Bank of America

BancAnalysts Association of Boston

November 4, 2010

Forward-Looking Statements

Bank of America and its management may make certain statements that constitute ”forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, or other words of similar meaning. The forward-looking statements made represent Bank of America’s current expectations, plans or forecasts of its future results and revenues, including future risk weighted assets and any mitigation efforts to reduce risk weighted assets, representations and warranties reserves, expenses and repurchase activity, net interest income, credit trends and conditions, including credit losses, credit reserves, charge-offs, delinquency trends and nonperforming asset levels, consumer and commercial service charges, including the impact of changes in the company’s overdraft policy as well as from the Electronic Fund Transfer Act and the company’s ability to mitigate a decline in revenues, liquidity, regulatory and GAAP capital levels, including complying with any Basel capital requirements without raising additional capital, revenue impact of the Credit Card Accountability, Responsibility and Disclosure Act of 2009 (the CARD Act), revenue impact resulting from and any mitigation actions taken in response to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Financial Reform Act), mortgage production levels, long-term debt levels, runoff of loan portfolios, the number of delayed foreclosure sales and the resulting financial impact and other similar matters. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America’s control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements.

You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks, as well as those more fully discussed under Item 1A. “Risk Factors” of Bank of America’s 2009 Annual Report on Form 10-K and Quarterly Report on our most recent Form 10-Q and in any of Bank of America’s subsequent SEC filings: the foreclosure review and assessment process, the effectiveness of the company’s response and any governmental or private third party claims asserted in connection with these foreclosures matters; negative economic conditions; Bank of America’s modification policies and related results, the level and volatility of the capital markets, interest rates, currency values and other market indices; changes in consumer, investor and counterparty confidence, and the related impact on, financial markets and institutions; Bank of America’s credit ratings and the credit ratings of its securitizations; estimates of fair value of certain of Bank of America’s assets and liabilities; legislative and regulatory actions in the United States (including the impact of the Financial Reform Act, the Electronic Fund Transfer Act, the CARD Act and related regulations and interpretations) and internationally; the identification and effectiveness of any initiatives to mitigate the negative impact of the Financial Reform Act; the impact of litigation and regulatory investigations, including costs, expenses, settlements and judgments; various monetary and fiscal policies and regulations of the U.S. and non-U.S. governments; changes in accounting standards, rules and interpretations (including the new consolidation guidance), inaccurate estimates or assumptions in the application of accounting policies, including in determining reserves, applicable guidance regarding goodwill accounting and the impact on Bank of America’s financial statements; increased globalization of the financial services industry and competition with other U.S. and international financial institutions; Bank of America’s ability to attract new employees and retain and motivate existing employees; mergers and acquisitions and their integration into Bank of America, including the company’s ability to realize the benefits and cost savings from and limit any unexpected liabilities acquired as a result of the Merrill Lynch acquisition; Bank of America’s reputation; and decisions to downsize, sell or close units or otherwise change the business mix of Bank of America.

Forward-looking statements speak only as of the date they are made, and Bank of America undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

Important Presentation Format Information

- This information is preliminary and based on company data available at the time of the presentation
- Certain prior period amounts have been reclassified to conform to current period presentation
- Excluding the goodwill impairment charge from certain financial measures as well as other adjusted financial measures contained herein represent non-GAAP financial measures. For more information about the non-GAAP financial measures contained herein, please see the presentation of the most directly comparable financial measures calculated in accordance with GAAP and accompanying reconciliations in the earnings press release and other earnings related information available through the Bank of America Investor Relations web site at: http://investor.bankofamerica.com

Key Takeaways

- Strategy and management team in place to execute and continue to deliver on the best franchise in financial services
- We are resolving legacy issues with an eye on balancing the long-term and short-term
  - Balance sheet restructured and we continue to do more
  - Credit costs declining through improved risk management and elimination of non-core processes
  - Addressing legacy mortgage issues in the best interest of customers, mortgage investors and shareholders
- Earnings power of the franchise is showing resiliency and is poised to recover to its full extent as the economy continues to improve

