



DETERMINATION OF MERGER NOTIFICATION M/07/066 - BANK OF AMERICA/LASALLE

Section 21 of the Competition Act 2002

Proposed acquisition by Bank of America Corporation of LaSalle Bank Corporation, including the LaSalle International GSTS Assets

Dated 28/12/07

Introduction

1. On 13 December 2007, the Competition Authority ("the Authority"), in accordance with section 18(1)(a) of the Competition Act, 2002 ("the Act") was notified on a mandatory basis of the proposed acquisition of sole control of LaSalle Bank Corporation ("LaSalle"), including the LaSalle International GSTS Assets, by Bank of America Corporation ("Bank of America").
2. In April 2007, Bank of America agreed to acquire LaSalle and its subsidiary banks from ABN AMRO Bank NV, through the acquisition of 100% of the voting securities of ABN AMRO North American Holding Company. This transaction had effect primarily in the United States. By way of an amendment to the agreement, dated September 2007, and reflecting the original intent of the parties, Bank of America agreed to acquire LaSalle's international global securities and trust services business ("International GSTS Assets"), which are directly held by ABN AMRO Bank NV, although operationally part of LaSalle's GSTS division. The parties notified the original agreement and its amendment as one agreement to the Authority.
3. The Authority received the notification on 13 December 2007, i.e. the notification was not made "within one month after the conclusion of the agreement", as provided for by section 18(1) of the Act, and was thus not made within the statutory deadline. However, the undertakings involved satisfied the Authority that their failure to notify on time was not "knowingly and wilfully" authorised or permitted by the person(s) in control of the undertakings involved. The Authority therefore concluded that it would not seek a criminal penalty under section 18(9) of the Act.

The Undertakings Involved

The Acquirer

4. Bank of America is a publicly traded company, which is listed on the New York Stock Exchange and provides a diversified range of banking and non-banking financial services through three business segments: global consumer and small business banking; global corporate and investment banking; and global wealth and investment management. It currently operates in 30 US states, the District of Columbia and 44

other jurisdictions. Bank of America's worldwide turnover for the year ended 31 December 2006 was US\$74,247 million (€59,177 million).¹

5. In the State, where its estimated turnover was US\$[] (€[]) over the same period, Bank of America carries on a number of regulated activities through various subsidiaries:
- Bank of America National Association provides banking services. Principal lines of business include global products services, global corporate and investment banking and a global markets group;
 - MBNA Europe Bank Limited's Irish branch carries on credit card and unsecured loans businesses;
 - Banc of America Capital Management (Ireland) Limited is a regulated fund management company, which manages two funds: Bank of America Global Liquidity Funds plc, a UCITS fund, which has two sub-funds, a US dollar fund and a euro fund; and The Wanger Investment company plc, a UCITS fund, which has two sub-funds, a US Smaller Companies fund denominated in US dollars and a European Small Companies fund denominated in euro. Fund administration activities for both funds are provided by State Street Fund Services (Ireland) Limited and custodial services are provided by State Street Custodial Services (Ireland) Limited; and,
 - Banc of America Leasing Ireland Co. Limited provides commercial airline operating leases to selected non-US airlines.

The Target

6. LaSalle is the holding company for LaSalle Bank NA and LaSalle Bank Midwest NA. The group provides financial services including commercial banking services, investment banking and advisory services, treasury and trade services, global securities and trust services, derivatives and risk management services, real estate finance, small business services, personal finance services and wealth management services. These services are provided primarily in the United States, although some are provided on an international basis. LaSalle's worldwide turnover for the year ended 31 December 2006 was US\$3,905 million (€3,112 million).
7. In the State, LaSalle is active through LFS Administration Services (Ireland) Limited, authorised to provide fund administration and related services, and LFS Custodial Services (Ireland) Limited, authorised to provide custodial and trustee related services. These entities are part of the International GSTS Assets. The entities have a "physical presence" in the State and have signed contracts with a number of clients in the State. Although the relevant funds have not commenced as of the date of notification, the companies are due to provide these services imminently. To date, the two companies have not accrued any fees in respect of the signed contracts and LaSalle had

¹ All euro conversion figures in this determination were provided by the parties. Conversions were based on the average interbank exchange rate for 2006 using historical exchange rate data from Oanda at <http://www.oanda.com/convert/fxhistory>.

no other activities or other turnover in the State in the most recent financial year.

Analysis

8. As Bank of America does not provide fund administration, custodial, trustee or related services in Ireland, there is no horizontal overlap in the activities of the parties.
9. However, there is a vertical overlap between the activities of the parties. Bank of America manages two Irish-domiciled funds organised as Undertakings for Collective Investment in Transferable Securities ("UCITS")² and LaSalle provides fund administration and related services and fund custodial and trustee related services in the State.
10. The parties informed the Authority that the Bank of America funds are two of 988 umbrella funds, or four of over 4,000 sub-funds, authorised in Ireland as of 30 June 2007. The Bank of America funds do not appear in a Lipper Fitzrovia³ list provided by the parties of the largest Dublin-domiciled umbrella funds as at 30 June 2007.
11. The Authority reviewed the fund custody services and fund administration services sectors in M/07/026, *State Street/IFIN*⁴. The Authority concluded that these are sectors with a large number of strong competitors and where there is strong buyer power among customers. The LaSalle entities operate alongside a large number of established administrators and custodians, such as State Street, JP Morgan, Northern Trust, BNY Trust Company/Mellon, PFPC International, HSBC, Citibank and BISYS Fund and Hedge Services. Moreover, the LaSalle entities are very recent entrants to the market, with only a handful of contracts, which have not as yet generated any revenue. The parties submit that as a result, the market shares of the LaSalle entities are minimal.

In light of the above, the Authority considers that the proposed transaction does not raise competition concerns.

² An investment fund established in accordance with UCIT regulatory requirements can be offered to retail investors in other EU member states on the basis of its authorisation in its home member state.

³ Lipper Fitzrovia is a London-based investment funds research company. The list is taken from the Lipper Fitzrovia Ireland Fund Encyclopaedia 2007/2008.

⁴ The published Determination can be found on the Authority's website www.tca.ie.

Determination

12. The Competition Authority, in accordance with Section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Bank of America Corporation of LaSalle Bank Corporation (including the LaSalle International GSTS Assets) will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority