PILLAR 3 REMUNERATION DISCLOSURES – As at 31st December 2010

European Union Capital Requirements Directive III

These disclosures relate to identified staff in Bank of America entities located in the European Union ("EU") as defined in the Guidelines on Remuneration Policies issued by the Committee of European Banking Supervisors ("CEBS") (now the European Banking Authority ("EBA")) and equivalent designations used by regulators in individual member states of the EU.

EU Pillar III Public Disclosures for Performance Year 2010

Introduction

The following information sets forth the qualitative disclosures required under Directive 2006/48/EU (as amended by Directive 2010/76/EU) (CRD III) at paragraphs (a) to (e) of Point 15, Annex XII, Part 2 regarding the incentive compensation programs operated in performance year 2010 by Bank of America Corporation ("Bank of America" or "the Company"). The quantitative disclosures required under paragraphs (f) and (g) of Point 15, Annex XII, Part 2 of Directive 2006/48/EU in respect of countries within the European Union (the "EU") in which Bank of America operates appear after this section.

The disclosures relate to Identified Staff, as defined in the Guidelines on Remuneration Policies and Practices issued by the Committee of European Banking Supervisors ("CEBS") (now the European Banking Authority ("EBA")) and equivalent designations used by the regulators in individual Member States of the EU.

The following three key principles are used so the Company's incentive compensation plans do not encourage imprudent risk-taking:

1. Incentive compensation plans should be designed to appropriately balance risk and financial results.

2. The Company's risk-management processes and internal controls should reinforce and support the development and governance of balanced incentive compensation plans.

3. The Company should have a strong corporate governance approach to incentive compensation plans, with oversight, review and responsibility for compensation decision-making allocated to the appropriate level of the Company's structure so the most relevant level of management makes compensation decisions on the basis of appropriate oversight and appropriate input from the Company's Independent Control Functions (i.e., Risk, Compliance, Legal, Finance, Audit and Global Human Resources).

These principles work in conjunction with broader policies, including the Company's overall commitment to pay-for-performance, which are reflected in Bank of America's disclosed global compensation principles and its remuneration policies and risk management procedures.

Governance and the decision-making process for determining the remuneration policy

The Company applies its compensation policies on a global basis and has four primary levels for the governance of incentive compensation plans (together the "Compensation Committees"):

(i) the Board of Directors (the "Board"),

(ii) the Director Compensation and Benefits Committee (the "Committee"), which is wholly made up of independent directors and functions as the Company's global Remuneration Committee,

(iii) the Management Compensation Committee, and

(iv) a Line of Business Compensation Committee for each of the Company's lines of business.

In 2010, the Committee approved and adopted the Bank of America Compensation Governance Policy which sets out the global policy of the Company for the design and governance of its incentive compensation programs in the context of the Company's risk management practices and procedures.

Bank of America's compensation governance structure allocates oversight of incentive compensation programs to the appropriate level within the Company so the most relevant level of management or the Board, as applicable, makes compensation decisions, with documented input from the Company's Independent Control Functions. The appropriate level of compensation committee reviews and evaluates employee compensation programs periodically in order to assess any risk posed by the programs so they do not encourage excessive risk-taking. In addition, the Committee is responsible for reviewing senior executive officer compensation programs.

The Company's Independent Control Functions provide input for all compensation committees and provide direct feedback to the Committee on the operation of the Company's compensation programs. The Committee also holds regular periodic meetings with senior risk officers, including the Chief Risk Officer, to review and evaluate employee compensation programs and assess any risk posed by the programs so the programs appropriately balance risks and rewards in a manner that does not encourage imprudent risk-taking and are otherwise consistent with the Company's Compensation Governance Policy.

The link between pay and performance

The cornerstone of Bank of America's compensation philosophy across all lines of business is to pay-for-performance – Company, line of business and individual performance. Through the Company's Performance Management process, employees understand performance expectations for their role through conversations with their manager. The Performance Management process is designed and monitored by the Leadership Development function in Global Human Resources. This process is reviewed periodically so it meets the needs of managers to assess and communicate performance expectations. Throughout the year, employees receive coaching on their performance and ultimately receive a rating for their full year of performance based upon their achievement of goals for their job.

