

Bank of America

Credit Suisse Financial Services Forum

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Bank of America 

Bank of America Merrill Lynch U.S. Bank of America
America Lynch Trust Merrill Lynch

Global Banking

- Global Banking delivers solid and recurring profitability
 - Attractive returns: well in excess of cost of capital
 - Cost-efficient business
- The competitive environment remains intense, but our platform enjoys significant advantages
- We remain well positioned for continued responsible growth
 - Investing in our client-coverage model
 - Global Transaction Services
 - Credit
 - Investment Banking
- We remain committed to our existing risk appetite
- We anticipate our strategy will contribute to sustained and growing profitability

Global Banking Profile

Global Banking

- Global Banking is comprised of Business Banking, Global Commercial Banking and Global Corporate and Investment Banking, serving clients globally and in the U.S., covering:
 - 1 in 5 U.S. Business Banking Businesses
 - 1 in 3 U.S. Middle Market Businesses
 - >90% of the world's companies with a market capitalization of more than \$20B

Business Banking (BB)

- Primary focus on small and mid-sized U.S. domiciled clients
- \$5MM – \$50MM in revenue

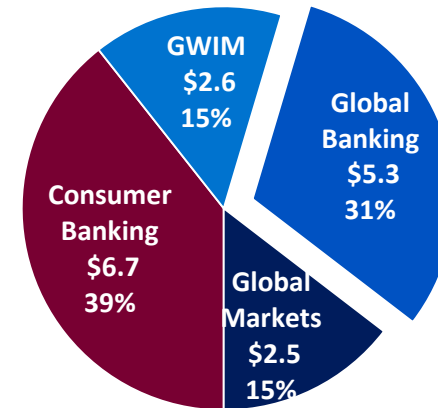
Global Commercial Banking (GCB)

- Primary focus on U.S. domiciled middle market clients and their international subsidiaries
- \$50MM – \$2B in revenue

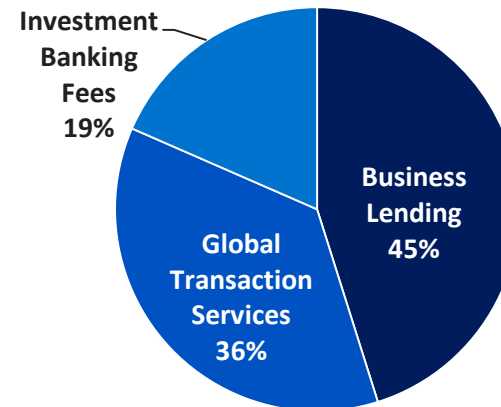
Global Corporate & Investment Bank (GCIB)

- Largest global corporates, multinationals, financial institutions, governments and financial sponsors
- >\$2B in revenue

2015 Net Income by Primary Business Segment (\$B) ¹



2015 Global Banking Revenue of \$16.9B ²



¹ Does not include net losses from All Other and Legacy Assets & Servicing of \$0.5B and \$0.7B for the year ended December 31, 2015. Reported net income for the year ended December 31, 2015 was \$15.9B.

² Presented on a fully taxable-equivalent basis.

Global Banking Income Statement

Global Banking Summary Income Statement		
(\$B)	2015	2014
Net interest income ¹	\$9.3	\$9.8
Noninterest income ²	7.7	7.8
Total revenue, net of interest expense ^{1,2}	\$16.9	\$17.6
Provision for credit losses	0.7	0.3
Noninterest expense	7.9	8.2
Income tax expense ¹	3.1	3.3
Net income	<u>\$5.3</u>	<u>\$5.8</u>
Return on average allocated capital ³	15 %	17 %
Allocated capital ³	\$35.0	\$33.5
Efficiency ratio ¹	47 %	46 %