Our Strategy

- Serve 3 groups of customers – individuals, companies and institutional investors – for their core financial needs
- Operate all businesses in U.S.; outside U.S. we are focused on growth opportunities in wealth management, corporate banking and global markets
- Deliver the BAC franchise on an integrated basis to meet the needs of these customers
- Create and preserve long-term relationships with these customers with a proper value exchange for our services and products
- Conduct this business in a manner that
  - Produces consistent long-term returns for our owners
  - Fulfills the needs of our customers
  - Creates opportunities for our Associates

Our Operating Principles

- We are customer-driven
  - We will deliver the entire franchise for every customer
  - We will serve customers globally
- We will maintain a fortress balance sheet through the cycle
- We will pursue operational excellence in both efficiency and risk management
- We will deliver on our shareholder return model through the cycle
- We will clean up our legacy issues
- We will be the best place for people to work

New Team Driving a Change in Culture

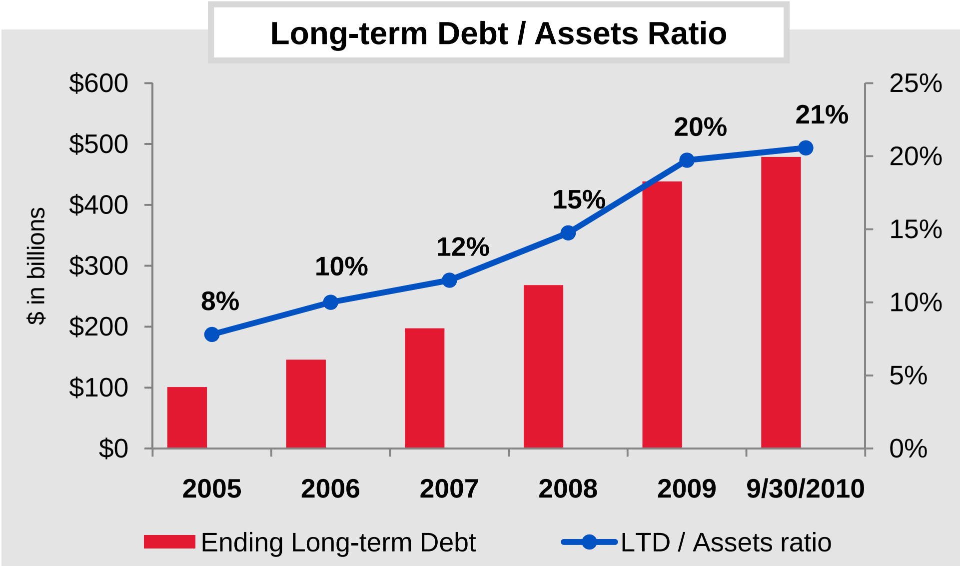
Legacy		Current State
Building the franchise	→	Operating the franchise
US-centric, commercial bank	→	Global financial institution
Product monolines	→	Customer focused relationship
Size of balance sheet	→	Returns
Volatility	→	Transparent, accountable and less volatile

