
History of Banking to 4th Grade Class of Rossmoor Elementary

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History of Money

- Ancient Man used anything of Value to trade
 - Animal Skins for Clothing and to Make Thing
 - Bones / Poles to Make Weapons
 - Other Goods to Make Housing
- First Usage of “Money” was 3,000 BC in Mesopotamia
 - Shekel was used to describe “She”=Wheat, “Kel”=Bushel
 - Originally, shekel was dry volume of 18” round x 8” tall
 - Later, Shekel was a Printed Coin used as Money
- First Coins were around 900 BC in China – Carved Shells
- First Stamped Metal Coins were around 600-700 BC



Early Banking

Banking Began as early as 1,800 BC

Initially Religious Temples performed Banking

Secular Records show Temple Priests Made Loans to Merchants 18th Century BC in Babylon

Code of Hammurabi (1,760 BC) included Banking Rules

First Recorded Non-Religious Bankers was Pythius, who operated in Asia Minor in 5th Century BC

Religious Laws Rose Against Charging Too Much Interest (Usury laws) – still followed in Israeli and Islamic Law

The Crusades (1,100 – 1,300 AD) Brought Modern Lending

Modern Banking

Modern Western Banking Began via the London Royal Exchange (1565)

After the “Siege of Antwerp” trade moved to Amsterdam

In 1609, Amsterdamsche Wisselbank was founded, and was the banking capital of the world until the Industrial Revolution

Bank of America (originally Bank of Italy) was founded in 1904 by A.P. Giannini (AP to his friends)

Bank of America

During the 1906 San Francisco Earthquake, AP was able to get all the monies and deposits out of the Bank

He Lent Money on the Boardwalk of the Fisherman's Wharf

Story says he had an Appraiser telling him the Value of Every Property to determine how much to Lend

In 1929, he renamed the Bank to Bank of America

Bank of America is credited for Developing Many of the Banking Services we use Today: Home Loan, Revolving Loan, Credit Card (BankAmeriCard), MICR, RMBS

As of Sept 2008, Bank of America was the Largest Financial Services firm in the World \$2.88T

How Does a Bank Make Money

- Today, 1,000s of ways
 - Checking Accounts
 - Credit Cards
 - Home Loans
 - Commercial Loans
 - Private Banking
 - Corporate Banking
 - Investment Banking
 - Trading Derivatives / Hedges / Swaps
- Bank of America – Reach
 - 59MM consumer & small business customers
 - Business in 150 Countries
 - 29 Million – On-Line Banking Customers
 - 18,700 ATMs, 6,100 Branches

Questions / Answers

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