Bank of America

4Q09 Earnings Results

January 20, 2010

Bank of America

Forward Looking Statements

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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
- 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

Highlights

- 4Q09 net loss of $194 million bringing full year net income to $6.3 billion
- 4Q09 diluted EPS of $(0.60) after preferred dividends of $1.0 billion and $4.0 billion negative impact associated with TARP repayment. Full year diluted EPS after preferred dividends of $(0.29)
- Finished 2009 with strong capital and liquidity
  - Tier 1 capital ratio of 10.40%, compared to well-capitalized standard of 6.00%
  - Tier 1 common ratio of 7.81%, up from 7.25% at 3Q09 and 4.8% at 4Q08
  - Allowance for credit losses of nearly $39 billion, increased roughly $15 billion in 2009
  - Cash and cash equivalents are $121.3 billion, a decrease of $31.1 billion from 3Q09 due principally to repayment of TARP preferred stock
- Total Corporate average deposits grew nicely again for the fourth quarter in a row, up $5.9 billion over 3Q09, despite a substantial drop of $15 billion in wholesale funding
  - Average retail deposits increased nearly $12 billion (excluding expected decline in higher-yielding Countrywide deposits), more than 1.8% over 3Q09
    - Sales through financial advisors were particularly strong
  - Commercial deposits grew nearly $15 billion or 7% over 3Q09 as clients maintain high liquidity positions
- Net interest income showed slight improvement due to fewer interest reversals on credit card, improved hedging performance and deposit growth
- Net revenue declined compared to 3Q09 as lower trading results and fewer gains on sales of debt securities were partially offset by higher investment banking income, equity investment gains, mortgage banking income and card income
- Noninterest expense was essentially flat compared to 3Q09, as increased professional fees were offset by the absence of a 3Q09 fee to terminate the asset guarantee term sheet
- Provision expense of $10.1 billion, down $1.6 billion from 3Q09. Managed credit costs of $13.0 billion fell $2.0 billion.
  - Net charge-offs decreased $1.2 billion or 13% - the first quarter of decrease since 1Q06
  - Losses on a managed basis decreased $1.6 billion or 12% to $11.3 billion
  - Provision in excess of charge-offs in 4Q09 was $1.7 billion, down approximately $400 million from 3Q09
    - Consumer reserves included lower reserve additions on Countrywide purchased impaired loans and an increase in reserve coverage to 12 months on credit card
    - Commercial reserve additions were lower in 4Q09 driven by improvements in small business
  - Nonperforming assets rose $1.9 billion or 6% in 4Q09 compared to $2.8 billion or 9% during 3Q09
    - Reservable criticized exposure declined for the first time since 4Q06

Consolidated Results – 4Q and FY 2009

($ in millions, FTE basis)

	4Q 2009			Full Year 2009	
		Increase (decrease) over			Increase (decrease)
	4Q09	3Q09	4Q08	**FY09**	over 2008
Net interest income	**$ 11,896**	$ 143	$ (1,510)	**$ 48,410**	$ 1,856
Noninterest income	**13,517**	(1,095)	10,943	**72,534**	45,112
Total revenue, net of interest expense	**25,413**	(952)	9,433	**120,944**	46,968
Provision for credit losses	**10,110**	(1,595)	1,575	**48,570**	21,745
Noninterest expense	**16,385**	79	5,438	**66,713**	25,184
Pre-tax income (loss)	**(1,082)**	564	2,420	**5,661**	39
Income tax benefit	**(888)**	(243)	825	**(615)**	(2,229)
Net income (loss)	**$ (194)**	$ 807	$ 1,595	**$ 6,276**	$ 2,268
Preferred stock dividends [1]	**5,002**	3,762	4,399	**8,480**	7,028
Net (loss) applicable to common shareholders	**$ (5,196)**	$ (2,955)	$ (2,804)	**$ (2,204)**	$ (4,760)
Diluted EPS (loss)	**$ (0.60)**	$ (0.34)	$ (0.12)	**$ (0.29)**	$ (0.83)

[1] Includes $.7 billion TARP dividends and $4.0 billion of accelerated accretion from repayment in the fourth quarter of 2009 of preferred stock issued to the U.S. Treasury.

n/m = not meaningful

Baseline 4Q09 Earnings

($ in millions, FTE basis)

	4Q09 Reported	Adj for large items	***Managed*** Card Adjs. [2]	Adjusted 4Q09 Earnings
Net interest income	11,896		2,226	14,122
Noninterest income	13,517	1,494	700	15,711
Total revenue	25,413	1,494	2,926	29,833
Noninterest expense	16,385	-		16,385
Pre tax pre-provision earnings	9,028	1,494	2,926	13,448
Provision expense	10,110 [1]		2,926	13,036
Pre-tax income (loss)	(1,082)	1,494	-	412

Large items in 4Q09

FVO impact mostly on Merrill Lynch structured notes	(1,582)
Gain from BlackRock valuation	1,140
Marks on legacy assets	(1,052)
Revenue impact	(1,494)

[1] Included $17 billion reserve addition in 4Q09

[2] A non-GAAP adjustment is made to present results on a managed basis for credit card securitizations. Management believes these adjustments facilitate a more complete understanding of actual results, especially in light of adoption of SFAS 166/167 on 1/01/2010 which will bring these credit card receivables back on the balance sheet.

Baseline 2009 Earnings

($ in millions, FTE basis)

	2009 Reported	Adj for large items	***Managed*** Card Adjs. [2]	Adjusted 2009 Earnings
Net interest income	48,410		9,250	57,660
Noninterest income	72,534	(3,504)	2,149	71,179
Total revenue	120,944	(3,504)	11,399	128,839
Noninterest expense	66,713	(1,185)		65,528
Pre tax pre-provision earnings	54,231	(2,319)	11,399	63,311
Provision expense	48,570 [1]		11,399	59,969
Pre-tax earnings (loss)	5,661	(2,319)	-	3,342

Large items in 2009	
Gain on partial sale of CCB investment	7,277
Gain on sale of merchant banking to JV	3,770
FVO impact on Merrill Lynch structured notes	(4,891)
Gain from BlackRock valuation	1,140
Marks on legacy assets	(3,792)
Revenue impact	3,504
FDIC special assessment	760
Asset Wrap termination cost	425
Expense impact	1,185

[1] Included $14.9 billion reserve addition in 2009

[2] A non-GAAP adjustment is made to present results on a managed basis for credit card securitizations. Management believes these adjustments facilitate a more complete understanding of actual results, especially in light of adoption of SFAS 166/167 on 1/01/2010 which will bring these credit card receivables back on the balance sheet.

Deposits Results – 4Q and FY 2009

($ in millions)

	4Q09			Full Year 2009	
		Increase (decrease) over			Inc. (dec.)
	4Q09	3Q09	4Q08	2009	over 2008
Net interest income (FTE)	**$ 1,779**	$ 39	$ (1,192)	**$ 7,160**	$ (3,810)
Noninterest income	**1,669**	(257)	(17)	**6,848**	(22)
Total revenue, net of interest expense (FTE)	**3,448**	(218)	(1,209)	**14,008**	(3,832)
Noninterest expense	**2,374**	38	159	**9,693**	910
Pre-tax pre-provision income	**$ 1,074**	$ (256)	$ (1,368)	**$ 4,315**	$ (4,742)
Provision for credit losses	**$ 91**	$ (11)	$ (16)	**$ 380**	$ (19)
Net income	**$ 595**	$ (203)	$ (968)	**$ 2,506**	$ (3,006)

- **Deposits net income decreased $203 million from 3Q09 driven by lower service charges**
- **Continued to drive deposit growth**
  - **Average total retail deposits[1] grew $8.6 billion or 1.3% from 3Q09 driven by continued strong performance within our affluent customer base served by the Merrill Lynch financial advisors**
  - **Within the Deposits segment, average balances declined $2.0 billion from 3Q09, due to the expected decline in the Countrywide portfolio**
- **Net interest income and noninterest expense remained relatively flat compared to 3Q09**
- **Noninterest income decreased $257 million from 3Q09 as a result of the new overdraft fee policies implemented in 4Q09, seasonality and economic impacts**

Key Stats	4Q09	3Q09
Consumer and small business relationships (in MMs) [2]	59	53
Online banking customers (in MMs) [3]	29.6	29.2
Banking stores	6,011	6,008
ATMs (branded)	18,262	18,254
States in footprint	32	32

[1] Retail deposits include GWIM deposits, certain deposits from Global Banking and All Other
[2] 4Q09 includes 6 million relationships related to Merrill Lynch, Countrywide and other adjustments
[3] Adjusted to exclude certain Countrywide online activities

Continued Momentum Growing Retail Deposits[1]

(Average $ in billions)

	4Q09	3Q09	2Q09	1Q09	4Q08	4Q09 vs 3Q09	4Q09 vs 4Q08
Checking	$ 289.5	$ 276.8	$ 265.7	$ 256.5	$ 186.0	4.6%	55.6%
Savings	33.3	33.7	34.1	32.1	31.2	-1.2%	6.7%
MMS	165.8	147.9	139.3	139.1	142.4	12.1%	16.4%
CD / IRA	189.1	210.7	226.6	233.8	228.2	-10.3%	-17.1%
Total	$ 677.7	$ 669.1	$ 665.7	$ 661.5	$ 587.8	1.3%	15.3%

- **Average retail deposits grew $8.6 billion or 1.3% compared to 3Q09. Excluding the expected runoff of higher-yielding Countrywide deposits, average retail deposits grew $11.9 billion or 1.8%**
- **Momentum in our affluent customer base continues to benefit from Merrill Lynch financial advisors providing customers an expanded product suite**
- **Balances with our mass affluent customers across the franchise continue to grow and more than offset a small decline in balances with our mass market customers as they appear to focus on debt repayment**
- **Retail balance mix continues to shift toward higher margin liquid products with checking products now representing 43% of retail balances**
- **Money market balances grew as promotional CD terms expired and customers elected liquidity**