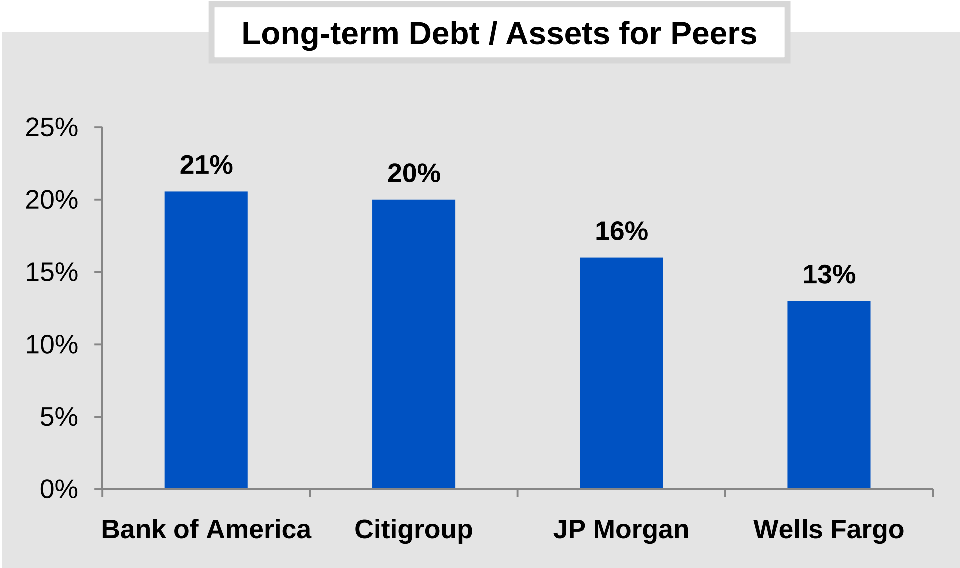
Key Investor Topics

- Outsized long-term debt footprint
- New capital guidelines
- Mortgages
  - Foreclosures
  - Representations and warranties costs
- Transforming consumer banking

Outsized Long-Term Debt Footprint

- Current long-term debt of $479B
- Average rate of interest expense in 3Q10 was 2.74%
- Footprint increased significantly in the past 2 years with Merrill Lynch and Countrywide acquisitions
- Plan to reduce 15-20% of long-term debt by end of 2011
- Could reduce by $150B over next several years





Managing to New Capital Guidelines

- Have made significant progress on Tier 1 Common and risk-weighted assets (RWA) year-to-date
  - Tier 1 common capital up $14B, RWA down $87B and ratio up 137bp – net of FAS 166/167 impacts
  - Have been proactive in addressing Basel changes – re-remic transactions, sales of Itau and Santander–Mexico, reductions in private equity portfolio
  - Risk-weighted asset reductions are consistent with customer-centric strategies
- Tier 1 common equity ratio estimated to remain above 8% through all periods assuming the following effective dates
  - Basel II and Market Risk 100% effective 12/31/11
  - Basel III 100% effective 12/31/12
  - Assumes no Basel III phase-in effect when in fact there is one
- Pre-mitigation aggregate RWA impact is estimated to increase approximately $600B, but post known mitigation efforts, the 4Q12 RWA estimated at $1.85T vs. $1.48T at 3Q10
- Basel III capital deductions are to be phased in over 2014 to 2018, but estimate full Basel III incremental deductions at 12/31/12 at approximately $12B
- Trust Preferred Securities of $19.8B are to be phased out of Tier 1 Capital (remains in Tier 2) over 2013 to 2015 per Dodd-Frank
- BAC does not expect to issue common stock to meet new standards of Basel III

Foreclosure Review Process Update

- Our foreclosure process review has shown the core basis for our foreclosure decisions have been accurate
- Of foreclosure sales completed in the third quarter, borrowers were on average 18 months delinquent; one in three properties were vacant
- On October 9, we announced a nationwide halt to foreclosure sales to review our foreclosure sales process.
- On October 18, we announced the completion of our 23 judicial state review of the foreclosure affidavit process, which began September 22. This review was primarily focused on process (i.e. policies, procedures, controls, and effectiveness of steps)
- We will resubmit, as necessary, affidavits generated through our enhanced process in states where foreclosure requires court order following a legal proceeding
  - Could involve as many as 102,000 foreclosure proceedings that were pending as of October 9, 2010
- Introduced changes to simplify the affidavit process and added additional quality control checkpoints
- We continue to be committed to getting our process right and giving our customers confidence they are being treated fairly

Representations and Warranties - Government Sponsored Enterprises (GSEs)

- Review of requests for repurchases is generally done on a loan-by-loan basis
- Consistent process with Government Sponsored Enterprises (GSEs) for several years
  - GSEs have the right to request loan documents
  - GSE pooling and service agreements (PSAs) contain more rigorous representations and warranties than those for private label securitization investors
  - Resolved $11.4B of $18.0B claims received through 9/30/10 on 2004-2008 vintages with $2.5B in losses from these resolutions
  - We estimate we are roughly two-thirds through with GSE claims on 2004-2008 vintages
  - $6.6B claims remained outstanding on these vintages as of 9/30/10

Government Sponsored Enterprise Representations and Warranties Claim Analysis
($ in billions)

	Originations	Claims Submitted	Claims Resolved	Claims Outstanding	Repurchase Loss to Date
2004	$ 246.0	$ 0.3	$ 0.3	$ 0.1	$ 0.0
2005	216.4	1.9	1.3	0.6	0.2
2006	232.8	4.7	2.9	1.8	0.6
2007	312.7	8.8	5.6	3.2	1.4
2008	207.2	2.3	1.4	0.9	0.2
	$ 1,215.1	$ 18.0	$ 11.4	$ 6.6	$ 2.5

Data as of 9/30/2010

[1] Gross claims for unpaid principal balance, not an indication claims will be accepted, or a projection of loss

Representations and Warranties - Whole Loan Sales and Private Label Securities

- Exposure on **whole loans sold and private label securitizations**
  - More limited repurchase experience
  - Loans sold include:
    - Prime loans, including loans in excess of conforming loan limit (jumbos)
    - Alt-A
    - Pay-option
    - Home equity
    - Subprime
  - Representations and warranties to the GSEs include a global fraud and valuation representation. These types of representations were generally not given in private deals.
  - Counterparties must have ability to both assert a claim and prove a breach of representation and warranties that materially and adversely affects the interest of the investor or trust
  - Contractual representations and warranties on these deals are less rigorous than those given to GSEs
  - These deals had generally higher LTV ratios, lower FICOs and less loan documentation by program design and disclosure
  - Defaults observed have been driven by depreciation in home prices and general economic deterioration
  - From 2004-2008 approximately $750 B loans sold by legacy Countrywide and Bank of America
  - Roughly 40% have paid in full through 9/30/10
  - Received $3.9B repurchase claims through 9/30/10
    - Primarily relates to claims from whole loan investors as opposed to private label securitizations
    - Resolved $2.9 B as of 9/30/10
      - Rescinded $1.9 B claims
      - Approved $1.0B for repurchases with approximately $0.6 B in losses
    - $1.0 B claims remain outstanding but $0.5 B reviewed and declined to repurchase

Representations and Warranties - Securities Wrapped by Monolines

- Exposure on **private-label securities wrapped by monolines**
  - Limited repurchase claim experience with most monoline insurers
  - Contractual representations and warranties on these deals are less rigorous than those given to GSEs
  - Certain monoline insurers instituted litigation against the company limiting ability to resolve open claims
  - Approximately $160 B loans sold into monoline-wrapped transactions
    - $73 B first-lien mortgages; approximately one-third paid in full
    - $87 B second-lien mortgages; approximately 60% paid in full
  - Received $4.8B claims for repurchase through 9/30/10
    - $2.7 B claims have been reviewed and determined to have no basis for repurchase
    - $1.5 B outstanding and under review
    - Approved $.6 B for repurchases

Representations and Warranties - Whole Loan Sales and Private Label Securities

- Exposure on **deals sold through legacy Merrill Lynch / First Franklin**
  - Approximately $110 billion of loans sold by legacy Merrill Lynch / First Franklin
    - Less than 50% remain outstanding
      - Certain of these loans were prime loans to affluent clients
    - Roughly $800 million outstanding claims with less than $200 million in the process of review
      - More than $600 million have been declined for repurchase

Premier Consumer Banking Franchise

Our Value Proposition: Help Customers Feel in Control of their Finances

- Easy-to-use, clear and straightforward banking
- Friendly and knowledgeable associates in your community
- Security

- Ubiquity and accessibility
- Reliable products and services

Market Position

- #1 U.S. deposit market share
- #1 Online bank
- #1 Mobile bank
- #1 Debit cards
- #2 U.S. Credit cards
- #1 Europe credit cards
- #4 Canada credit cards
- #1 Affinity cards
- #2 Home equity
- #2 First mortgage
- #6 Brokerage assets