Each employee's performance is assessed on financial and non-financial metrics as well as specific behaviors and performance is factored into each employee's incentive compensation award. Depending on the employee, financial performance metrics may be focused on corporate-wide, line of business, or product results. Non-financial performance metrics may include quality and sustainability of earnings, successful implementation of strategic initiatives, adherence to risk and compliance policies, and other core values and operating principles of the Company.

Employees receive two ratings – a Result rating (based on objective metrics) and a Behavior rating (based on subjective metrics such as leadership, teamwork, etc.). The scale for both ratings is Exceeds Expectations, Meets Expectations, and Does Not Meet Expectations. Both the Results and Behavior ratings are used in determining employees' compensation. As a result, an employee's compensation can be influenced not only by what they achieve, but how they achieve it and employees may receive no variable award if performance is not sufficiently strong.

The Company's pay-for-performance program also requires that all employees complete annual mandatory risk and compliance training. Failure to complete the training can impact an individual employee's compensation.

Incentive Plans

The Company's incentive plans are designed to compensate employees based on their performance ratings for results against their individual performance plan and behaviors, as well as overall Company and line of business performance. The levels of funding approved for and compensation awarded from the incentive plan bonus pools are benchmarked regularly with an independent consultant.

Incentive plan bonus pools are based on profit measures, which inherently recognize certain underlying risk factors and are further adjusted to reflect the use of capital associated with individual lines of business or products and/or the quality and sustainability of earnings over time. The determination of incentive plan bonus pools is also subject to management discretion which operates so proper account is taken of the performance of the overall Company, individual lines of business, products and other factors including the achievement of strategic objectives.

Incentive plan bonus pools may be adjusted to reflect long-term risk arising through line of business and product performance. The overall incentive plan bonus pool, once determined, is split across different functions but is ultimately subject to management discretion. The pool is tied to the overall performance of Bank of America and/or specific lines of business or products, creating a vested interest in profitable performance across the Company and its businesses.

Long-term risk is also taken into account and managed in connection with the Company's incentive compensation programs through arrangements permitting performance adjustment of deferred variable compensation. Employees in positions where the greatest risk is being taken are subject to higher levels of deferral and potential performance adjustments.

Employee Pay

Bank of America compensates its employees using a balanced mix of base salary, annual cash incentives and long-term incentives (which are delivered in equity or cash). In general, the higher an employee's management level or amount of incentive compensation award, the greater the proportion of incentive compensation should be (i) subject to deferral and (ii) delivered in the form of equity compensation. The Company believes equity awards are the simplest, most direct way to align employee interests with those of its stockholders. A significant portion of incentive awards is provided as a long-term incentive that generally becomes earned and payable over a period of three years after grant subject to performance adjustment (i.e., cancellation) in case of detrimental conduct or (for certain risk-takers) failure of the Company, line of business or product (as applicable) to remain profitable during the vesting period. This approach serves two key objectives, which are to focus employees on long-term sustainable results and to subject compensation awards to risk over an appropriate time horizon that can be easily communicated and understood.

Identified Staff Pay

Variable pay for Identified Staff for performance year 2010 consisted of a mixture of upfront payments and deferred payments. Upfront payments were delivered 50% in cash and 50% in immediately vested stock subject to a six month holding period. Deferred payments for Identified Staff (Code Staff) in the U.K. were delivered in the form of long-term equity awards which become earned and payable over a period of three years after grant, with each tranche being subject to a further six month holding period following vesting. For Identified Staff outside the U.K. deferred payments were delivered 50% in equity and 50% in long term cash awards, which become earned and payable over a period of three years after grant. The equity portion of all deferred payments is subject to a further six month holding period following vesting. Deferred awards are subject to cancellation in the case of detrimental conduct or failure of the Company, line of business or product, as applicable, to remain profitable during the vesting period. If risks taken as part of approved business strategies do not result in sustainable profits, or if the employee fails to behave according to Company standards, the value of the long-term equity award may be impacted. The deferral rates for Identified Staff ranged from a low of 40% to a high of 60%. The recommendations for performance year 2010 incentive awards for Identified Staff were reviewed on a name by name basis by the Committee at its meeting in January 2011.

By combining long-term awards with performance-based and detrimental conduct clawbacks, the Company considers that it places a strong focus on sustainable long-term results and appropriate behaviors.

Disclosure Tables - UK

The following disclosure tables contain the information required under paragraphs (f) and (g) of Point 15, Annex XII, Part 2 of Directive 2006/48/EU as implemented by the FSA's Handbook for banks, building societies and investment firms ("BIPRU") 11.5.18 (6) and (7). Disclosures in respect of the information required under BIPRU 11.5.18 (1) to (5) are set out above.

Code Staff for the purposes of the FSA's Remuneration Code include senior management, employees carrying out significant influence functions and employees whose activities may have a material impact on the risk profile of the Company or their local employing entity.

Breakdown of remuneration of staff by line of business – Code Staff only (performance year 2010) – all data is shown in £000's

Line of Business	Total Remuneration
GBAM	£203,031
GWIM	£3,061
Other	£11,787

Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose action have a material impact on the risk profile of the Company or local employing entity (performance year 2010)

Category	Senior Management (£000's)	Other Code Staff (£000's)
Amounts of remuneration		
Fixed Remuneration	£5,090	£16,578
Variable Remuneration	£58,905	£136,791
No of Staff	20	74
Types of Variable remuneration		
Upfront cash (paid February 2011)	£11,981	£27,717
Special Equity (upfront stock released August 2011)	£11,981	£27,717
Long term stock awards	£34,942	£81,358
	£58,905	**£136,791**
Deferred remuneration		
Amount unvested at 1 January 2010	£49,689	£42,095
Amount awarded in 2010	£27,179	£75,614
Amount vesting in 2010	£20,532	£14,587
Amount unvested at 31 December 2010	£56,336	£103,123
Amounts awarded in February 2011	£34,942	£81,358
Amounts reduced by performance clawback	£0	£0

Category	Senior Management (£000's)	Other Code Staff (£000's)
New Sign on and severance payments		
Total sign on payments made	£900	£21,187
Number of payees	1	7
Total severance payments	£0	£0
Number of payees	0	0
Highest single severance payment	£0	£0

Notes
Categories as per FSA submission for consistency
FX Rate - Frozen rate of 1.5401612
Stock price used for Deferred Remuneration calculations is Feb 2010 award price of $14.45
Stock price for February 2011 grant was $14.58

Disclosure - EU countries outside the UK

This section contains the disclosures required under paragraphs (f) and (g) of Point 15, Annex XII, Part 2 of Directive 2006/48/EU in respect of Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Poland and Spain.

Point 15, Annex XII, Part 2 of Directive 2006/48/EU states that the disclosure requirements in CRD III must be complied with in a manner that is appropriate to the size, nature, internal organization and the nature scope and complexity of the activities of a credit institution and without prejudice to Directive 95/46/EC (the "EU Data Protection Directive").

Bank of America has carried out a review of its remuneration policies, which has included determining where Identified Staff are located. The criteria used by the Company to assess Identified Staff (and equivalent designations outside the EU) on a global basis are based on the Financial Stability Board's Principles and Implementation Standards and CRD III.

The Company considers that it applies its remuneration policies (including the determination of Identified Staff) in a way that is appropriate to the size, internal organization and the nature, scope and complexity of its activities in all the countries in which it operates and has determined that, as the scope of the activities of employees in the countries listed above is relatively limited, each country has only a very small number of Identified Staff (if any).

Any disclosure of information in respect of the compensation received by a very small number of Identified Staff in any individual country may permit those employees to be easily identified.
Any disclosure would therefore carry a material risk of disclosing the compensation of individuals to the public, thereby prejudicing their legitimate interests and would be contrary to the EU Data Protection Directive and/or applicable local law. The Company is therefore unable to make more detailed quantitative disclosures in respect of the countries listed above.