[1] Retail deposits include GWIM deposits, certain deposits from Global Banking and All Other

Global Card Services Results[1] – 4Q and FY 2009

	4Q09	Increase (decrease) over 3Q09	Increase (decrease) over 4Q08	2009	Inc. (dec.) over 2008
Net interest income (FTE)	**$ 4,953**	$ (42)	$ (357)	**$ 20,264**	$ 675
Noninterest income	**2,208**	(124)	(500)	**9,078**	(2,553)
Total revenue, net of interest expense (FTE)	**7,161**	(166)	(857)	**29,342**	(1,878)
Noninterest expense	**1,936**	(33)	(243)	**7,961**	(1,199)
Pre-tax pre-provision income	**5,225**	$ (133)	$ (614)	**$ 21,381**	$ (679)
Provision for credit losses	**$ 6,924**	$ (51)	$ 1,073	**$ 30,081**	$ 9,917
Net loss	**$ (1,028)**	$ 8	$ (1,019)	**$ (5,555)**	$ (6,789)

- **Global Card Services recorded a net loss of $1.0 billion, flat to 3Q09, as lower total revenue was partially offset by lower provision and noninterest expense**
  - **4Q09 provision expense included an increase of $800 million increasing reserve coverage on consumer credit cards to 12 months**
- **Ending loans of $201 billion are down approximately 3% from 3Q09 and 14% from 4Q08, primarily as a result of charge-offs and lower cash volumes**
- **Total retail volume increased 4% from 3Q09 and 2% compared to 4Q08**
  - **Retail credit card volumes up 3% from 3Q09 and down 3% from 4Q08**
  - **Debit card volume up 4% from 3Q09 and 8% from 4Q08**
- **Credit costs declined as lower charge-offs of more than $900 million were mostly offset by additions to the reserves for increased coverage on consumer credit cards to 12 months**
  - **Early stage delinquency performance improved with overall linked quarter 30+ day dollars decreasing by $541 million in managed consumer card and $156 million in consumer lending**

Key Stats

($ in millions; accounts in thousands)	4Q09	3Q09
Managed Consumer Credit Card Data		
Gross interest yield	**11.3%**	**11.2%**
Risk adjusted margin	**1.5%**	**0.3%**
New account growth	**994**	**1,014**
Purchase volumes	**$ 54,875**	**$ 53,031**
Debit Card Data		
Debit purchase volumes	**$ 57,186**	**$ 54,764**

[1] Presented on a managed basis

Home Loans & Insurance Results – 4Q and FY 2009

($ in millions)	4Q09	Increase (decrease) over 3Q09	Increase (decrease) over 4Q08	Full Year 2009	Inc. (dec.) over 2008
	4Q09			**2009**	
Net interest income (FTE)	**$ 1,275**	$ (34)	$ 269	**$ 4,974**	$ 1,663
Noninterest income	**2,518**	416	271	**11,928**	5,929
Total revenue, net of interest expense (FTE)	**3,793**	382	540	**16,902**	7,592
Noninterest expense	**3,165**	123	413	**11,683**	4,721
Pre-tax pre-provision income	**$ 628**	$ 259	$ 127	**$ 5,219**	$ 2,871
Provision for credit losses[1]	**$ 2,249**	$ (647)	$ 626	**$ 11,244**	$ 4,957
Net loss	**$ (993)**	$ 639	$ (286)	**$ (3,838)**	$ (1,356)

- **Home Loans & Insurance recorded a net loss of $993 million in 4Q09 compared to a net loss of $1.6 billion in 3Q09 due to higher mortgage banking income and lower provision expense**
  - **Although still strong at $86.6 billion, first mortgage production fell 9% from 3Q09 driven by the slightly higher rate environment**
  - **Mortgage banking income increased $392 million from 3Q09**
    - **Servicing income increased $447 million compared to 3Q09 primarily due to better net MSR results**
    - **Production revenue declined $55 million as higher margins were more than offset by lower volumes and secondary market gains**
  - **Provision expense of $2.2 billion decreased $647 million from 3Q09**
    - **Net charge-offs were $1.5 billion and additions to reserves were $748 million**
    - **Net charge-offs decreased by $462 million from 3Q09 on flow through of improvements in delinquencies and the absence of 3Q09 charge-offs of $223 million due to an adjustment for the protracted nature of collections under some insurance contracts**
    - **Additions to reserves declined by $185 million from 3Q09**

Key Stats ($ in billions)	4Q09	3Q09
Total Corp Home Loan Originations		
First Mortgage	$ 86.6	$ 95.7
Home Equity	2.8	2.7
MSR, Ending Balance	$ 19.5	$ 17.5
Capitalized MSR, bps	113	102
Serviced for Others, EOP	$ 1,716	$ 1,726

[1] Provision expense in this segment represents home equity provisioning in HL&I as the majority of residential mortgages utilized by our Treasury group in managing the interest rate risk of the company are included in All Other

Home Loan Modification Efforts

- **Through HAMP (Home Affordable Modification Program) and non-HAMP government programs in 2009, Bank of America provided home ownership retention opportunities to more than 450,000 customers. In addition, 230,000 modifications were completed in 2008.**
  - **Bank of America has dedicated 15,000 associates to assisting customers with home ownership retention**
  - **Approximately 260,000 modifications completed in 2009 through rate modifications, rate extensions, payment extensions as well as principal reductions and forebearance.**
  - **Trial modifications of more than 200,000 loans started since initiation of MHA program**
    - **MHA qualifications reduce customer eligibility as requirements include owner occupancy, employment and debt to income ratio of 31%.**
    - **More than 60% of trial modifications have made 3 or more consecutive payments**
    - **More than 20,000 have completed the underwriting phase and are in final steps of a completed modification**
      - **Nearly 3,200 have converted to a completed modification**
    - **Still awaiting verification documents from customers to complete underwriting**
      - **Outreach efforts include phone, mail and door-to-door contacts to encourage customers to complete the modification program**

Global Wealth & Investment Management Results – 4Q and FY 2009

($ in millions)

	4Q09			Full Year 2009	
		Increase (decrease) over			Inc. (dec.)
	4Q09	3Q09	4Q08	**2009**	over 2008
Net interest income (FTE)	**$ 1,275**	$ (58)	$ (73)	**$ 5,564**	$ 767
Noninterest income	**4,233**	1,468	3,590	**12,559**	9,547
Total revenue, net of interest expense (FTE)	**5,508**	1,410	3,517	**18,123**	10,314
Noninterest expense	**3,330**	162	2,261	**13,077**	8,167
Pre-tax pre-provision income	**$ 2,178**	$ 1,248	$ 1,256	**$ 5,046**	$ 2,147
Provision for credit losses	**$ 54**	$ (461)	$ (98)	**$ 1,061**	$ 397
Net income	**$ 1,331**	$ 1,057	$ 816	**$ 2,539**	$ 1,111

- **GWIM reported net income of $1.3 billion, an increase of $1.1 billion from 3Q09**
  - **Noninterest income increased $1.5 billion from a $1.1 billion gain related to the change in Blackrock equity interest and strength in asset management and brokerage fees**
    - **Asset management fees driven by improving markets**
    - **Brokerage fees were driven higher by increased mutual fund sales and transactional activity**
    - **Cash support charges decreased approximately $135 million from 3Q09; Columbia's money market funds no longer have exposure to structured investment vehicles**
  - **Provision expense decreased $461 million due primarily to reserve reductions on home equity loans and the absence of a 3Q09 fraud credit loss**
  - **Noninterest expense increases were primarily revenue linked**
  - **Assets under management of $750 billion increased $10 billion from the end of September as the improvement in market valuations and positive flows generated by financial advisors were partially offset by outflows in the Columbia cash complex**
  - **Deposits increased $8 billion, or 4% over 3Q09, as financial advisor sales of interest checking and money market products were strong**
  - **Financial advisors have stabilized at roughly 15,000**

Global Banking Results – 4Q and FY 2009

($ in millions)	4Q09			Full Year 2009	
		Increase (decrease) over			Inc. (dec.)
	4Q09	3Q09	4Q08	**2009**	over 2008
Net interest income (FTE)	**$ 2,869**	$ 84	$ (245)	**$ 11,250**	$ 495
Noninterest income	**2,063**	177	1,118	**11,785**	5,744
Total revenue, net of interest expense (FTE)	**4,932**	261	873	**23,035**	6,239
Noninterest expense	**2,409**	151	1,230	**9,539**	2,855
Pre-tax pre-provision income	**$ 2,523**	$ 110	$ (357)	**$ 13,496**	$ 3,384
Provision for credit losses	**$ 2,063**	$ (277)	$ 661	**$ 8,835**	$ 5,705
Net income	**$ 264**	$ 224	$ (768)	**$ 2,969**	$ (1,503)

- **Global Banking net income increased $224 million compared to 3Q09 driven by higher total revenue and decreased provision expense offset by increased noninterest expense**
  - **Revenue increased $261 million compared to 3Q09**
    - **Investment banking income increased $464 million**
  - **Provision decreased $277 million compared to 3Q09 as asset quality improved outside of commercial real estate**
    - **Net charge-offs decreased $312 million driven by appraisal values and restructuring efforts**
    - **Reserve increase was consistent with 3Q09 at roughly $625 million, mainly for commercial real estate**
  - **Average loans decreased $11.3 billion and $33.6 billion compared to 3Q09 and 4Q08 as demand continued to soften and paydowns and charge-offs outpaced originations and renewals**
  - **Average deposits increased $14.7 billion, or 7%, compared to 3Q09 as clients remained very liquid; average deposits up $29.5 billion or 15% from 4Q08**

Investment Banking Income – 4Q and FY 2009

($ in millions)

	4Q09	Increase (decrease) over 3Q09	2009	Increase (decrease) over 2008
Advisory	**$ 360**	$ 174	**$ 1,167**	$ 621
Debt Issuance	**805**	85	**3,124**	1,585
Equity Issuance	**893**	487	**1,964**	1,340
Gross Fees	**2,058**	746	**6,255**	3,546
Other[1]	**(462)**	(404)	**(704)**	(258)
Total Investment Banking Income	**$ 1,596**	$ 342	**$ 5,551**	$ 3,288

- **Investment banking income in 4Q09 increased $342 million from 3Q09 driven by improved advisory and debt and equity issuances**
- **Bank of America Merrill Lynch ranked No. 2 in global and U.S. investment banking fees in 2009**
- **Bank of America Merrill Lynch rankings by market share:**
  - **#1 Leveraged loans – Global and US**
  - **#1 Mortgage-backed securities – Global and US**
  - **#2 Syndicated loans – Global and US**
  - **#2 High yield corporate debt – Global and US**
  - **#3 and #1 Common stock underwriting – Global and US**
  - **#3 Asset backed securities – Global and US**
  - **#3 Investment Grade Corporate Debt - US**
- **Lead advisor and/or underwriter in many well known deals announced during the quarter**

Source for rankings – Dealogic

[1] Includes the offset to fees paid on the Corporation's own transactions

Global Markets Results – 4Q and FY 2009

($ in millions)

	4Q09			Full Year 2009	
		Increase (decrease) over			Inc. (dec.)
	4Q09	3Q09	4Q08	**2009**	over 2008
Net interest income (FTE)	**$ 1,304**	$ (102)	$ (228)	**$ 6,120**	$ 969
Noninterest income	**2,139**	(2,226)	8,226	**14,506**	23,488
Total revenue, net of interest expense (FTE)	**3,443**	(2,328)	7,998	**20,626**	24,457
Noninterest expense	**2,078**	(250)	973	**10,042**	6,136
Pre-tax pre-provision income	**$ 1,365**	$ (2,078)	$ 7,025	**$ 10,584**	$ 18,321
Provision for credit losses	**$ 252**	$ 154	$ 239	**$ 400**	$ 450
Net income	**$ 1,184**	$ (971)	$ 4,837	**$ 7,177**	$ 12,093

- **Global Markets net income of $1.2 billion decreased $971 million from 3Q09**
  - **Investment banking fees held up well while trading revenues declined**
  - **Total Corporation marks against legacy (or pre-disruption) assets were $1.1 billion in 4Q09 compared to a positive $218 million in 3Q09 driven by commercial real estate related charges of roughly $850 million**
  - **Noninterest expense decreased $250 million compared to 3Q09 correlated with the decline in trading revenue**
  - **Total assets of $538 billion at period end declined $50 billion from 9/30/09**

Sales & Trading Revenue – 4Q and FY 2009

($ in millions)

	4Q09	(Decrease) over 3Q09	2009	Increase over 2008
Fixed Income, Currency and Commodities	**$ 1,269**	$ (2,716)	**$ 12,727**	$ 20,352
Equity Income	**949**	(316)	**4,901**	4,158
Total Sales & Trading	**$ 2,218**	$ (3,032)	**$ 17,628**	$ 24,510

- **Total Sales & Trading revenue of $2.2 billion for 4Q09 decreased $3.0 billion from 3Q09**
- **Marks on legacy assets increased $1.3 billion compared to 3Q09, a $1.1 billion charge in 4Q09 versus a $218 million gain in 3Q09**
- **Normalized for marks on legacy assets, Sales & Trading results of $3.3 billion were down roughly $1.8 billion driven by lower income on credit and structured products**
- **The credit valuation adjustment on derivative liabilities improved $527 million between quarters, a $186 million charge in 4Q09 versus a $713 million charge in 3Q09**

Key Capital Markets Risk Exposures – 4Q09

Super Senior CDO Related

- Total exposure reduced $1.3 billion to $3.6 billion at 12/31/09
  - Nearly 40% of exposure is hedged
  - 4Q09 markdown of $42 million excluding monoline insurance

Credit Default Swaps with Monoline Financial Guarantors

- Super senior CDO net MTM of receivable $960 million
  - 4Q09 writedowns of $123 million
- Other positions net MTM of receivable $4.1 billion
  - 4Q09 valuation gain of $55 million

Leveraged Loans

- Funded legacy commitments carried at $1.7 billion or 37% of gross value
  - Exposure decreased 29% from 3Q09
  - 4Q09 markdown of $61 million

Commercial Mortgage

- Total commitments carried at $5.3 billion with $5.1 billion funded
  - $4.2 billion of acquisition related large floating rate loan exposure at approximately 62% of gross value
  - 4Q09 markdown of $632 million primarily floating rate positions
  - 4Q09 writeoff of $214 million on equity positions from acquisition related exposures

All Other Results – 4Q and FY 2009

($ in millions)

	4Q09			Full Year 2009	
		Increase (decrease) over			Inc. (dec.)
	4Q09	3Q09	4Q08	**2009**	over 2008
Net interest income (FTE)	**$ (1,559)**	$ 256	$ 316	**$ (6,922)**	$ 1,097
Noninterest income	**(1,313)**	(549)	(1,745)	**5,830**	2,979
Total revenue, net of interest expense (FTE)	**(2,872)**	(293)	(1,429)	**(1,092)**	4,076
Noninterest expense	**1,093**	(112)	645	**4,718**	3,594
Pre-tax pre-provision for credit loss income (FTE)	**$ (3,965)**	$ (181)	$ (2,074)	**$ (5,810)**	$ 482
Provision for credit losses	**$ (1,523)**	$ (302)	$ (910)	**$ (3,431)**	$ 338
Net income (loss)	**$ (1,547)**	$ 53	$ (1,017)	**$ 478**	$ 1,718

- **All Other recorded a net loss of $1.5 billion in 4Q09 compared to a net loss of $1.6 billion in 3Q09 primarily as a result of the following:**
  - **Provision for credit losses, excluding the impact of securitizations, decreased primarily as a result of lower reserve additions on purchased impaired loans**
  - **Noninterest expense decreased by $112 million due to the absence of the fee to terminate the asset guarantee term sheet in 3Q09, partially offset by higher professional fees**
  - **$1.6 billion negative fair value credit adjustment on Merrill Lynch structured notes compared to $1.8 billion in 3Q09**

  Offset by
  - **Securities gains of $856 million in 4Q09 versus $1.4 billion in 3Q09**

Asset Quality

- Although global economies remain weak, stabilizing factors continue and net losses declined in almost every portfolio
- Consumer credit loss reductions reflected flow through of improved early stage delinquencies earlier in the year primarily in the unsecured lending portfolios with some stabilization in consumer real estate
- The impacts of the weak economy on commercial asset quality moderated somewhat in 4Q09
- Card managed losses declined and look to improve in 2010, but are expected to remain elevated
- Managed losses decreased $1.6 billion or 12% from 3Q09 to $11.3 billion
- Held net charge-offs decreased $1.2 billion, or 13% to $8.4 billion from 3Q09
- Although reserve additions continued, the addition was $1.7 billion in 4Q09 versus $2.1 billion in 3Q09
  - Reserve additions (in billions)
    - $ .8 - change to 12 month reserve coverage in card
    - $ .6 - commercial real estate
    - $ .6 - maturing card securitizations
    - $ .5 - purchased impaired CFC loans
    - $ .3 - consumer real estate
  - Reserve reductions (in billions)
    - $ .5 - consumer lending
    - $ .3 - small business
    - $ .3 - consumer credit card
    - $ .1 - dealer finance
- 30+ past due performing delinquencies increased as a result of repurchasing $9.7 billion of government guaranteed loans, of which $9.4 billion were 30+ delinquent
  - Excluding the repurchases, consumer 30+ past due performing delinquencies declined $710 million or 3% from 3Q09
- Nonperforming loans rose, but at a declining rate for the third consecutive quarter
- Reservable criticized exposure declined $1.4 billion marking the first decline since 4Q06

($ in millions)	4Q09			3Q09			Change from 3Q09		
	Consumer	Commercial	Total	Consumer	Commercial	Total	Consumer	Commercial	Total
Loan allowance	$ 27,785	$ 9,415	$ 37,200	$ 26,722	$ 9,110	$ 35,832	$ 1,063	$ 305	$ 1,368
Loans and leases [1]	577,564	317,628	895,192	578,256	329,813	908,069	(692)	(12,185)	(12,877)
Allowance to loans ratio	4.81%	2.96%	4.16%	4.62%	2.76%	3.95%	0.19%	0.20%	0.21%
Net charge-offs	$ 6,150	$ 2,271	$ 8,421	$ 6,992	$ 2,632	$ 9,624	$ (842)	$ (361)	$ (1,203)
Net charge-off ratio	4.24%	2.78%	3.71%	4.73%	3.09%	4.13%	-0.49%	-0.31%	-0.42%
Nonperforming loans	$ 20,839	$ 12,703	$ 33,542	$ 19,654	$ 12,260	$ 31,914	$ 1,185	$ 443	$ 1,628
Allowance to NPLs	133%	74%	111%	136%	74%	112%	-3%	0%	-1%

[1] Excludes loans measured at fair value

Provision Expense Highlights [1]

($ in billions)

	4Q09	3Q09	Inc. (Dec.)
Consumer			
Net charge-offs	$ 6.1	$ 7.0	$ (0.8)
"Core" reserve addition	0.8	0.1	0.7
Purchased impaired loan reserve addition	0.5	1.4	(0.9)
Consumer provision expense	7.4	8.5	(1.1)
Commercial			
Small business			
Net charge-offs	$ 0.7	$ 0.8	$ (0.1)
"Core" reserve reduction	(0.3)	(0.1)	(0.1)
Small business provision expense	0.4	0.7	(0.2)
Commercial and commercial real estate			
Net charge-offs	$ 1.6	$ 1.8	$ (0.2)
"Core" reserve addition	0.6	0.7	(0.1)
Commercial and CRE provision expense	2.2	2.6	(0.4)
Total Commercial provision expense	2.6	3.2	(0.6)
Reserve for unfunded loans	0.1	0.0	0.1
Total Corporation			
Net charge-offs	8.4	9.6	(1.2)
Reserve addition, net	1.7	2.1	(0.4)
Total provision expense	$ 10.1	$ 11.7	$ (1.6)
Securitized losses	2.9	3.3	(0.4)
Total managed credit costs	$ 13.0	$ 15.0	$ (2.0)

"Core" [2] consumer reserving in 4Q09 driven by increase in reserve coverage in consumer credit card to 12 months as well as reserves for maturing securitizations.

Driven by additional write-downs on Countrywide purchased impaired loans reflecting further deterioration as well as reassessments of modification benefits

"Core" commercial reserve addition reflects continued deterioration in non-homebuilder commercial real estate properties

[1] Amounts may not total due to rounding

[2] "Core" represents loans excluding purchased impaired loans

Consumer Credit Card Asset Quality

	Consumer Credit Card					
($ in mil, loans in bil)	**4Q09**	**4Q09 vs. 3Q09**	**3Q09**	**2Q09**	**1Q09**	**4Q08**
Loans EOP	**$160.8**	$ (3.7)	$164.5	$169.8	$173.4	$182.2
Net losses, managed	**4,867**	(610)	5,477	5,047	3,794	3,263
30+ past due	**11,560**	(541)	12,101	12,969	13,611	12,168
Net losses %	**11.9%**	(102) bps	12.9%	11.7%	8.6%	7.2%
30+ past due %	**7.2%**	(16) bps	7.4%	7.6%	7.9%	6.7%

Consumer Credit Card – Managed Basis [1]

- **Ending loans of $160.8 billion declined $3.7 billion or 2% from 3Q09 from charge-offs and higher payment rates partially offset by seasonal retail volume**
- **Net losses decreased $610 million to $4.9 billion and the loss ratio declined 102 basis points to 11.88%**
  - **U.S. credit card portfolio refreshed FICO of 693 while originated average FICO was 773 in 4Q09**
  - **California and Florida represent 24% of Domestic Card balances but 34% of managed losses**
- **30+ delinquencies decreased $541 million, or 16 basis points to 7.19% of loans**
- **90+ delinquencies increased $14 million, or 10 basis point to 3.86% of loans**

[1] Credit Card includes U.S., Europe and Canada consumer credit card

EOP = end of period

Consumer Nonperforming Asset Activity

($ in millions)	Consumer				
	4Q09	3Q09	2Q09	1Q09	4Q08
Beginning Balance NPLs	$ 19,654	$ 17,772	$ 14,592	$ 9,888	$ 6,822
Additions	6,521	6,696	7,076	7,718	5,283
Return to performing & paydowns	(2,540)	(1,376)	(1,186)	(897)	(647)
Charge-offs	(2,443)	(2,829)	(2,478)	(1,692)	(1,233)
Other	(353)	(609)	(232)	(425)	(337)
Ending Balance NPLs	20,839	19,654	17,772	14,592	9,888
Foreclosed Properties	1,428	1,298	1,330	1,356	1,506
Total NPAs	$ 22,267	$ 20,952	$ 19,102	$ 15,948	$ 11,394

Consumer NPAs increased $1.3 billion or 6.3% from 3Q09

- **Increased at a reduced rate from 3Q09**
- **Additions declined for the third consecutive quarter**
- **Increase remains centered in residential mortgage with primary drivers being CA and FL, high LTV and 2006-2007 vintages**
- **Troubled Debt Restructurings (TDRs) of $4.7 billion represent 21% of total 4Q09 consumer NPAs, relatively flat to 3Q09**
- **12% of the $6.5 billion of additions to nonperforming loans and leases in 4Q09 were loans that were included in performing at the time of reclassification into TDRs**

Residential Mortgage Asset Quality [1]

($ in mil, loans in bil)	Residential Mortgage 4Q09	4Q09 vs. 3Q09	3Q09	2Q09	1Q09	4Q08
Loans EOP	**$242.1**	$ 3.2	$238.9	$246.0	$261.6	$248.1
Net charge-offs	**1,233**	(14)	1,247	1,085	785	466
30+ past due	**19,360**	9,905	9,455	7,533	7,926	7,927
Net charge-off %	**2.1%**	2 bps	2.1%	1.7%	1.2%	0.7%
30+ past due %	**8.0%**	404 bps	4.0%	3.1%	3.0%	3.2%

4Q09 **30+ delinquencies** include $9.4 billion in 4Q09 repurchases of delinquent government insured loans from securitizations. 3Q09 included $1.8 billion of repurchases. Excluding these repurchases 30+ delinquencies reflect continued stabilization.

4Q09 **net charge-offs** include $110 million impact for refinements in the valuation processes. 3Q09 net charge-offs include $152 million associated with a revision of our estimate of the impact the REO process has on net realizable value.

Residential Mortgage

- **Net charge-offs decreased $14 million to $1.2 billion but the loss ratio increased 2 basis points to 2.07%**
  - **Loans with >90% RLTV represent 37% of the portfolio reflecting home price deterioration**
  - **CA and FL represented 43% of the portfolio but 54% of losses**
  - **CRA portfolio still drove a disproportionate share of losses (6% of loans with 20% of losses)**
- **Allowance of $4.6 billion increased $146 million and covers 1.90% of loans**
- **65% of the TDRs completed in the first nine months of 2009 are either in performing status or if not, are up-to-date on payments under the modified terms but still classified as non-performing until they meet the criteria for being returned to performing status**
- **Nonperforming assets increased $1.2 billion from 3Q09 to $17.7 billion**
  - **61% of NPAs are greater than 180 days past due and are carried at appraised value**
  - **Nonperforming TDRs increased $13 million and comprise 17% of residential mortgage NPAs**
    - **About 59% of the 4Q09 nonperforming residential mortgage modifications were performing at time of reclassification into TDR**
- **30+ performing past dues increased $9.9 billion compared to 3Q09 and the ratio rose 404 bps to 8.00% of loans driven by repurchases of delinquent government insured or guaranteed loans from securitizations**
  - **Excluding repurchases of performing government guaranteed loans in the past two quarters, delinquencies have been relatively stable**

[1] Discontinued Real Estate is not included
EOP = end of period

Home Equity Asset Quality [1]

3Q09 net charge-offs included acceleration of $223 million due to an adjustment for the protracted nature of collections under some insurance contracts. Excluding this charge net charge-offs declined $187 million and the 4Q09 loss rate would have declined 41 bps.

	Home Equity					
($ in mil, loans in bil)	4Q09	4Q09 vs. 3Q09	3Q09	2Q09	1Q09	4Q08
Loans EOP	$ 149.1	$ (2.9)	$ 152.0	$ 155.1	$ 157.6	$ 152.5
→ Net charge-offs	1,560	(410)	1,970	1,839	1,681	1,113
30+ past due	2,185	-	2,185	2,001	2,647	2,661
→ Net charge-off %	4.1%	(99) bps	5.1%	4.7%	4.3%	2.9%
30+ past due %	1.5%	3 bps	1.4%	1.3%	1.7%	1.8%

Home Equity

- **Net charge-offs decreased $410 million to $1.6 billion and the loss ratio declined 99 basis points to 4.11%**
  - **4Q09 reflects continued stabilization in second lien loans**
  - **Loans with >90% RCLTV[2] represent 44% of portfolio reflecting continued home price pressure**
  - **CA and FL represent 41% of the portfolio but 58% of losses**
- **Allowance of $10.2 billion covers 6.81% of loans (5.29% excluding purchased impaired loans)**
  - **Increase in the 4th quarter was mainly due to a reserve increase in the purchased impaired portfolio**
- **83% of the TDRs completed in the first nine months of 2009 are either in performing status or if not, are up-to-date on payments under the modified terms but still classified as non-performing until they meet the criteria for being returned to performing status**
- **Nonperforming assets increased $46 million from 3Q09 to $3.9 billion and now represent 2.60% of loans and foreclosed properties**
  - **20% of NPAs are greater than 180 days past due and are carried at appraised value**
  - **Nonperforming TDRs increased $55 million and comprise 44% of home equity NPAs**
  - **Approximately 81% of the 4Q09 nonperforming home equity modifications were performing at time of reclassification into TDR**
- **30+ performing delinquencies stayed flat at $2.2 billion, but increased 3 bps to 1.47 % compared to 3Q09**

[1] Discontinued Real Estate is not included
[2] RCLTV = Refreshed combined loan to value

EOP = end of period

Direct/Indirect

($ in mil, loans in bil)	Direct/Indirect 4Q09	4Q09 vs. 3Q09	3Q09	2Q09	1Q09	4Q08
Loans EOP	**$ 97.2**	$ (1.2)	$ 98.4	$ 99.2	$ 99.7	$ 83.4
Net charge-offs	**1,288**	(163)	1,451	1,475	1,249	1,054
30+ past due	**3,708**	(237)	3,945	4,019	4,145	3,980
Net charge-off %	**5.2%**	(59) bps	5.8%	5.9%	5.0%	5.0%
30+ past due %	**3.8%**	(20) bps	4.0%	4.1%	4.2%	4.8%