National Franchise

- Additionally, maintain competitive strength in credit cards in Canada, UK, Ireland

Integrated Business Model

CUSTOMER SEGMENTS

- Mass Market
- Mass Affluent
- Small Business
- Affinity

CHANNELS

- E-Commerce & Mobile
- ATM
- Banking Centers/ Retail
- Affinity Partners
- Call Centers
- Specialized Sales

PRODUCTS

- Deposits
- Small Business Products
- Home Loans & Insurance
- Affinity
- Credit Card & Unsecured Lending
- Investments/ Retirement

Transforming Consumer Banking Model

	Pre-2010	Transitioning To
Customer Engagement Model	• Unit sales focused • Primary focus on new account generation • One size fits all service model • Product-driven analytics	• Focus is on relationship deepening • Focus is based on quality and primary account position • Differentiated service model • Relationship-based analytics • Focus on providing customers clarity , choice and control in their relationship
Revenue / Profit Model	• Complex pricing – Back-end fees (late fees, overdraft, etc.) – Card repricing • Primary focus on new account generation • High volume sales drove account churn and requisite costs	• Transparent pricing • All customers to pay fair price for value received • Multi-channel needs-based service model • Focus on matching cost structure with customer preference and revenue

Core Fundamentals Improving

- Consistent earnings across quarters in 2010 thus far
- Significant improvement in financial condition
- Continued improvement in credit quality
- Making progress on core franchise
- Addressing key investor concerns

Consistent Earnings Trends in 2010

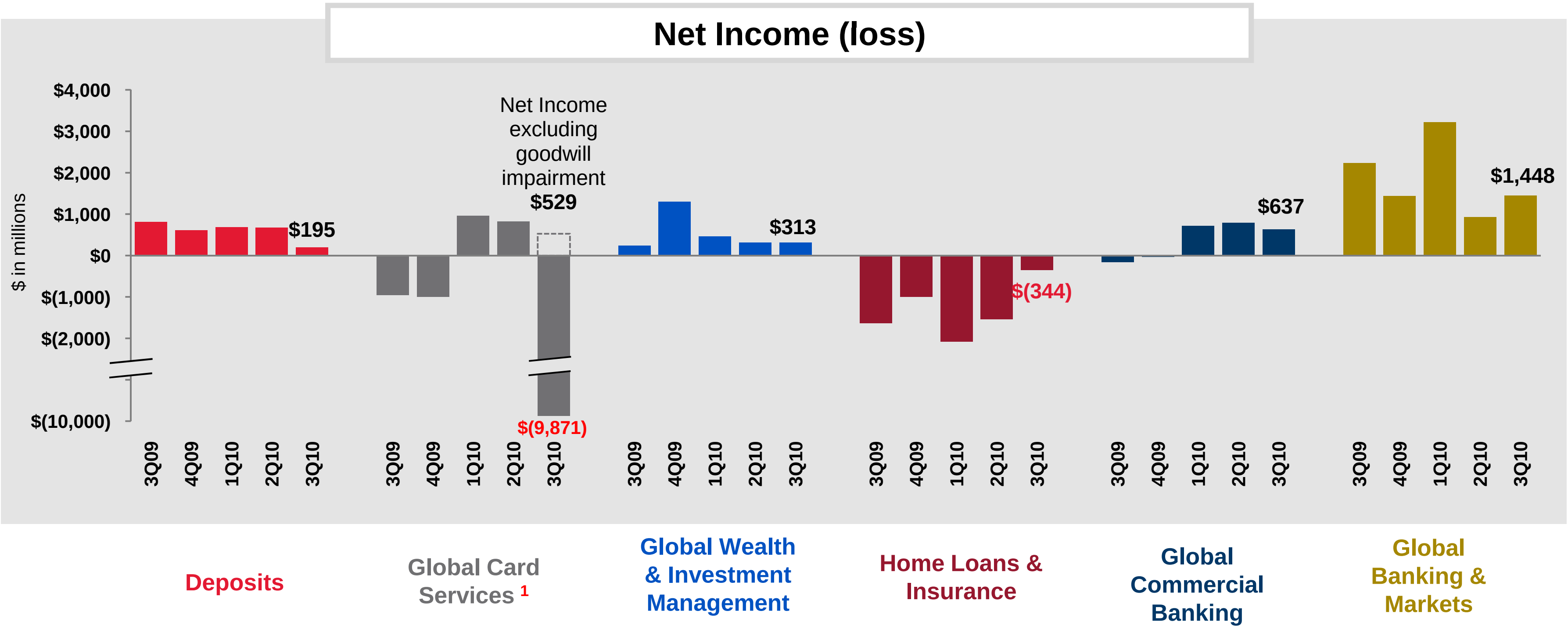
($ in billions, except per share amounts)	3Q10	2Q10	1Q10	4Q09 [1]	3Q09 [1]
Net interest income (FTE)	**$ 12.7**	$ 13.2	$ 14.1	$ 14.4	$ 14.3
Noninterest income	**14.3**	16.3	18.2	13.9	15.4
Total revenue, net of interest expense (FTE)	**27.0**	29.5	32.3	28.3	29.7
Total noninterest expense	**27.2**	17.3	17.8	16.4	16.3
Provision for credit losses	**5.4**	8.1	9.8	13.0	15.0
Income (loss) before income taxes	**(5.6)**	4.1	4.7	(1.1)	(1.6)
Income tax expense (benefit) FTE	**1.7**	1.0	1.5	(0.9)	(0.6)
Net income (loss)	**$ (7.3)**	**$ 3.1**	**$ 3.2**	**$ (0.2)**	**$ (1.0)**
Diluted EPS	**$ (0.77)**	**$ 0.27**	**$ 0.28**	**$ (0.60)**	**$ (0.26)**

Excluding Non-cash Goodwill Impairment Charge

($ in billions, except per share amounts)	3Q10	2Q10	1Q10	4Q09 [1]	3Q09 [1]
Net interest income (FTE)	**$ 12.7**	$ 13.2	$ 14.1	$ 14.4	$ 14.3
Noninterest income	**14.3**	16.3	18.2	13.9	15.4
Total revenue, net of interest expense (FTE)	**27.0**	29.5	32.3	28.3	29.7
Total noninterest expense	**16.8**	17.3	17.8	16.4	16.3
Provision for credit losses	**5.4**	8.1	9.8	13.0	15.0
Income (loss) before income taxes	**4.8**	4.1	4.7	(1.1)	(1.6)
Income tax expense (benefit) FTE	**1.7**	1.0	1.5	(0.9)	(0.6)
Net income (loss)	**$ 3.1**	**$ 3.1**	**$ 3.2**	**$ (0.2)**	**$ (1.0)**
Diluted EPS	**$ 0.27**	**$ 0.27**	**$ 0.28**	**$ (0.60)**	**$ (0.26)**

[1] Periods prior to January 1, 2010 are presented on a managed basis and assumes that credit card loans that were securitized were not sold and presented earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) were presented.

5 of 6 Segments Generating Profitability



[1] Periods prior to January 1, 2010 are presented on a managed basis and assumes that credit card loans that were securitized were not sold and presented earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) were presented.

[2] Fully taxable-equivalent basis.

Solid Improvement in Asset Quality

($ in billions)

	3Q10	3Q09 [1]	Change Inc. (Decr) Amt	Change Inc. (Decr) %
Loans (end of period)	$ 933.9	$ 1,008.6	$ (74.7)	-7%
30+ performing delinquencies [2]	**19.9**	**29.0**	**(9.1)**	**-31%**
Consumer	18.0	25.5	(7.5)	-29%
Commercial	1.9	3.5	(1.6)	-46%
Net charge-offs	**7.2**	**12.9**	**(5.7)**	**-44%**
Consumer	6.1	10.3	(4.2)	-41%
Commercial	1.1	2.6	(1.5)	-59%
Provision expense	5.4	15.0	(9.6)	-64%
Nonperforming assets	34.6	33.8	0.7	2%
Allowance for loans and leases [3]	43.6	35.8	7.7	22%
Coverage of:				
Annualized net charge-offs	1.53 x	0.94 x		
Loans and leases	4.69%	3.95%		
Nonperforming loans	135%	112%		

[1] 3Q09 reported on a managed basis

[2] Excludes FHA insured

[3] 3Q09 Allowance coverage based on GAAP basis

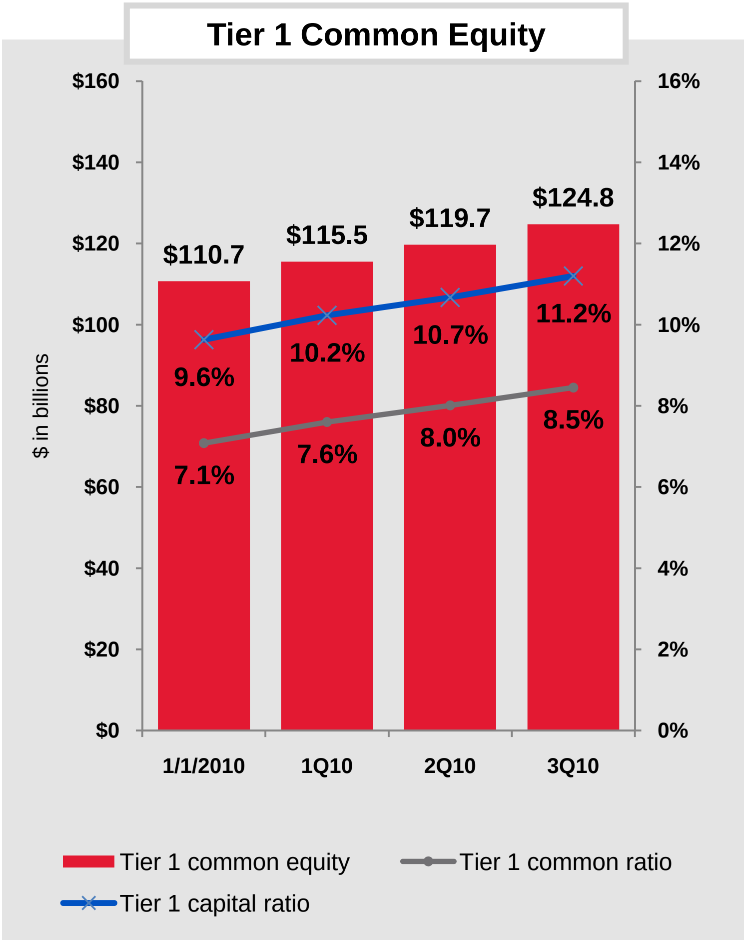
Improvement in Financial Condition

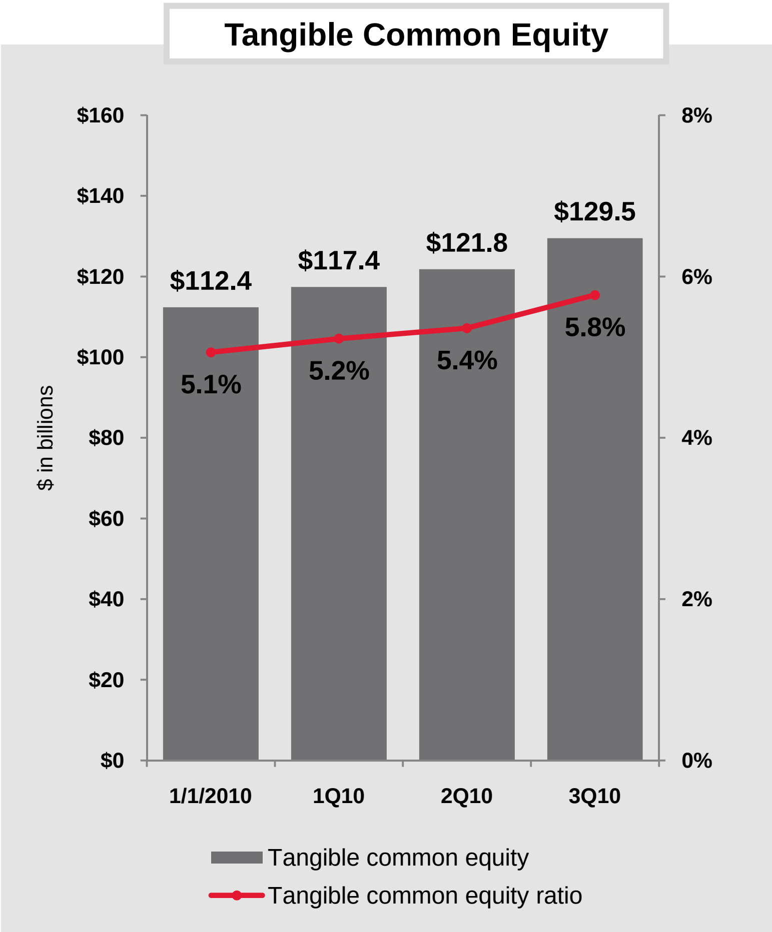
($ in billions)

	September 30, 2010	January 1, 2010 [1]	Change from 1/1/10
Total assets	$ 2,327.8	$ 2,323.7	$ 4.1
Total risk-weighted assets	1,476.8	1,563.6	(86.8)
Total deposits	977.3	991.6	(14.3)
Long-term debt	478.9	522.9	(44.0)
Tangible common equity	129.5	112.4	17.1
Tier 1 common equity	124.8	110.7	14.1
Global excess liquidity sources	324	214	110
Tier 1 common equity ratio	8.45 %	7.08 %	137 bps
Tangible book value per share	$ 12.91	$ 11.31	$ 1.60

[1] Reflects the 12/31/09 information adjusted to include 1/1/10 adoption of FAS 166/167 as reported in our SEC filings.

Strong Capital Measures [1]





[1] Capital measures reflect the implementation of FAS 166/167 on January 1, 2010 for comparative purposes

Building From a Fortress Balance Sheet

- Significant recent progress – capital and reserves
- Through-the-cycle concept
- We believe we are well-positioned to address Basel
- Balance sheet <u>closed</u> to non-customer activities
- Significant liquidity; protect core deposit franchise
- Structural challenges remain – long-term debt, non-productive assets
- Capital ratios solid, but at low end of peers (gap closing)

Disciplined Management of Excess Capital

