



Bank of America

4Q10 Earnings Results

January 21, 2011

Bank of America 

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,” “estimates,” “intends,” “plans,” “goal,” “believe,” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” The forward-looking statements made represent the current expectations, plans or forecasts of Bank of America regarding its future results and revenues, including the adequacy of the liability for the representations and warranties exposure to the GSEs and the future impact to earnings; the potential assertion and impact of additional claims not addressed by the GSE agreements; the expected repurchase claims on the 2004-2008 loan vintages; dividend action in the third quarter of 2011 and the long-term plans to increase payout to 30% of trailing earnings mixed with share repurchases; investment banking, brokerage, asset management fees and sales and trading revenues; future risk-weighted assets and any mitigation efforts to reduce risk-weighted assets; asset sales; noninterest expense; representations and warranties liabilities, range of loss estimates, reserves, expenses and repurchase activity; net interest income; noninterest revenue; 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; capital levels determined by or established in accordance with accounting principles generally accepted in the U.S. and regulatory agencies, including complying with any Basel capital requirements without raising additional capital; the revenue impact of the Credit Card Accountability, Responsibility and Disclosure Act of 2009 (the CARD Act); the 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), including with respect to interchange fees; mortgage production levels; long-term debt levels; runoff of loan portfolios; the number of delayed foreclosure sales and the resulting financial impact; deposits; average earning assets; 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 Reports on Form 10-Q for the quarters ended June 30, 2010 and September 30, 2010 and in any of Bank of America’s subsequent SEC filings: certain obligations under and provisions contained in the agreements regarding representations and warranties with Fannie Mae and Freddie Mac; the adequacy of the liability and/or range of loss estimates for the representations and warranties exposures to the GSEs, monolines and private label, and other investors; the potential assertion and impact of additional claims not addressed by the Fannie Mae and Freddie Mac agreements; the foreclosure revenue and assessment process, the effectiveness of the company’s response and any third party claims asserted in connection with the foreclosures; 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 Bank of America 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 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
- Certain financial measures which exclude goodwill impairment charges 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 from 2010 Results

- Credit improved dramatically
- Capital ratios and liquidity increased significantly
- Maintained important industry- leading positions
- Customer metrics reflect a healthier economy
- But headwinds still remain

Franchise Strengthened in 2010

- Capital levels
 - Tier 1 Common Equity ratio improved 152 bps to 8.60% ¹
 - Tangible Common Equity ratio improved 94 bps to 5.99% ¹
 - Tangible Book Value per share increased 15% to \$12.98 ¹
- Credit quality ²
 - Full-year 2010 credit costs of \$28.4B less than half of \$60.0B in 2009
 - 30-day delinquencies declined in U.S. card portfolio for 7th consecutive quarter
 - Nonperforming loans, leases and foreclosed properties decreased \$1.9B from 3Q10 and \$3.5B from 4Q09
 - 4Q10 provision expense of \$5.1B down 61% from 4Q09
 - Reserve coverage of 4Q10 annualized net charge-offs of 1.56 vs. 1.05 at end of 2009
- Strong deposit growth
 - Deposits rose to more than \$1T in 2010 as commercial companies added to their cash balances and affluent and high net-worth clients brought more of their business to Bank of America
 - Deposits up \$18.8B from end of 2009, despite deposits sold of \$25.7B
 - Average retail deposits up \$14.1B from 3Q10 mainly attributable to Global Wealth & Investment Management
 - Average commercial deposits up \$16.2B from 3Q10 resulting from clients maintaining high levels of liquidity
- Loan levels have begun to stabilize
 - Total Commercial and Industrial loans grew \$3.2B from 3Q10
- Reduced non-core assets
 - Sales generated Tier 1 Common Equity of \$3.1B in 2010
 - Reduced legacy capital markets exposures by \$12B, down 34% from end of 2009
- Making progress on legacy mortgage issues
- Steady progress on customer-focused franchise

Balance Sheet Highlights

(\$ in billions except per share amounts)

	December 31, 2010	January 1, 2010 ¹	Increase (Decrease)
Total assets	\$ 2,264.9	\$ 2,323.7	\$ (58.8)
Total risk-weighted assets	1,456.0	1,563.6	(107.6)
Total deposits	1,010.4	991.6	18.8
Long-term debt	448.4	522.9	(74.5)
Tangible common equity	130.9	112.4	18.5
Tier 1 common equity	125.1	110.7	14.4
Global excess liquidity sources	336	214	122
Tier 1 common equity ratio	8.60 %	7.08 %	152 bps
Tangible book value per share	\$ 12.98	\$ 11.31	\$ 1.67
Asset Quality			
Allowance for loan and lease losses	\$ 41.9	\$ 48.0	\$ (6.1)
<i>as a % of loans and leases</i>	4.47 %	4.81 %	(34) bps
<i>coverage for annualized net losses</i>	1.56 x	1.05 x	0.51 x
Nonperforming loans, leases and foreclosed properties	\$ 32.7	\$ 36.2	\$ (3.5)