($ in mil, loans in bil)	Consumer Lending (Included in Direct/Indirect) 4Q09	4Q09 vs. 3Q09	3Q09	2Q09	1Q09	4Q08
Loans EOP	**$ 19.7**	$ (2.2)	$ 21.9	$ 24.2	$ 26.6	$ 28.2
Net charge-offs	**1,003**	(184)	1,187	1,208	921	746
30+ past due	**2,051**	(156)	2,207	2,405	2,687	2,449
Net charge-off %	**19.0%**	(127) bps	20.3%	18.9%	13.5%	10.4%
30+ past due %	**10.4%**	32 bps	10.1%	9.9%	10.1%	8.7%

Direct/Indirect Loans

- **Net charge-offs decreased $163 million to $1.3 billion driven by a decrease in Consumer Lending; the loss ratio decreased 59 bps to 5.17%**
- **Allowance of $4.2 billion covers 4.35% of loans**
- **Dealer Finance portfolio[1] of $41.6 billion had an increase of 22 basis points in loss rate to 2.07%, reflecting normal seasonality**
  - **Dealer Finance portfolio[1] 30+ delinquencies decreased $22 million, or 7 basis points to 2.66% of loans**
  - **Losses in the auto portfolio were relatively flat to 3Q09 reflecting stabilization**

Consumer Lending (part of Direct/Indirect)

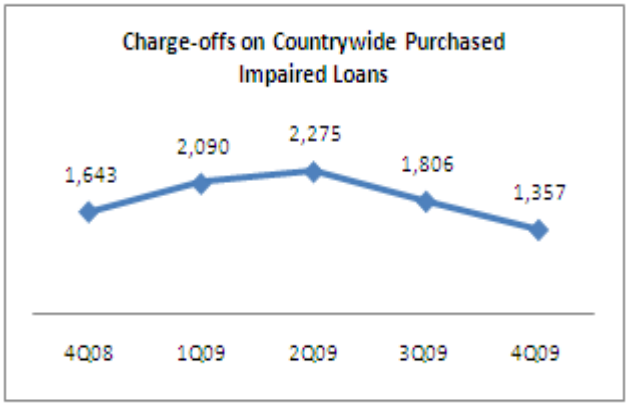
- **Consumer Lending portfolio of $19.7 billion had reduced losses of $184 million with a 4Q09 loss rate of 19%**
- **Allowance of $3.3 billion covers 16.68% of loans**
- **30+ delinquencies declined $156 million, but increased 32 basis points to 10.39% due to lower portfolio balance**
- **90+ delinquencies declined $20 million, but increased 47 basis points to 5.69% due to lower portfolio balance**

[1] Includes auto and marine/recreational vehicle originations, and auto purchased loan portfolios

EOP = end of period

Countrywide Purchased Impaired Loan Portfolio[1]

($ in millions)	Total CFC Impaired	Residential Mortgage	Home Equity	Discontinued Real Estate
Charge-offs				
3Q08	1,517	177	648	692
4Q08	1,643	199	722	722
1Q09	2,090	261	890	939
2Q09	2,275	305	964	1,006
3Q09	1,806	243	866	697
4Q09	1,357	138	757	462
Total recurring	10,688	1,323	4,847	4,518
Other adjustments				
3Q08 Conforming accounting adjustments	464	59	120	285
3Q09 REO net realizable value adj.	379	106	-	273
4Q09 Adjust pool level charge-offs	(496)	(134)	(3)	(359)
Total Other	347	31	117	199
Total charge-offs	11,035	1,354	4,964	4,717



Carrying Value 2 12/31/09 [2]	$ 38,030
Remaining purchase accounting mark	(487)
Additional allowance [3]	(3,875)
Book value net of allowance	$ 33,668

- **4Q09 includes an increase in the allowance through provision of $537 million compared to $1.3 billion in 3Q09**
  - **Recurring charge-offs peaked and are trending down**
  - **$487 million in remaining purchase accounting marks and the additional reserves of $3.9 billion leaves a total of $4.4 billion for purchased impaired loans from the Countrywide acquisition**
  - **Loss estimates increased due to further deterioration as well as reassessing modification benefits to reflect experience partially offset by improvements in the home price forecast**
- **Remaining mark and allowance of $4.4 billion coupled with the charge-offs reflect a 30% reduction on the original unpaid principal balance (UPB)**
- **Loans with $31 billion of UPB in the purchased impaired portfolio have experienced no charge-offs and over $25 billion of this amount is current**
  - **Of the roughly $6 billion loans that are noncurrent, but have had no charge-offs, approximately one third are early stage delinquent**
- **The loans that have experienced charge-offs are carried at net realizable value of approximately $7 billion**

[1] Charge-offs shown do not flow through GAAP charge-offs as they were considered as part of the original purchase accounting and are broken out by original product classifications even if loans were modified into another product type

[2] The original credit mark taken on the acquired Countrywide purchased impaired loans was $11.9 billion and has been reduced by charge-offs and TDRs removed from the impaired portfolio

[3] Additional allowance was established through provision expense in 4Q08 of $750 million, 1Q09 of $853 million, 2Q09 $621 million, $1.3 billion in 3Q09 and $537 million in 4Q09

Consumer Asset Quality Key Indicators

($ in millions)	Residential Mortgage				Home Equity				Discontinued Real Estate			
	4Q09		3Q09		4Q09		3Q09		4Q09		3Q09	
	As Reported	**Excluding Purchased Impaired Loan Portfolio [1]**	As Reported	Excluding Purchased Impaired Loan Portfolio [1]	**As Reported**	**Excluding Purchased Impaired Loan Portfolio [1]**	As Reported	Excluding Purchased Impaired Loan Portfolio [1]	**As Reported**	**Excluding Purchased Impaired Loan Portfolio [1]**	As Reported	Excluding Purchased Impaired Loan Portfolio [1]
Loans EOP	**$ 242,129**	**$ 231,052**	$ 238,921	$ 227,742	**$ 149,126**	**$ 135,912**	$ 152,039	$ 138,427	**$ 14,854**	**$ 1,604**	$ 15,460	$ 1,570
Loans Avg	**236,883**	**225,758**	241,924	231,214	**150,704**	**137,295**	153,269	139,698	**15,152**	**1,685**	16,570	1,902
Net losses	**$ 1,233**	**$ 1,233**	$ 1,247	$ 1,247	**$ 1,560**	**$ 1,560**	$ 1,970	$ 1,970	**$ 14**	**$ 14**	$ 37	$ 37
% of avg loans [2]	**2.07 %**	**2.17 %**	2.05 %	2.14 %	**4.11 %**	**4.51 %**	5.10 %	5.60 %	**0.38 %**	**3.30 %**	0.89 %	7.72 %
Allowance for loan losses	**$ 4,607**	**$ 4,605**	$ 4,461	$ 4,459	**$ 10,160**	**$ 7,189**	$ 9,719	$ 7,085	**$ 989**	**$ 87**	$ 1,016	$ 116
% of Loans	**1.90 %**	**1.99 %**	1.87 %	1.96 %	**6.81 %**	**5.29 %**	6.39 %	5.12 %	**6.66 %**	**5.42 %**	6.57 %	7.39 %
Avg. refreshed (C)LTV [3]		**84**		86		**89**		95		**93**		92
90%+ refreshed (C)LTV [3]		**37 %**		38 %		**44 %**		50 %		**25 %**		23 %
Avg. refreshed FICO		**706**		719		**714**		712		**625**		631
% below 620 FICO		**16 %**		14 %		**13 %**		12 %		**39 %**		34 %

[1] Excludes the purchased impaired loan portfolio acquired from Countrywide

[2] Adjusting for the $110 million impact for refinements in valuation processes reported 4Q09 residential mortgage loss rate would have been 1.88%. Adjusting for the $152 million impact of revising our estimate of the impact the REO process has on net realizable value, the 3Q09 reported loss rate in residential mortgage would have been 1.80%. Adjusting for the acceleration of $223 million due to an adjustment for the protracted nature of collections under some insurance contracts, reported 3Q09 home equity losses would been 4.52%

[3] Loan to value (LTV) calculations apply to the residential mortgage and discontinued real estate portfolio. Combined loan to value (CLTV) calculations apply to the home equity portfolio

EOP = end of period

Consumer Asset Quality Key Indicators (cont'd)

($ in millions)	Credit Card				Other [1]		Total Managed Consumer	
	Held		Managed					
	4Q09	3Q09	**4Q09**	3Q09	**4Q09**	3Q09	**4Q09**	3Q09
Loans EOP	**$ 71,109**	$ 70,206	**$160,824**	$164,534	**$100,346**	$101,630	**$667,279**	$672,584
Loans Avg	**70,893**	70,940	**162,598**	168,460	**102,115**	103,343	**667,452**	683,566
Net losses	**$ 1,941**	$ 2,169	**$ 4,867**	$ 5,477	**$ 1,402**	$ 1,569	**$ 9,076**	$ 10,300
% of avg loans	**10.86%**	12.13%	**11.88%**	12.90%	**5.45%**	6.02%	**5.40%**	5.98%
Allowance for loan losses	**$ 7,598**	$ 6,510			**$ 4,431**	$ 5,016	**$ 27,785**	$ 26,722
% of Loans	**10.68%**	9.27%			**4.42%**	4.93%	**4.81%** [2]	4.62% [2]

- **The average refreshed FICO for the U.S. Credit Card portfolio was 693 at 4Q09 compared to 692 at 3Q09**
- **The percentage below 620 FICO was 16% at 4Q09 vs. 17% in 3Q09**

[1] Other primarily consists of the Consumer Lending and Dealer Financial Services portfolios

[2] Calculated as a percentage of held loans

EOP = end of period

Commercial Asset Quality Key Indicators [1]

($ in millions)