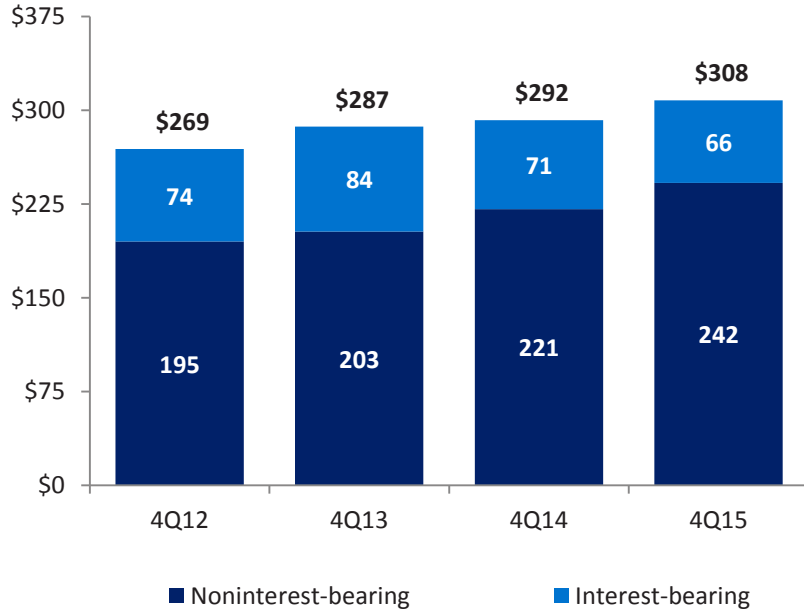
¹ FTE basis.

² Global Banking shares with Global Markets in certain deal economics from investment banking and loan origination activities.

³ Represents a non-GAAP financial measure. For important presentation information, see slide 15.

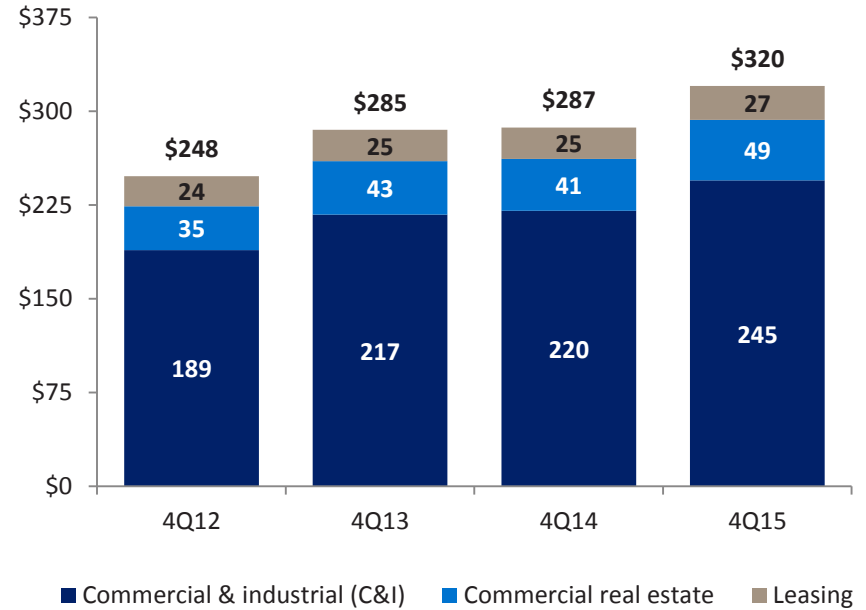
Strong Deposit and Loan Growth

Avg. Global Banking Deposits (\$B)



- Average deposit growth of \$39B, or 14%, since 4Q12
- Noninterest-bearing deposits up \$47B, or 24%, since 4Q12
- 100% run-off balances represent less than 5% of total deposits

Avg. Global Banking Loans and Leases (\$B)