Addressing Legacy Mortgage Issues

Representations and Warranties

- Important step forward as a result of agreements with GSEs announced on January 3, 2011
- Recorded expense in 4Q10 of \$3B for representations and warranties for loans sold directly to the GSEs
- We believe the remaining representations and warranties exposure for loans sold directly to the GSEs has been addressed as a result of these agreements and the associated adjustments to the liability for representations and warranties
 - Ongoing liability assumes no material changes in experience with GSEs, home prices or other economic conditions
- Experience with non-GSE claims remains limited
 - No change in approach on non-GSE claims
 - If valid claims are presented in accordance with contractual rights, loan repurchase claims will be processed appropriately

Modifications

- Completed 285K modifications in 2010 and 775K modifications cumulatively since 2008 by Bank of America and (previously) Countrywide
 - The 285K modifications in 2010 include 109K customers who converted from trial modifications under MHA
- Completed 76K modifications in 4Q10
- Actions continue to be taken to internally realign resources to focus on loan modification efforts
 - In early December, announced that more than 2,500 Centralized Sales and Fulfillment associates would be deployed to Servicing over the next several months to support the expected peak default volumes in 2011
 - Moving associates from Small Business, Card and other areas into HL&I to assist with Servicing

Addressing Legacy Mortgage Issues (cont'd)

Foreclosures

- Resumed foreclosure sales in most non-judicial states in early December, starting with vacant and non-owner occupied properties; expect to resume sales in remaining states in 1Q11
- Maintaining a deliberate and phased approach
- Remain committed to ensure no property is taken to foreclosure improperly
- Review of our foreclosure process shows the basis for our decisions has been accurate
- Process areas identified for improvement

Delinquency Statistics for Completed Foreclosure Sales

- 78% of borrowers had not made a mortgage payment for more than one year
- Average of 585 days in delinquent status (approximately 19 months)
- 50% of properties were vacant (excludes loans for which occupancy status was unknown)
- 54% of borrowers were unemployed or had their income reduced

Income Statement Highlights

(\$ in billions, except per share amounts)

	4Q10	Increase (Decrease) 3Q10	2010	Increase (Decrease) 2009 ¹
	Revenue (FTE)	\$ 22.7	\$ (4.3)	\$ 111.4
Expense	20.9	(6.3)	83.1	16.4
Provision expense	5.1	(0.3)	28.4	(31.6)
Pre-tax (loss)	(3.3)	2.3	(0.1)	(5.7)
Income tax expense (benefit) FTE	(2.1)	(3.8)	2.1	2.7
Net loss	(1.2)	6.1	(2.2)	(8.4)
Preferred dividends	0.3	-	1.4	(7.1)
Net loss applicable to common	\$ (1.5)	\$ 6.1	\$ (3.6)	\$ (1.3)
Average diluted shares	10,036.6	60.2	9,790.5	2,061.9
Diluted EPS	\$ (0.16)	\$ 0.61	\$ (0.37)	\$ (0.08)

Excluding Non-cash Goodwill Impairment Charges

Expense	\$ 18.9	\$ 2.1	\$ 70.7	\$ 4.0
Pre-tax income (loss)	(1.3)	(6.1)	12.2	6.6
Income tax expense (benefit)	(2.1)	(3.8)	2.1	2.7
Net income	0.8	(2.3)	10.2	4.0
Net income applicable to common	\$ 0.4	\$ (2.4)	\$ 8.8	\$ 11.1
Diluted EPS	\$ 0.04	\$ (0.24)	\$ 0.86	\$ 1.15
Return on equity	0.79 %	n/m	4.14 %	n/m
Return on tangible equity	1.27 %	n/m	7.03 %	n/m

Significant Items in 4Q10

Reported Earnings Per Share in 4Q10

\$(0.16)