	Commercial [2]		Commercial Real Estate		Small Business		Commercial Lease Financing		Total Commercial	
	4Q09	3Q09	**4Q09**	3Q09	**4Q09**	3Q09	**4Q09**	3Q09	**4Q09**	3Q09
Loans EOP	**$ 208,456**	$ 217,303	**$ 69,447**	$ 72,662	**$ 17,526**	$ 17,938	**$ 22,199**	$ 21,910	**$ 317,628**	$ 329,813
Loans Avg	**$ 213,715**	223,068	**71,260**	74,170	**17,884**	18,095	**21,769**	22,068	**324,628**	337,401
Net charge-offs	**$ 799**	$ 922	**$ 745**	$ 873	**$ 684**	$ 796	**$ 43**	$ 41	**$ 2,271**	$ 2,632
% of avg loans	**1.48 %**	1.64 %	**4.15 %**	4.67 %	**15.16 %**	17.45 %	**0.79 %**	0.72 %	**2.78 %**	3.09 %
90+ DPD Performing [3]	**$ 280**	$ 254	**$ 80**	$ 196	**$ 624**	$ 700	**$ 32**	$ 25	**$ 1,016**	$ 1,175
% of Loans	**0.13 %**	0.12 %	**0.11 %**	0.27 %	**3.56 %**	3.90 %	**0.15 %**	0.11 %	**0.32 %**	0.36 %
Nonperforming loans [3]	**$ 5,102**	$ 4,980	**$ 7,286**	$ 6,943	**$ 200**	$ 167	**$ 115**	$ 170	**$ 12,703**	$ 12,260
% of Loans	**2.45 %**	2.29 %	**10.49 %**	9.55 %	**1.14 %**	0.93 %	**0.52 %**	0.78 %	**4.00 %**	3.72 %
Allowance for loan losses	**$ 3,141**	$ 3,153	**$ 3,567**	$ 3,007	**$ 2,416**	$ 2,695	**$ 291**	$ 255	**$ 9,415**	$ 9,110
% of Loans	**1.51 %**	1.45 %	**5.14 %**	4.14 %	**13.79 %**	15.02 %	**1.31 %**	1.16 %	**2.96 %**	2.76 %
Reservable Criticized Utilized Exposure [3,4]	**$ 30,865**	$ 33,561	**$ 23,804**	$ 22,910	**$ 1,789**	$ 1,651	**$ 2,229**	$ 1,937	**$ 58,687**	$ 60,059
% of Total Exposure	**11.06 %**	11.62 %	**32.13 %**	29.49 %	**10.18 %**	9.18 %	**10.04 %**	8.84 %	**14.94 %**	14.78 %

[1] Does not include certain commercial loans measured at fair value under the fair value option

[2] Includes commercial domestic and commercial foreign

[3] Excludes the Merrill Lynch purchased impaired loan portfolio

[4] Excludes derivatives, foreclosed property, assets held for sale and FVO loans

EOP = end of period

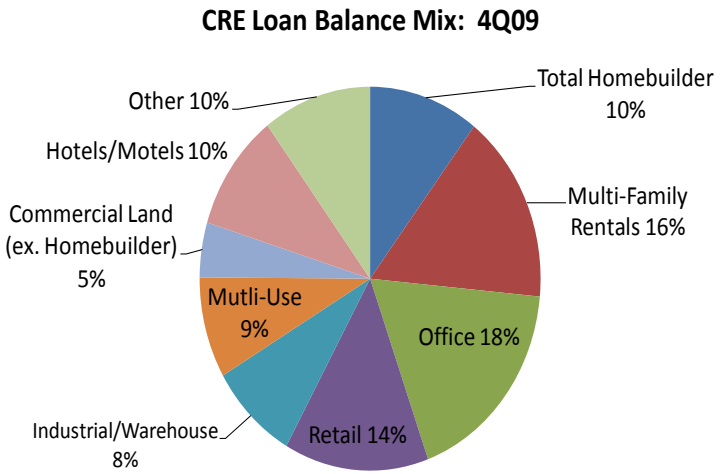
Commercial Nonperforming Asset Activity

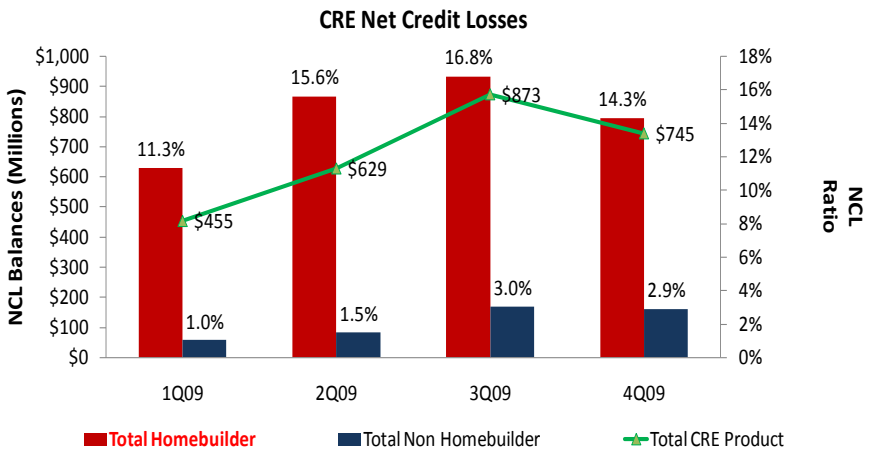
($ in millions)	4Q09	3Q09	2Q09	1Q09	4Q08
Commercial					
Beginning Balance NPLs	$ 12,260	$ 11,409	$ 9,312	$ 6,497	$ 4,922
Additions	3,792	4,289	4,416	4,434	3,095
Paydowns and Payoffs	(1,048)	(944)	(593)	(490)	(368)
Return to performing status	(220)	(94)	(92)	(55)	(35)
Charge-offs	(1,448)	(1,773)	(1,429)	(976)	(896)
Other	(633)	(627)	(205)	(98)	(221)
Ending Balance NPLs	12,703	12,260	11,409	9,312	6,497
Foreclosed Properties	777	613	471	372	321
Total NPAs	$ 13,480	$ 12,873	$ 11,880	$ 9,684	$ 6,818

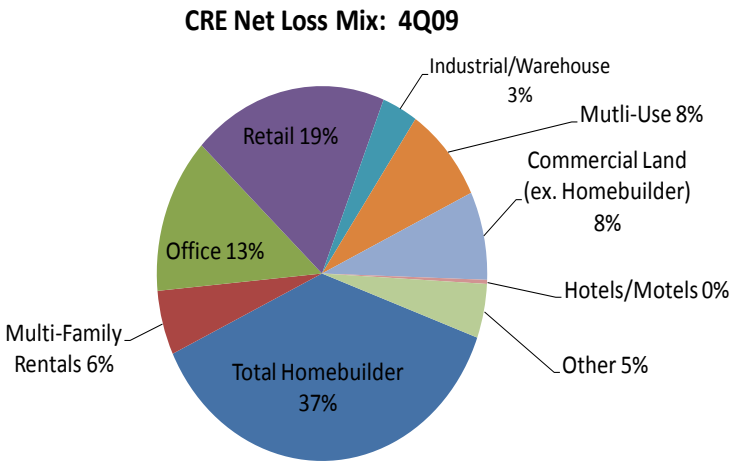
- **Commercial NPAs increased $607 million or 5% from 3Q09 although the pace of increase has continued to slow**
- **Commercial real estate made up 84% of the NPA increase and represented 60% of the NPA balance at December 31, 2009**
  - **The net increase in 4Q NPAs was driven by non-homebuilder exposures, while homebuilder NPAs declined**
- **Commercial and industrial loans drove the remainder of the increase from 3Q09 and reflected more broad-based deterioration in 4Q09**
  - **Most impacted were housing related and consumer dependent sectors**
- **Approximately 90% of NPAs are collateralized**
- **Approximately 35% are contractually current**
- **In the aggregate, the carrying value is approximately 75 cents on the dollar, before loan loss reserves**

Commercial Real Estate – Balances & Losses

- Commercial Real Estate loans and lease balances are $69.5 billion, down $3.2 billion from 3Q09.
  - Homebuilder balances declined by $1.2 billion in 4Q09.
  - Non-Homebuilder portfolio is well diversified with no single property type in excess of 20% of balances.
  - Balance decline spread across all domestic regions.
- Losses declined $128 million in 4Q09
  - Homebuilder losses declined by $97 million
  - Non-Homebuilder losses down by $31 million
  - Florida accounted for 53% of the decline in losses, California losses increased 12%.

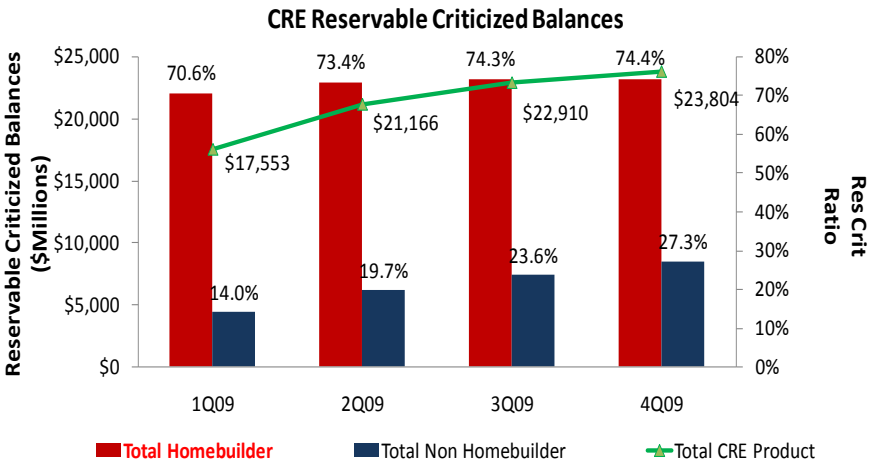




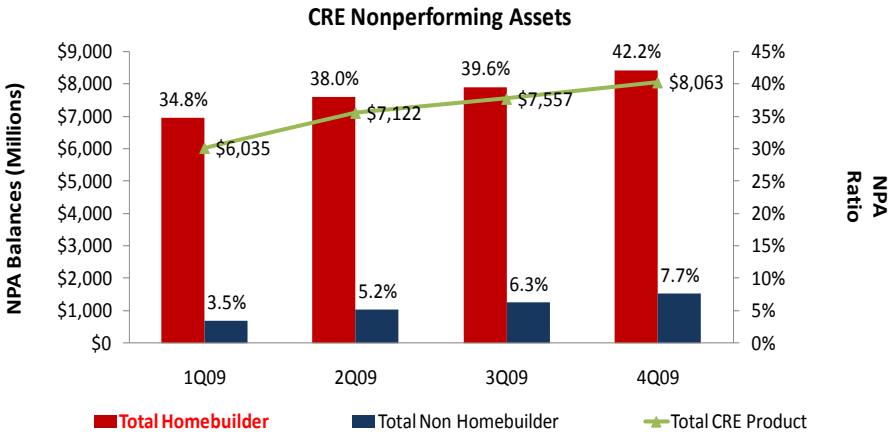


Commercial Real Estate – Credit Indicators

- Reservable Criticized balances increased $894 million in 4Q09 vs. $1.7 billion in 3Q09.
  - Homebuilder reported a decline of $1 billion, driven by lower utilization levels.
  - Non-Homebuilder increased by $1.9 billion: Office, Multifamily Rentals, and Hotels accounted for 80% of Non-Homebuilder growth.