- Current Tier 1 common ratio of 8.45% and tangible common equity ratio of 5.77% are in company target ranges of 8.50%-9.0% and 5.5%-6.0% respectively
- Expect to maintain Tier 1 common ratio above Basel III requirements at all periods
- Anticipate that any future excess capital will be managed as follows
  - Building to a 30% dividend payout ratio on trailing earnings
    - Subject to approval by Board of Directors
    - Would equate to a 3% dividend yield for a 10x P/E
  - Utilize remaining excess capital for share repurchases or special dividends
- No acquisitions

Expectations to Deliver for Shareholders

Near-Term Expectations

- ✓ Lower credit costs helping to offset weak revenue growth
- ✓ Financial crisis costs to remain at elevated levels
- ✓ Continued asset sales to focus on core customer activities
- ✓ Flat/down balance sheet
- ✓ Rising capital ratios
- ✓ Significant tangible book value growth

Long-Term Goals

- ✓ Revenue Growth: 100 basis points in excess of US GDP
- ✓ Expenses: Lag revenue growth by 100-200bps creating leverage
- ✓ Efficiency Ratio: 55-60%
- ✓ Disciplined management of excess capital generation
- ✓ Total Annual Shareholder Return: 10%+ through earnings and capital management
- ✓ Return on equity goal in the low teens (GAAP), Return on tangible equity 15%+
- ✓ Return on assets above 1% minimum
- ✓ **Do it over and over and over…**

Bank of America