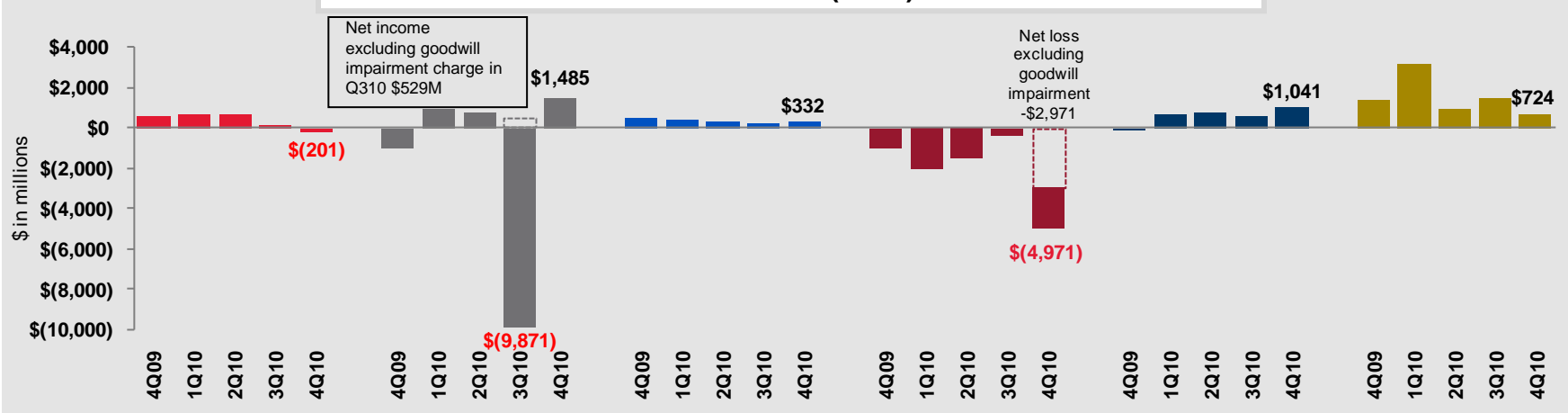
Significant items in 4Q10 earnings include (\$ in billions, except EPS)	Pre-tax	Approximate EPS Impact ¹
Representations and warranties expense	\$ (4.1)	\$ (0.26)
Negative fair value adjustment on structured liabilities	(1.2)	(0.07)
Asset sales gains (losses)		
Partial ownership stake in Blackrock	0.1	0.01
CCB rights	0.4	0.03
Global Securities Solutions	(0.2)	(0.01)
Securities gains	0.9	0.05
Goodwill impairment charge - Home Loans & Insurance	(2.0)	(0.20)
Litigation expense (excluding fees paid to external service providers)	(1.5)	(0.09)
Merger and restructuring charges	(0.4)	(0.02)
Loan loss reserve reduction	1.7	0.11
Income tax valuation allowance release	1.2 ²	0.12

¹ Reflects estimated diluted EPS impact.

² Amount is after-tax

Business Segment Results

Net Income (Loss)