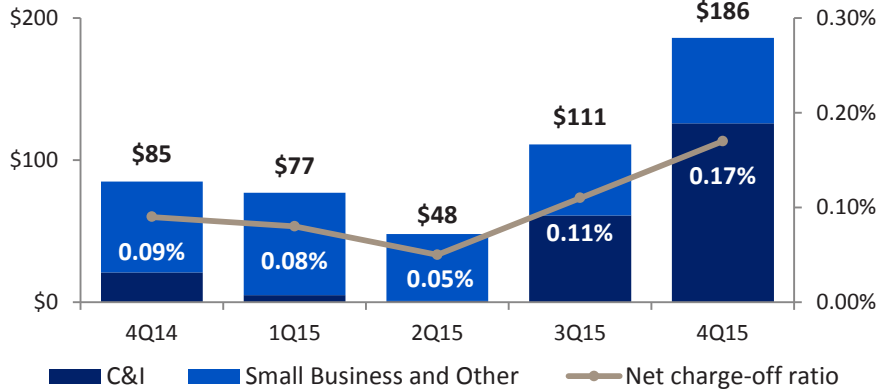


- Average loan growth of \$72B, or 29%, since 4Q12
- Growth has been broad based across C&I, commercial real estate and leasing

Note: Amounts may not total due to rounding.

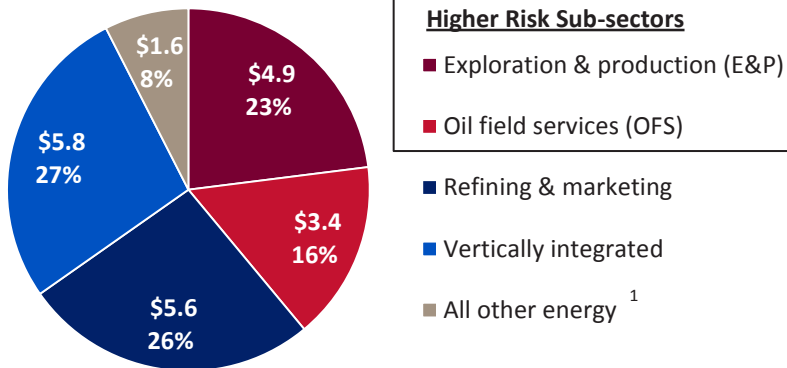
Asset Quality – Total Commercial Portfolio

Commercial Net Charge-offs (\$MM)



- Commercial net charge-offs increased \$75MM compared to 3Q15, driven by losses in Energy
- Reservable criticized exposure and nonperforming loans increased predominantly due to Energy
- Allowance increased \$144MM from 3Q15, driven by energy-related exposures and higher loan growth across the portfolio

4Q15 Utilized Energy Exposure (\$B) - \$21.3B



Higher Risk Sub-sectors

■ Exploration & production (E&P)

■ Oil field services (OFS)

■ Refining & marketing

■ Vertically integrated

■ All other energy¹

¹ Other includes primarily storage and transportation sub-sector as well as consumable fuels.

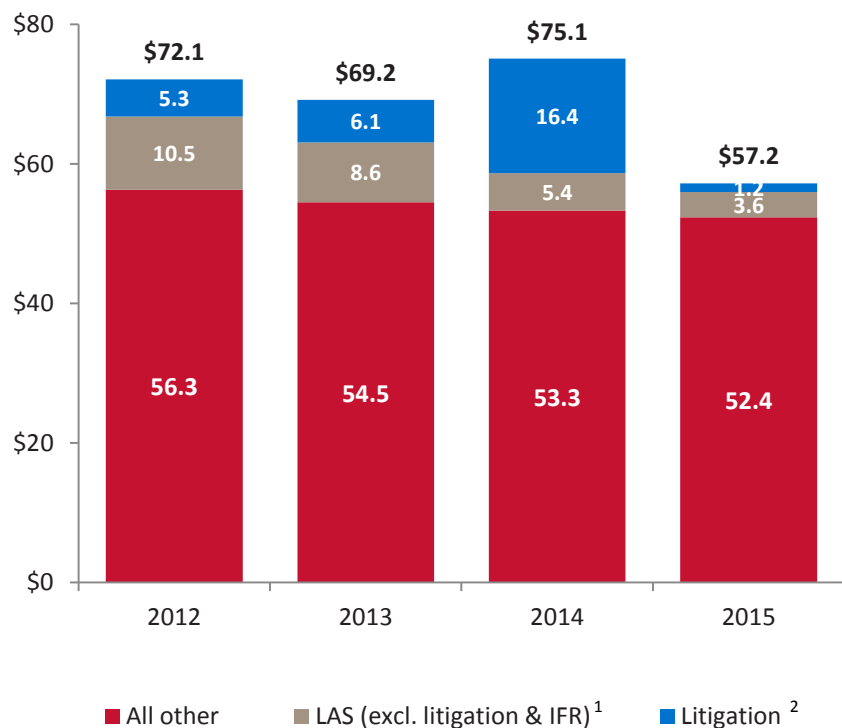
² Excludes loans measured at fair value.