- Nonperforming Assets increased $506 million in 4Q09 vs. $435 million in 3Q09.
  - Homebuilder reported a decline of $250 million.
  - Non-Homebuilder increased by $757 million: Retail, Commercial Land, Multifamily Rentals, and Multi-use accounted for 90% of Non-Homebuilder growth.



Net Interest Income Analysis

($ in millions)	4Q09	3Q09	Change
Net interest income (FTE)			
Reported	$ 11,896	$ 11,753	$ 143
Impact of securitizations	2,474	2,567	(93)
Managed NII	14,370	14,320	50
Market-based	(1,305)	(1,395)	90
Managed Core NII	$ 13,065	$ 12,925	$ 140
Reported Core NII	10,591	10,358	233
Average earning assets			
Reported	$ 1,807,898	$ 1,790,000	$ 17,898
Impact of securitizations[1]	75,337	81,703	(6,366)
Managed assets	1,883,235	1,871,703	11,532
Market-based	(490,719)	(468,999)	(21,720)
Managed Core	$ 1,392,516	$ 1,402,704	$ (10,188)
Reported Core	1,317,179	1,321,001	(3,822)
Net interest yields			
Reported	2.62%	2.61%	1 bps
Impact of securitizations	13.03	12.47	56 bps
Managed assets	3.03	3.04	(1) bps
Market-based	1.06	1.18	(12) bps
Managed Core	3.74	3.67	7 bps
Reported Core	3.21	3.13	8 bps

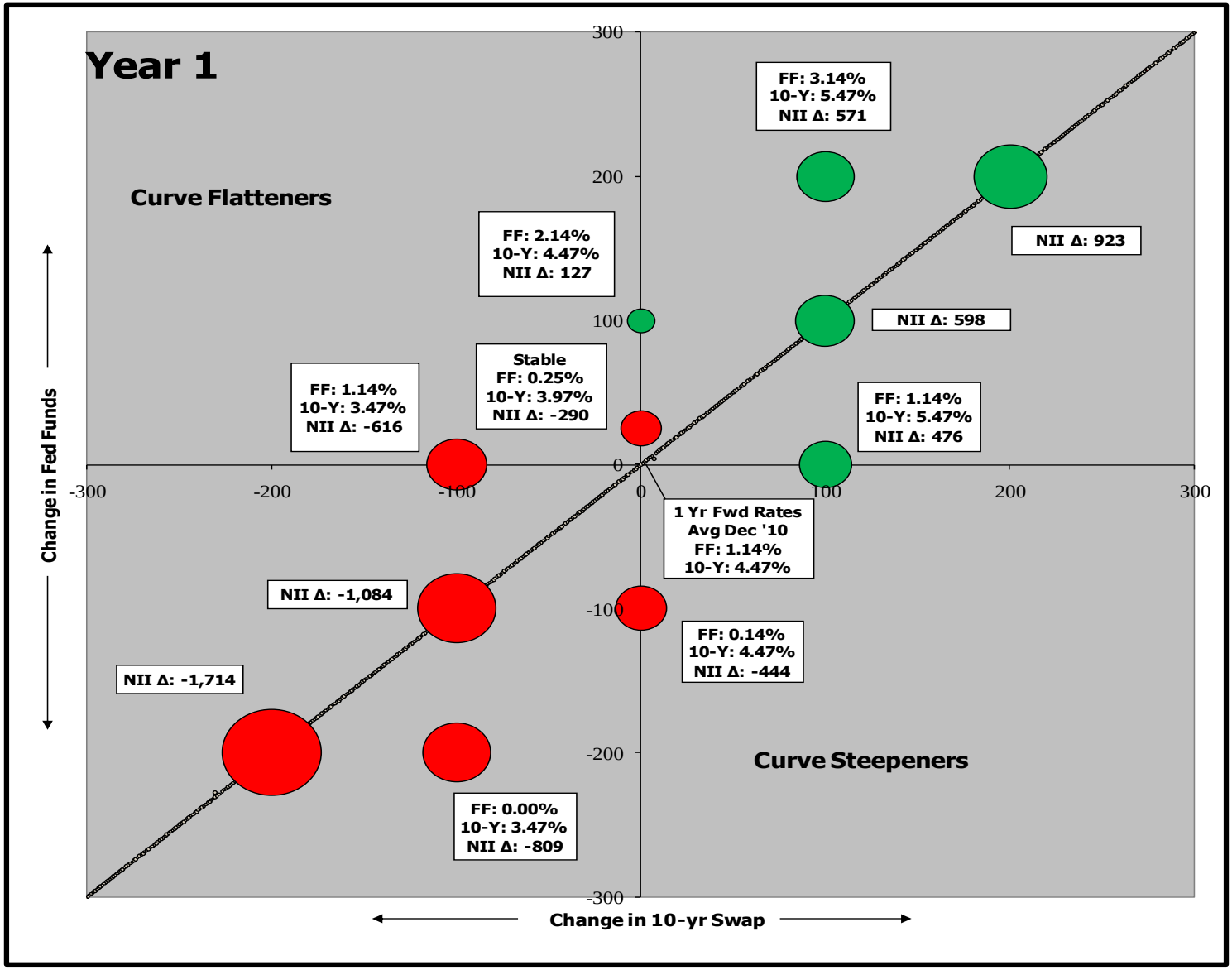
- **Core net interest income increased $140 million on a managed basis**
- **Drivers include lower credit related costs, higher deposit balances and higher discretionary balances**
- **Offset by lower loan balances**
- **Market-based NII declined $90 million due to spread compression and continued reductions in asset levels**

- **Managed core average earning assets decreased $10 billion**
  - **Commercial loans declined $14 billion**
  - **Consumer loans declined $16 billion**
  - **Securities increased $15 billion**
- **Market related earning assets, on average, increased 5%**

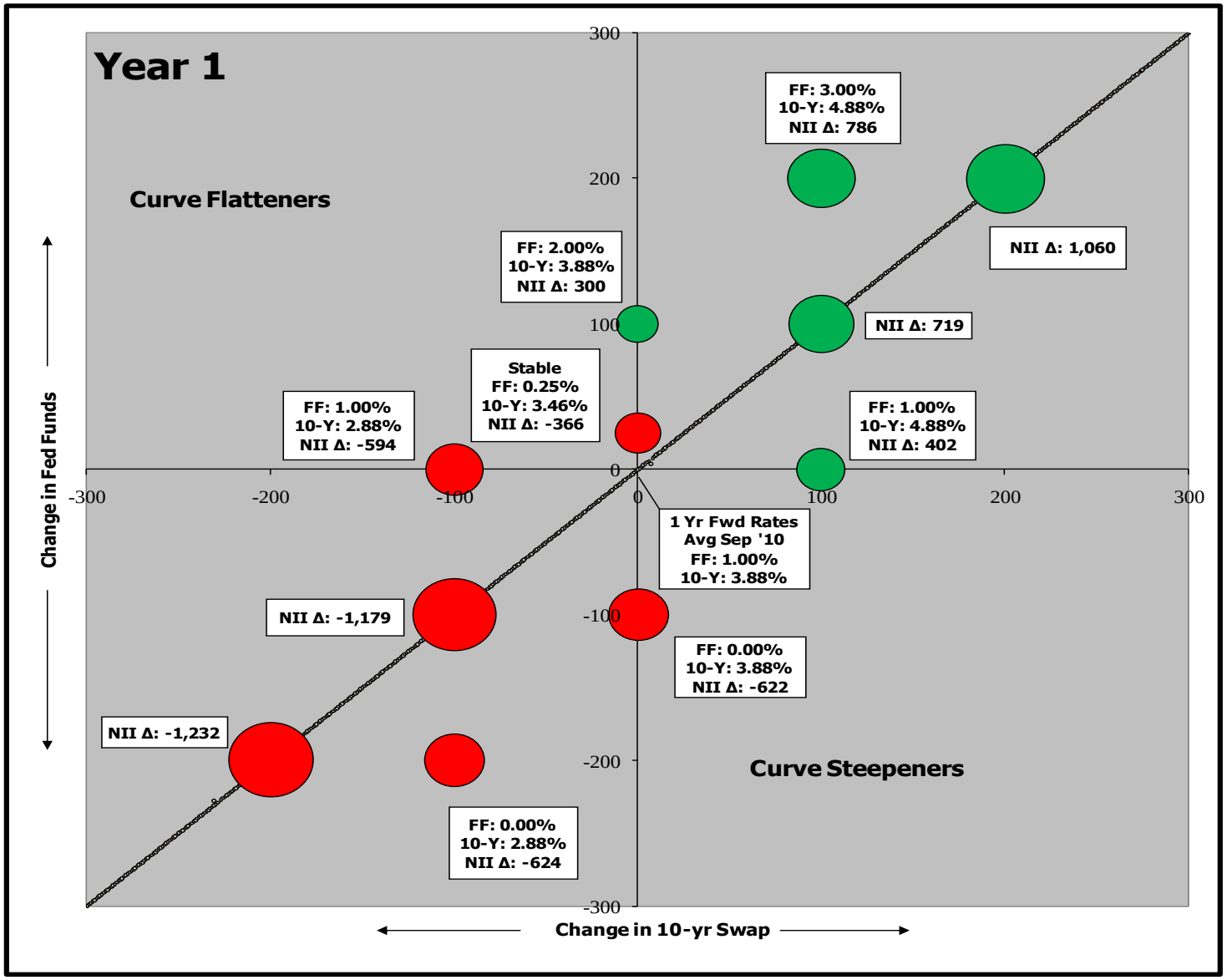
- **Managed core net interest yield increased 7 bps to 3.74% on positioning and improved interest reversals**