Deposits

Global Card Services¹

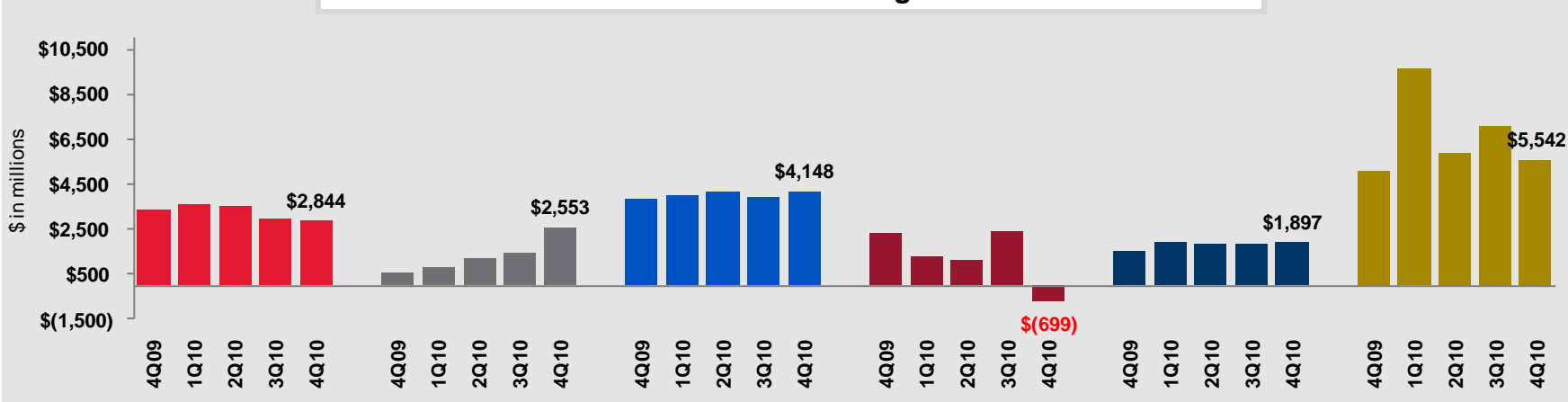
Global Wealth & Investment Management

Home Loans & Insurance

Global Commercial Banking

Global Banking & Markets

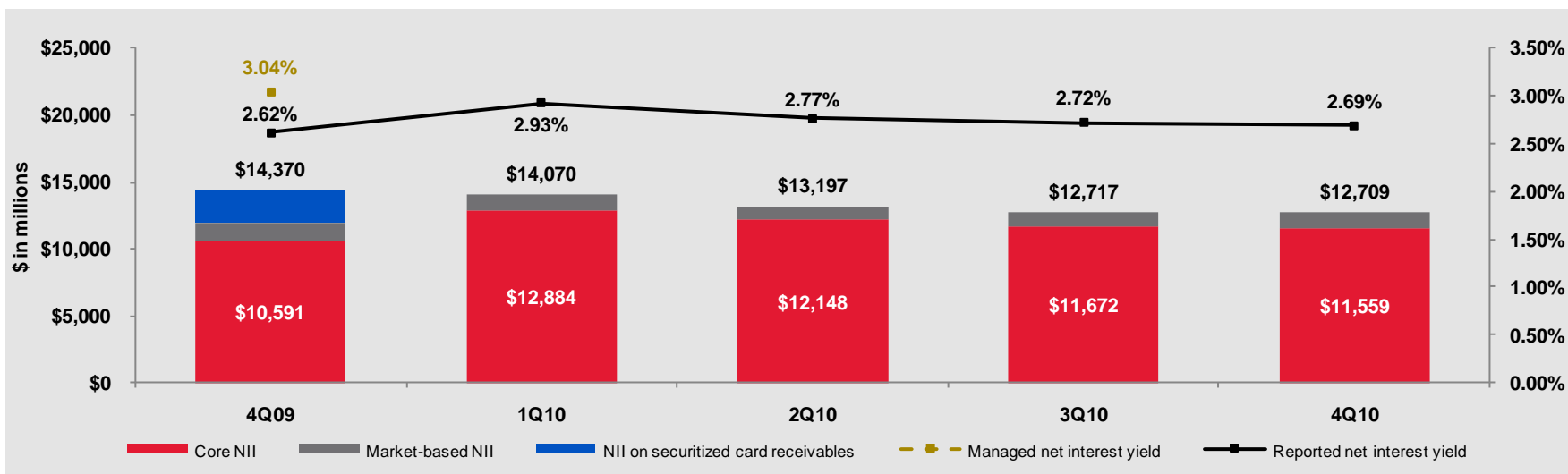
Revenue Less Net Charge-offs²



¹ Periods prior to January 1, 2010 are presented on a managed basis and assume that credit card loans that were securitized were not sold and earnings on these loans are presented in a manner similar to the way loans that have not been sold (i.e., held loans) were presented. See page 50 for adjustments made.

² Fully taxable-equivalent basis.

Net Interest Income ^{1,2}



Commentary vs. 3Q10

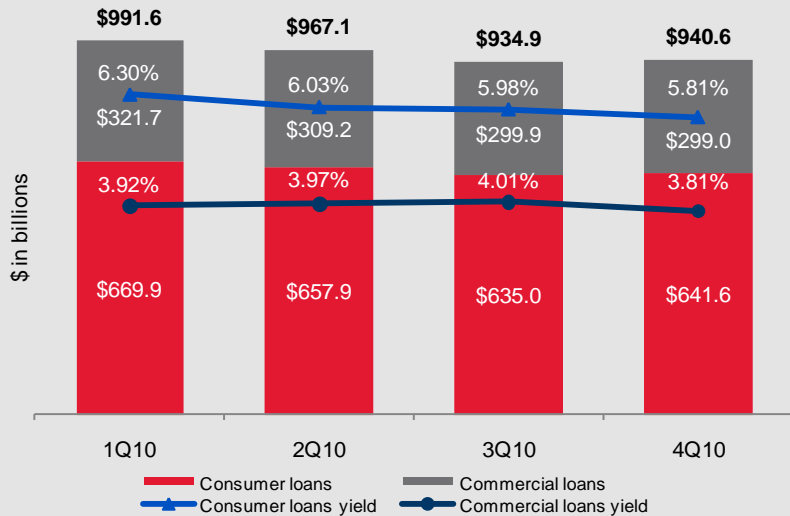
- Net interest income was flat and the net interest yield declined 3 bps to 2.69%
 - NII was reduced as a result of
 - Reduced yields on the discretionary portfolio (\$450M)
 - Lower consumer loan balances excluding residential mortgages (\$175M)
 - But benefited from:
 - Increased discretionary portfolio levels of securities and residential mortgages (\$250M)
 - Hedge income (\$250M)
 - Reduced long-term debt (\$125M)
- On track to meet goal of 15 to 20% long-term debt reductions relative to 3Q10 by end of 2011 and longer term goal of \$150 to \$200B by the end of 2013
- Expect NII in 1H11 to be below 4Q10 level before stabilizing near mid-year 2011

¹ Fully taxable-equivalent basis.

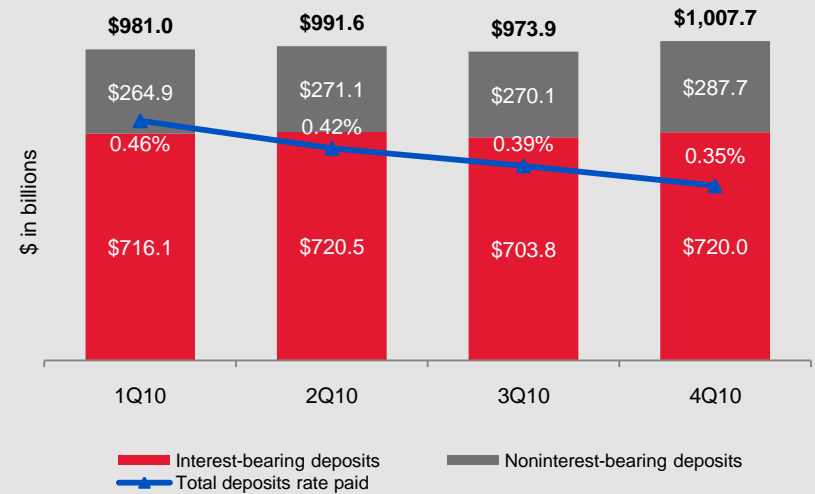
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Balance Sheet Drivers of Net Interest Income

Total Average Loans and Yields



Total Average Deposits and Rates Paid



Commentary vs. 3Q10

- Average loans increased \$5.7B compared to 3Q10 due to higher residential mortgage originations held on the balance sheet
- Average consumer loan yields declined 17 bps compared to 3Q10, while commercial loan yields decreased 20 bps

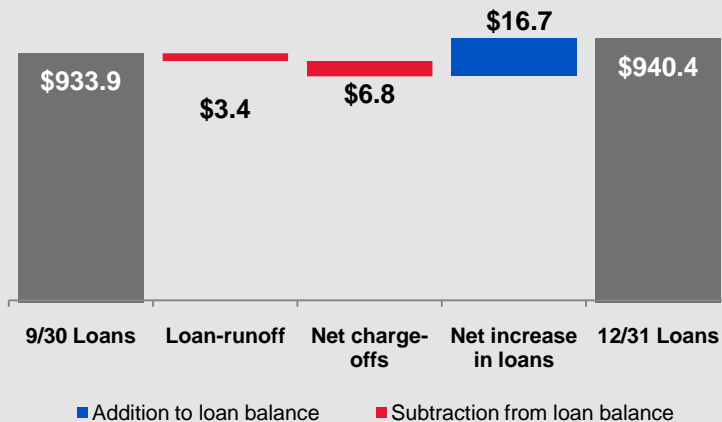
Commentary vs. 3Q10

- Experienced strong average deposit growth of \$33.9B
- Strong retail deposit growth of \$14.1B led by wealth management clients
- Commercial deposits grew \$16.2B as customers maintained high liquidity preference
- Average rates paid on total deposits declined 4 bps through disciplined pricing

4Q10 Loan Activity ¹

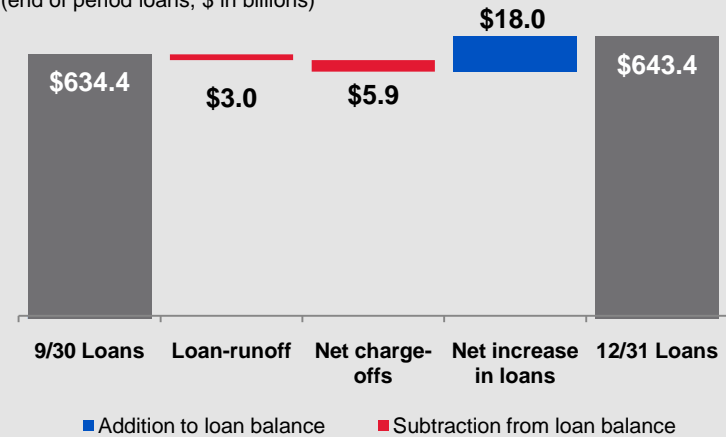
Total Loans

(end of period loans, \$ in billions)



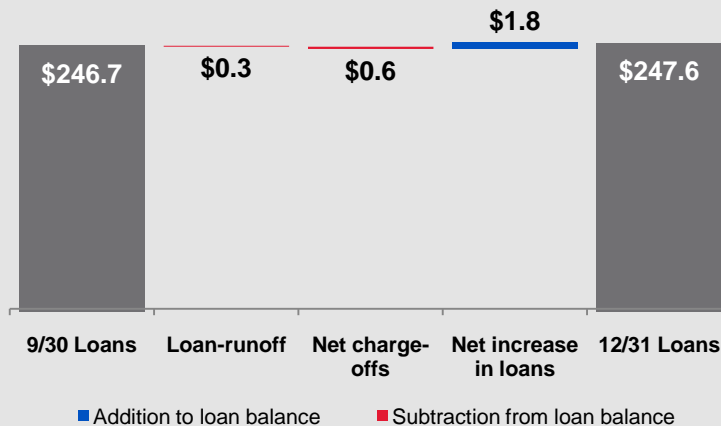
Total Consumer

(end of period loans, \$ in billions)



Commercial excl. CRE

(end of period loans, \$ in billions)

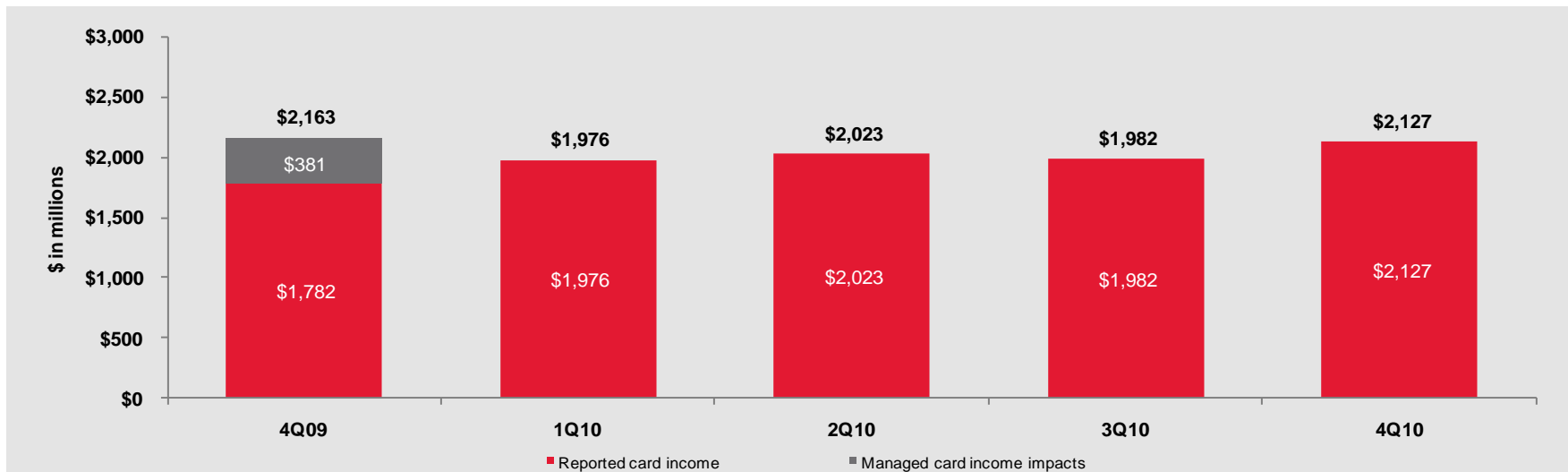


Commercial Real Estate (CRE)

(end of period loans, \$ in billions)



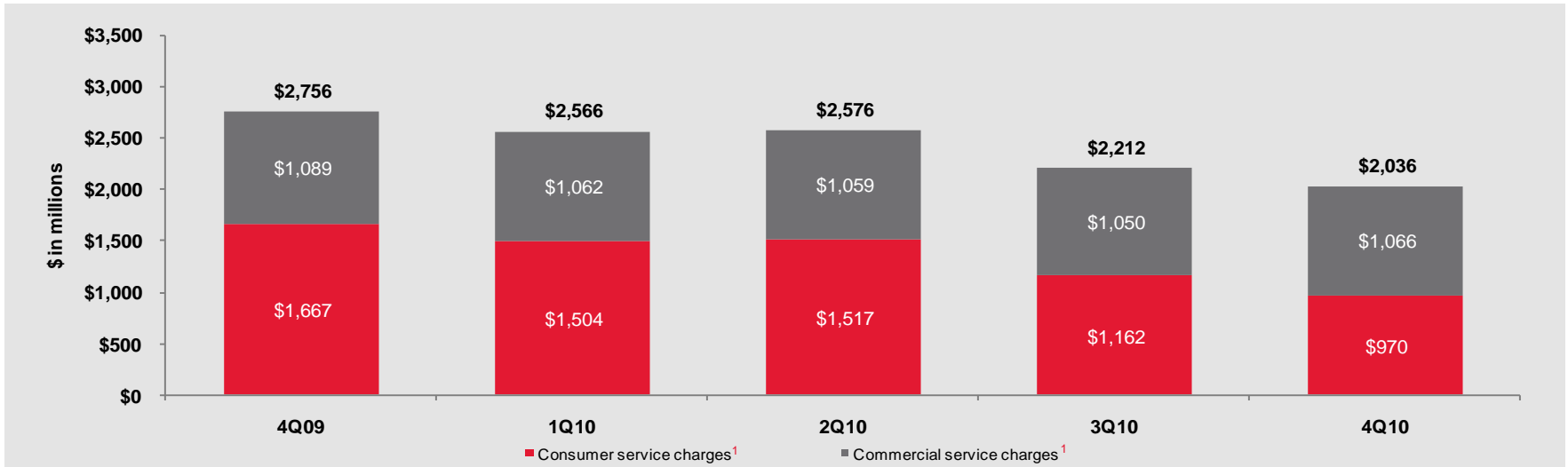
Card Revenue ¹



Commentary vs. 3Q10

- Card revenue increased \$145M vs. 3Q10 through increased interchange income as a result of higher retail volume
 - Retail spending volume (debit and credit) increased 4% from 3Q10 and 5% from 4Q09
 - 2010 holiday spending volume (debit and credit) increased 5% from comparable 2009 period
- Ending Global Card Services loans declined less than 1% from 3Q10; the pace of decline continues to slow (2% in 3Q10, 5% in 2Q10 and 7% in 1Q10)
- Focus remains on growth with lower risk customers and continued expansion of existing customer relationships
- New U.S. consumer card accounts in the quarter were up 9% from 3Q10