Commercial Asset Quality Metrics (\$MM)

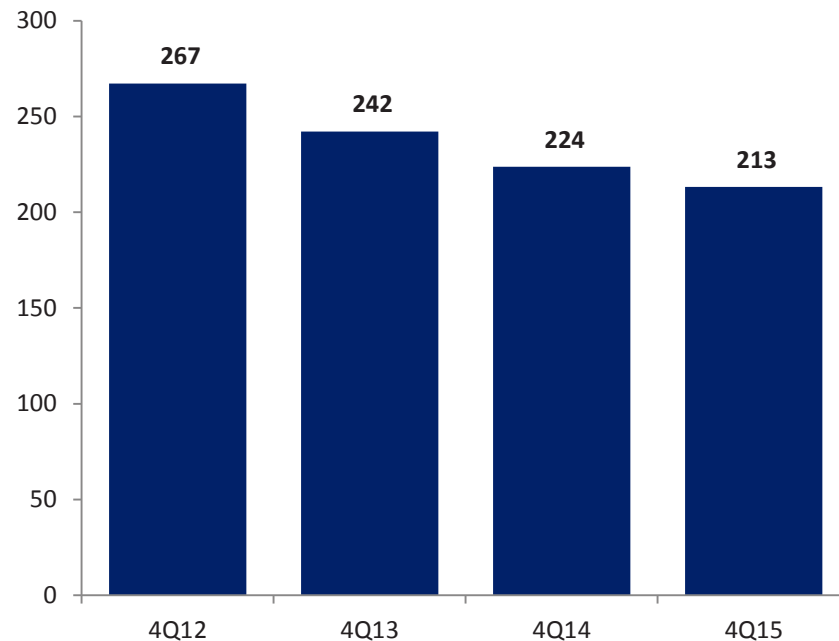
Metrics	4Q15	3Q15	4Q14
Provision	\$316	\$264	\$88
Nonperforming loans and leases	1,212	1,102	1,113
Reservable criticized utilized exposure	16,508	13,571	11,570
Allowance for loans and leases	4,849	4,705	4,437
% of loans and leases ²	1.10%	1.10%	1.15%
# times annualized NCOs	6.60x	10.62x	13.08x

Firm-wide Expense Focus

Noninterest Expense (\$B)



Full-time Equivalent Employees (000's)



¹ Represents a non-GAAP financial measure. Reported LAS noninterest expense was \$4.5B, \$20.6B, \$12.4B and \$13.2B for 2015, 2014, 2013 and 2012, respectively.

² Includes the \$1.1B provision for the Independent Foreclosure Review (IFR) acceleration agreement in 4Q12.

Global Commercial Banking

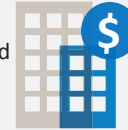
Managing Expenses to Improve Efficiency

Investment in Technology

- Investment in technology and innovation to reduce costs, improve client experience, and drive client acquisition and relationship deepening
 - CashPro
 - Digital Disbursements
 - Virtual Account Management
- Prudent expense management within GCB while investing in future growth

Digital Disbursements

Business provides payment amount and customer's email / mobile number



Customer receives email / text with instructions

Payment is deposited



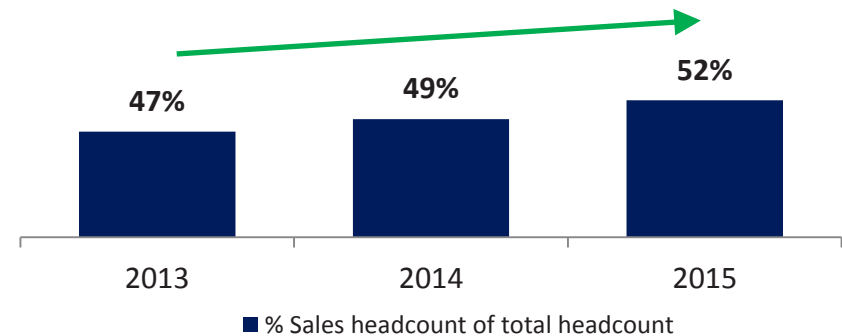
CashPro Mobile



Investment in Sales Force

- GCB sales headcount as a percentage of overall headcount increased from prior year, while overall expenses declined
- Strategic investment to improve client satisfaction, increase market share, and expand local coverage