[1] Represents average securitized loans less accrued interest receivable and certain securitized bonds retained

NII Sensitivity on a Managed Basis
First Rolling 12 Months
December 31, 2009



NII Sensitivity on a Managed Basis
First Rolling 12 Months
September 30, 2009

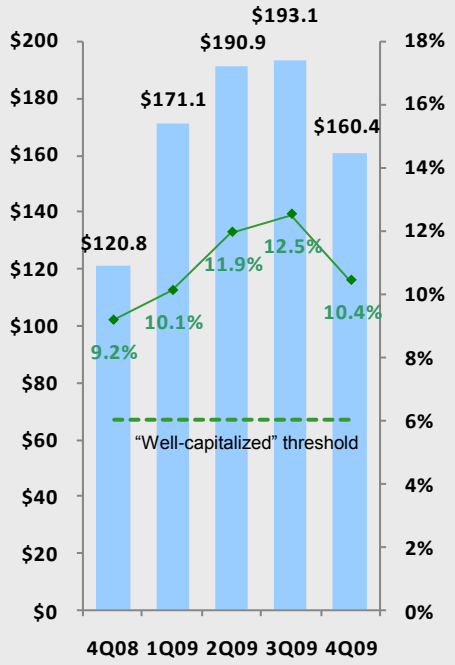


Net Interest Income – Managed Sensitivity

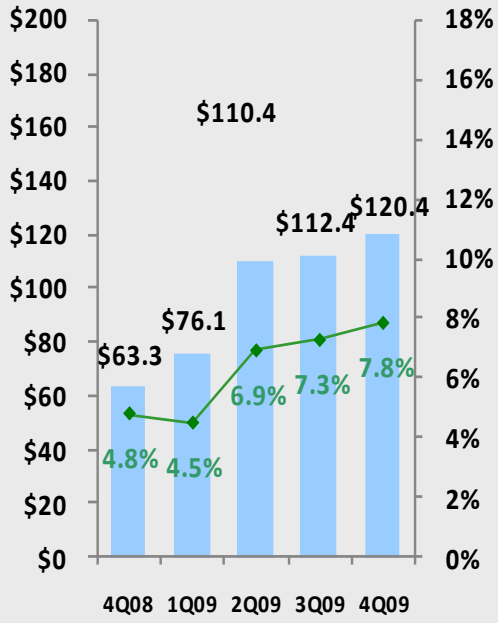
	Managed net interest income impact for next 12 months	
	12/31/09	**9/30/09**
Forward curve interest rate scenarios		
+ 100 bp parallel shift	**$ 598**	**$ 719**
- 100 bp parallel shift	**(1,084)**	**(1,179)**
Flattening scenarios from forward curve		
+ 100 bp flattening on short end	**127**	**300**
- 100 bp flattening on long end	**(616)**	**(594)**
Steepening scenarios from forward curve		
+ 100 bp steepening on long end	**476**	**402**
- 100 bp steepening on short end	**(444)**	**(622)**

Capital Results

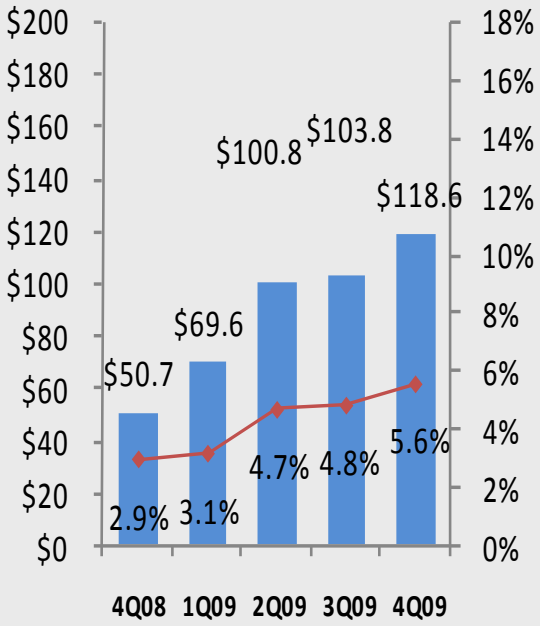
Tier 1 Capital (1)



Tier 1 Common (2)



Tangible Common Equity (3)



- **Tier 1 capital declined as a result of $45 billion TARP repayment, partially offset by issuance of $19 billion of common equivalent securities**
- **Tier 1 common increased $8 billion from issuance of $19 billion of common equivalent securities offset by net loss after preferred dividends and higher disallowed deferred tax assets primarily as a result of TARP repayment lowering regulatory capital**

(1) Tier 1 capital ratio equals Tier 1 capital including common equivalent securities divided by risk-weighted assets.
(2) Tier 1 common equity ratio equals Tier 1 capital including common equivalent securities excluding preferred stock, trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.
(3) Tangible common equity ratio equals common shareholders' equity including common equivalent securities less goodwill and intangible assets (excluding mortgage service rights) net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities.

Regulatory and GAAP-Based Capital

($ in millions)

	December 31, 2009		September 30, 2009		Change	
	Amount	Ratio	Amount	Ratio	Amount	bps
Regulatory Capital						
Tier 1 common	$ 120,394	7.81%	$ 112,357	7.25%	$ 8,037	56
Tier 1 total	160,388	10.40%	193,073	12.46%	(32,685)	(206)
Risk-weighted assets	1,542,517		1,548,962		(6,445)	
GAAP-based Capital						
Tangible common equity	118,638	5.57%	103,833	4.82%	14,805	75
Tangible total equity	136,602	6.42%	162,673	7.55%	(26,071)	(113)
Tangible assets	2,128,457		2,156,033		(27,576)	

- **Capital ratios impacted by the repayment of TARP preferred stock and issuance of common equivalent securities**
- **Improved OCI balances also increased Tangible common equity**
- **Adoption of SFAS 166/167 on January 1, 2010 will cause capital ratios to decline**

Impact of Adopting SFAS 166 and 167

- SFAS 166 and 167 are effective January 1, 2010
- Net incremental balance sheet impact expected to be approximately $100 billion
- Includes securitized credit card and home equity receivables returning to the balance sheet with a net incremental impact of $72 billion
  - Regulatory capital will be reduced by approximately $10 billion, including DTA limitation, as reserves are established for those securitized receivables
  - Majority of receivables are already fully risk weighted for regulatory purposes
- Assets from other QSPEs or VIEs returning to the balance sheet expected to be roughly $25 to $30 billion

	12/31/2009	Best Preliminary Impact Estimate
Allowance to Loans	**4.2%**	**60-65 bps**
Tier 1 Capital Ratio	**10.4%**	**(70-75)**
Tier 1 Common Ratio	**7.8%**	**(65-70)**
Tangible Common Equity	**5.6%**	**(45-50)**

Executing Merger Integrations

Countrywide

- Completed deposit system conversion 3Q09
- Completed industry's most complex mortgage servicing platform conversion to date in 4Q09
- Cost savings of $1.3 billion pre-tax achieved in 2009 and well ahead of $1.0 billion merger announcement target
- Now have full first mortgage capabilities in banking centers

All done while originating home loans of over $378 billion in 2009, improving estimated market share to roughly 23%

Helping customers avoid foreclosure with approximately 260,000 completed loan modifications in 2009, on top of 230,000 done in 2008 (excluding Merrill Lynch). In addition, just over 200,000 Bank of America customers are already in a trial period modification under the Government's Making Home Affordable program at end of 2009.

Merrill Lynch

- 4Q09 cost savings of $1.1 billion increasing YTD to $3.3 billion (well ahead of original '09 estimate)
- Retained 94% of high-producing financial advisors
- Received more than 3,100 referrals from FAs to the commercial bank
- 41% of FAs have sold a banking product to their customers
- Launched the new sales and trading portal to more than 40,000 clients
- Rolled out the Merrill Lynch brand to wealth management clients

2009 Ranking - 2nd largest fee producer of global investment banking revenue (Source: Dealogic)

Summary

- Although global economies remain weak, encouraging credit trends continue to emerge
- Begin 2010 with no government preferred ownership and a new management team in place
- Capital levels and liquidity are very strong
- Expect economic recovery to continue but on slow path
  - Global growth expectations of just more than 4 percent
  - US GDP expectations around 3 percent
  - Unemployment levels expected to remain elevated
  - Housing market expected to maintain stability
- Capital markets expected to show good steady volume
- Loan demand expected to continue weak trends at least through first half 2010
- Regulatory climate exhibiting pressure on revenue
- Bank of America remains well-positioned to combat the headwinds and win in the marketplace

Bank of America