426.00	72,034.00
Operating Income	29,639.00	29,251.00	24,177.00	26,287.00	20,522.00
Non-Operating Interest Income	#N/A	0.00	#N/A	#N/A	#N/A
Earnings Before Interest And Taxes (EBIT)	41,549.00	37,341.00	29,539.00	30,613.00	25,317.00
Interest Expense On Debt	11,910.00	7,908.00	5,357.00	4,280.00	4,780.00
Pretax Income	29,639.00	29,433.00	24,182.00	26,333.00	20,537.00
IncomeTaxes	8,101.00	9,078.00	6,909.00	8,195.00	6,998.00
Minority Interest	289.00	549.00	227.00	285.00	91.00
Equity In Earnings	0.00	0.00	0.00	0.00	0.00
Net Income Before Extra Items/Preferred Div	21,249.00	19,806.00	17,046.00	17,853.00	13,448.00
Extr Items & Gain(Loss) Sale of Assets	289.00	4,783.00	0.00	0.00	1,828.00
Net Income Before Preferred Dividends	21538	24589	17046	17853	15276
Preferred Dividend Requirements	65.00	68.00	68.00	71.00	83.00
Net Income Available to Common	**21,184.00**	**19,738.00**	**16,978.00**	**17,782.00**	**13,365.00**

Balance Sheet provided by Thomson ONE Banker

Citigroup Inc. 5yr Balance Sheet

5 YR ANNUAL BALANCE SHEET

ASSETS	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Cash And ST Investments	#N/A	#N/A	#N/A	#N/A	#N/A
Receivables (Net)	#N/A	#N/A	#N/A	#N/A	#N/A
Total Inventories	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Assets	#N/A	#N/A	#N/A	#N/A	#N/A
Current Assets - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Other Assets	356,102.00	268,724.00	275,760.00	230,158.00	206,733.00
Total Assets	**1,884,318.00**	**1,494,037.00**	**1,484,101.00**	**1,264,032.00**	**1,097,190.00**

LIABILITIES & SHAREHOLDERS' EQUITY	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Accounts Payable	#N/A	#N/A	#N/A	#N/A	#N/A
ST Debt & Current Portion of LT Debt	428,210.00	314,656.00	302,954.00	268,819.00	248,854.00
Income Taxes Payable	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Liabilities	#N/A	#N/A	#N/A	#N/A	#N/A
Current Liabilities - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Long Term Debt	249,975.00	178,324.00	171,278.00	139,725.00	98,850.00
Other Liabilities	374,309.00	295,925.00	338,497.00	283,459.00	231,873.00
Total Liabilities	**1,764,535.00**	**1,381,500.00**	**1,374,810.00**	**1,166,018.00**	**1,010,472.00**
Shareholders' Equity					
Minority Interest	0.00	0.00	0.00	0.00	0.00
Preferred Stock	1,000.00	1,125.00	1,125.00	1,125.00	1,400.00
Common Equity	118,783.00	111,412.00	108,166.00	96,889.00	85,318.00
Retained Earnings	129,267.00	117,555.00	102,154.00	93,483.00	81,403.00
Total Liabilities & Shareholders' Equity	**1,884,318.00**	**1,494,037.00**	**1,484,101.00**	**1,264,032.00**	**1,097,190.00**

Income Statement provided by Thomson ONE Banker

JP Morgan Case and Company 5yr Income Statement

5 YR INCOME STATEMENT	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Net Sales or Revenues	99,302.00	79,902.00	56,813.00	44,363.00	43,372.00
Cost of Goods Sold	#N/A	#N/A	#N/A	#N/A	#N/A
Depreciation, Depletion & Amortization	3,577.00	4,318.00	3,835.00	#N/A	#N/A
Gross Income	#N/A	#N/A	#N/A	#N/A	#N/A
Selling, General & Admin Expenses	#N/A	#N/A	#N/A	#N/A	#N/A
Operating Expenses - Total	79,111.00	64,401.00	45,448.00	33,605.00	38,181.00
Operating Income	20,191.00	15,501.00	11,365.00	10,758.00	5,191.00
Non-Operating Interest Income	0.00	0.00	0.00	0.00	0.00
Earnings Before Interest And Taxes (EBIT)	25,389.00	16,375.00	8,660.00	11,632.00	3,986.00
Interest Expense On Debt	5,503.00	4,160.00	2,466.00	1,604.00	1,467.00
Pretax Income	19,886.00	12,215.00	6,194.00	10,028.00	2,519.00
IncomeTaxes	6,237.00	3,732.00	1,728.00	3,309.00	856.00
Minority Interest	0.00	0.00	0.00	0.00	0.00
Equity In Earnings	0.00	0.00	0.00	0.00	0.00
Net Income Before Extra Items/Preferred Div	13,649.00	8,483.00	4,466.00	6,719.00	1,663.00
Extr Items & Gain(Loss) Sale of Assets	795.00	0.00	0.00	0.00	0.00
Net Income Before Preferred Dividends	14444	8483	4466	6719	1663
Preferred Dividend Requirements	4.00	13.00	52.00	51.00	51.00
Net Income Available to Common	**13,645.00**	**8,470.00**	**4,414.00**	**6,668.00**	**1,612.00**

Balance Sheet provided by Thomson ONE Banker

JP Morgan Case and Company 5yr Balance Sheet

5 YR ANNUAL BALANCE SHEET

ASSETS	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Cash And ST Investments	#N/A	#N/A	#N/A	#N/A	#N/A
Receivables (Net)	#N/A	#N/A	#N/A	#N/A	#N/A
Total Inventories	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Assets	#N/A	#N/A	#N/A	#N/A	#N/A
Current Assets - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Other Assets	134,694.00	158,536.00	156,618.00	79,920.00	71,853.00
Total Assets	**1,351,520.00**	**1,198,942.00**	**1,157,248.00**	**770,912.00**	**758,800.00**

LIABILITIES & SHAREHOLDERS' EQUITY	**12/31/06**	**12/31/05**	**12/31/04**	**12/31/03**	**12/31/02**
Accounts Payable	#N/A	#N/A	#N/A	#N/A	#N/A
ST Debt & Current Portion of LT Debt	227,347.00	166,590.00	165,264.00	143,325.00	202,073.00
Income Taxes Payable	#N/A	#N/A	#N/A	#N/A	#N/A
Other Current Liabilities	#N/A	#N/A	#N/A	#N/A	#N/A
Current Liabilities - Total	#N/A	#N/A	#N/A	#N/A	#N/A
Long Term Debt	117,358.00	103,563.00	89,885.00	48,132.00	38,137.00
Other Liabilities	252,237.00	266,587.00	274,990.00	206,809.00	171,531.00
Total Liabilities	**1,235,730.00**	**1,091,731.00**	**1,051,595.00**	**724,758.00**	**716,494.00**
Shareholders' Equity					
Minority Interest	0.00	0.00	0.00	0.00	0.00
Preferred Stock	0.00	139.00	339.00	1,009.00	1,009.00
Common Equity	115,790.00	107,072.00	105,314.00	45,145.00	41,297.00
Retained Earnings	43,600.00	33,848.00	30,209.00	29,681.00	25,851.00
Total Liabilities & Shareholders' Equity	**1,351,520.00**	**1,198,942.00**	**1,157,248.00**	**770,912.00**	**758,800.00**