Growth in Client-facing Professionals



Global Commercial Banking

Serving our Clients' Needs

Treasury

- ✓ Treasury Services are a foundational relationship product
- ✓ Growing core operating deposits and transaction fees

Credit

- ✓ Credit Solutions are a foundational relationship product
- ✓ Growing loans responsibly and within our risk framework

Investment Banking

- ✓ GCB and GCIB partner to offer our clients Investment Banking solutions
- ✓ GCB clients represent a significant portion of IB fees earned
- ✓ Top-tier market share in M&A, Equity and Debt

Risk Management

- ✓ GCB and Global Markets partner to offer our clients Risk Management solutions
- ✓ Interest rate, FX and commodities hedging

International

- ✓ Subsidiary banking for our U.S. client base
- ✓ Key competitive differentiator

Wealth Management

- ✓ GCB and GWIM partner to offer our clients Workplace Financial solutions
- ✓ Overlap in client base; driving market integration and referral activity
- ✓ 2015 another record year for Retirement Solution plan wins

Global Commercial Banking

Market-Leading Capabilities

Client and Third Party Awards

Greenwich Awards in Middle Market Banking

- ✓ Best Brand Overall
 - 2015, 2014, 2013
- ✓ Best Brand Loans/Lines of Credit
 - 2015, 2014, 2013
- ✓ Best Brand Cash Management
 - 2015, 2014, 2013
- ✓ Best Brand Trade Finance
 - 2015, 2014, 2013
- ✓ Best Brand Investment Banking
 - 2015, 2014, 2013
- ✓ Excellence Award Investment Banking ¹
 - 2014, 2013, 2012, 2011
- ✓ Excellence Award International Service ¹
 - 2014, 2013, 2012, 2011

Global Finance

- ✓ Best Cash Management House in North America
 - 2016, 2015, 2014, 2013, 2012, 2011
- ✓ Best Bank for Liquidity Management in North America
 - 2015, 2014, 2013, 2012
- ✓ Best Global Bank for Liquidity Management
 - 2016

Euromoney

- ✓ Best North American Debt House
 - 2015, 2014, 2013, 2012
- ✓ Best Global Transaction Services
 - 2015, 2014

JD Power

- ✓ Certification for Excellent Service
 - 2015, 2014, 2013, 2012, 2011, 2010

¹ 2014 is the most recent ranking available.

Global Banking

Key Levers to Drive Growth and Share

	Lever	Strategic Focus
1 Client Coverage Model	Optimizing coverage model, product delivery and client experience to win share with existing and select new clients	<ul style="list-style-type: none">• Delivering for large corporates globally• GCB and BB local market coverage• Capitalizing on peer dislocation and exits
2 Global Transaction Services (GTS)	Continuing to grow our market-leading GTS business in both domestic and international markets	<ul style="list-style-type: none">• Global growth• Bundling services and deposits• Service and fulfilment• Innovation, technology, product leadership
3 Credit	Growing funded loans in competitive marketplace, maintaining strong pricing and risk discipline	<ul style="list-style-type: none">• Increase originations• New client acquisition• Increase hold levels
4 Investment Banking	Rebalance our business towards 'Strategic' products and achieve best balance between U.S. and International to reflect needs of our global client base	<ul style="list-style-type: none">• Deepen large client relationships, particularly in 'Strategic' products• Grow products per relationship and our U.S. middle market business

Global Commercial Banking

Well Positioned for Responsible Growth

Adding New Clients

- ✓ Client gains accelerated in 2015
- ✓ Continue to capitalize on opportunity to be the primary relationship bank for high-quality prospects

Deepening Existing Client Relationships

- ✓ Each incremental product added to a relationship enhances revenue growth
- ✓ ~25% of clients gained at least one product in 2015

Investing in Client Coverage

- ✓ Continued investment in client-facing resources and local-markets coverage

Well Positioned for Competitor Exits

- ✓ Leading international platform
- ✓ Strong local relationships
- ✓ Attractive returns

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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 “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “intends,” “plans,” “goals,” “believes,” “continue” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.” Forward-looking statements represent Bank of America's current expectations, plans or forecasts of its future results and revenues, and future business and economic conditions more generally, and other future matters. These statements are not guarantees of future results or performance and involve certain known and unknown 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 the following uncertainties and risks, as well as the risks and uncertainties more fully discussed elsewhere in this report, including under Item 1A. Risk Factors of this Annual Report on Form 10-K and in any of the Corporation's subsequent Securities and Exchange Commission filings: the Corporation's ability to resolve representations and warranties repurchase and related claims, including claims brought by investors or trustees seeking to distinguish certain aspects of the ACE Securities Corp. v. DB Structured Products, Inc. (ACE) decision or to assert other claims seeking to avoid the impact of the ACE decision; the possibility that the Corporation could face servicing, securities, fraud, indemnity, contribution or other claims from one or more counterparties, including trustees, purchasers of loans, underwriters, issuers, other parties involved in securitizations, monolines or private-label and other investors; the possibility that future representations and warranties losses may occur in excess of the Corporation's recorded liability and estimated range of possible loss for its representations and warranties exposures; the possibility that the Corporation may not collect mortgage insurance claims; potential claims, damages, penalties, fines and reputational damage resulting from pending or future litigation and regulatory proceedings, including the possibility that amounts may be in excess of the Corporation's recorded liability and estimated range of possible losses for litigation exposures; the possible outcome of LIBOR, other reference rate and foreign exchange inquiries and investigations; uncertainties about the financial stability and growth rates of non-U.S. jurisdictions, the risk that those jurisdictions may face difficulties servicing their sovereign debt, and related stresses on financial markets, currencies and trade, and the Corporation's exposures to such risks, including direct, indirect and operational; the impact of U.S. and global interest rates, currency exchange rates and economic conditions; the possibility that future credit losses may be higher than currently expected due to changes in economic assumptions, customer behavior and other uncertainties; the impact on the Corporation's business, financial condition and results of operations of a potential higher interest rate environment; the impact on the Corporation's business, financial condition and results of operations from a protracted period of lower energy prices; adverse changes to the Corporation's credit ratings from the major credit rating agencies; estimates of the fair value of certain of the Corporation's assets and liabilities; uncertainty regarding the content, timing and impact of regulatory capital and liquidity requirements, including the potential adoption of total loss-absorbing capacity requirements; the potential for payment protection insurance exposure to increase as a result of Financial Conduct Authority actions; the possible impact of Federal Reserve actions on the Corporation's capital plans; the impact of implementation and compliance with new and evolving U.S. and international regulations, including, but not limited to, recovery and resolution planning requirements, the Volcker Rule, and derivatives regulations; a failure in or breach of the Corporation's operational or security systems or infrastructure, or those of third parties, including as a result of cyber attacks and other similar matters.

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- Certain prior period amounts have been reclassified to conform to current period presentation.
- Certain 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 for the quarter ended December 31, 2015 and other earnings-related information available through the Bank of America Investor Relations web site at: <http://investor.bankofamerica.com>.
- The Company allocates capital to its business segments using a methodology that considers the effect of regulatory capital requirements in addition to internal risk-based capital models. The Company's internal risk-based capital models use a risk-adjusted methodology incorporating each segment's credit, market, interest rate, business and operational risk components. Allocated capital is reviewed periodically and refinements are made based on multiple considerations that include, but are not limited to, risk-weighted assets measured under Basel 3 Standardized and Advanced approaches, business segment exposures and risk profile and strategic plans. As a result of this process, in the first quarter 2015, the Company adjusted the amount of capital being allocated to its business segments, primarily LAS.

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