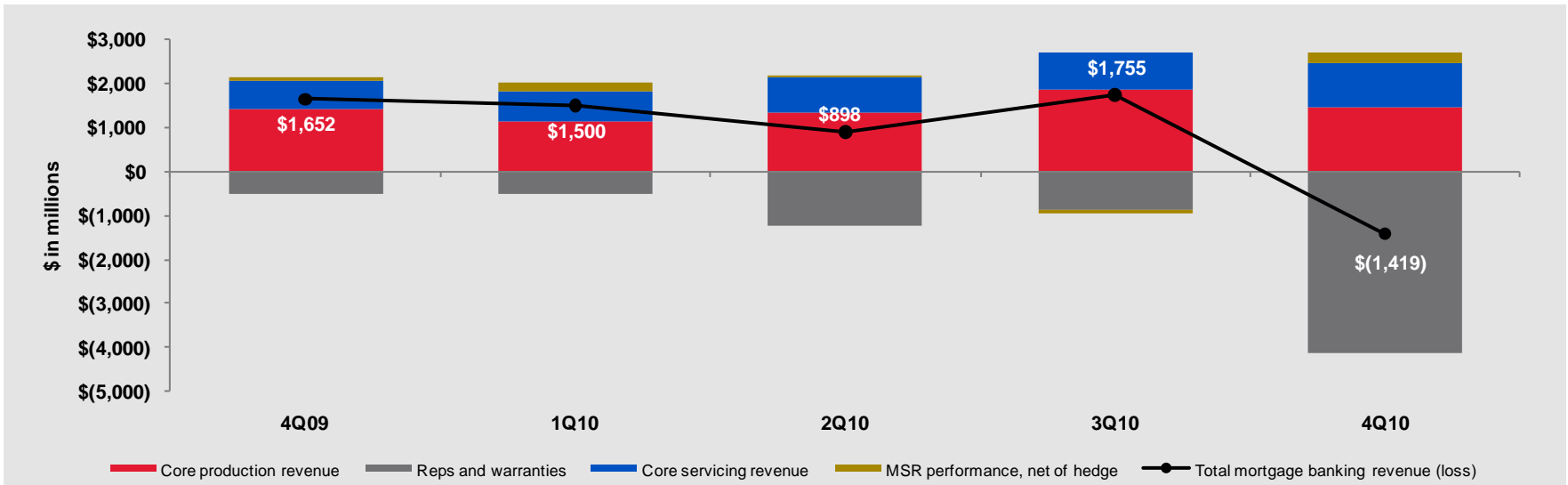
Service Charges



Commentary vs. 3Q10

- Service charges were down \$176M as a result of the full quarter impact of Regulation E
 - Includes approximately \$275M increased impact from Regulation E
- Our customer-focused strategy continues to improve account closure rates and customer satisfaction
 - Accounts closed by customers has been reduced 38% since 4Q09
 - Customer dissatisfaction levels have shown improvement for 5 straight quarters

Mortgage Banking Revenue



Commentary vs. 3Q10

- Mortgage banking revenue decreased \$3.2B vs. 3Q10
 - 4Q10 included \$4.1B for representations and warranties expense compared to \$872M in 3Q10
 - \$3.0B of the provision is related to GSE exposures, including the impact of the agreements previously announced
 - Core production revenue decreased \$382M due to lower lock volumes and lower production margins
 - MSR results, net of hedges, increased \$347M in 4Q10 driven by improved hedge performance.
 - Increased MSR balance is driven by the higher rate environment

Key Mortgage Statistics

(\$ in billions)

	4Q10	3Q10	4Q09
Total Corporation			
Home Loan Originations			
First mortgage	\$ 84.7	\$ 71.9	\$ 86.6
Home equity	2.1	2.1	2.8
MSR, end of period (EOP)	\$ 14.9	\$ 12.3	\$ 19.5
Capitalized MSR, bps	92	73	113
Serviced for others, EOP	\$ 1,628	\$ 1,669	\$ 1,716

Representations and Warranties

Liability for Representations and Warranties

(\$ in millions)	4Q09	1Q10	2Q10	3Q10	4Q10
Beginning Balance	\$3,570	\$3,507	\$3,325	\$3,939	\$4,402
Provision	516	526	1,248	872	4,140
Charge-offs	(591)	(718)	(642)	(415)	(3,028)
Other Activity	12	10	8	6	(76)
Ending Balance	<u>\$3,507</u>	<u>\$3,325</u>	<u>\$3,939</u>	<u>\$4,402</u>	<u>\$5,438</u>

Outstanding Claims by Counterparty

(\$ in millions)	4Q09	1Q10	2Q10	3Q10	4Q10
GSEs	\$3,284	\$4,094	\$5,624	\$6,819	\$2,821
Monolines	2,944	3,169	4,114	4,304	4,799
Other	1,371	1,575	1,428	1,825	3,067 ¹
Total	<u>\$7,600</u>	<u>\$8,838</u>	<u>\$11,166</u>	<u>\$12,949</u>	<u>\$10,687</u>

New Claims Trends

(\$ in millions)	4Q09	1Q10	2Q10	3Q10	4Q10	Mix
Pre 2005	\$49	\$143	\$125	\$147	\$455	4%
2005	254	362	710	589	957	14%
2006	601	867	1,276	1,442	2,105	31%
2007	1,209	1,805	2,329	1,664	1,775	43%
2008	168	204	278	320	351	6%
Post 2008	20	36	47	56	105	1%
New Claims	<u>\$2,301</u>	<u>\$3,416</u>	<u>\$4,765</u>	<u>\$4,219</u>	<u>\$5,748</u>	
% GSEs	89%	84%	77%	82%	57%	
Rescinded Claims	\$914	\$1,050	\$1,592	\$1,531	\$4,106	
Approved Repurchases	\$1,286	\$1,204	\$855	\$1,005	\$3,934	
Outstanding Claims	\$7,600	\$8,838	\$11,166	\$12,949	\$10,687	
% GSEs	43%	46%	50%	53%	26%	

- 74% of new claims over the past year were from 2006 & 2007 vintages

Commentary

- 4Q10 representations and warranties provision of \$4.1B increased as the current quarter included \$3.0B in provision relating primarily to the impact of previously announced agreements with GSEs
- \$8.0B of claims were resolved during the quarter, including \$4.9B as part of the GSE agreements, leading to an overall \$2.3B reduction in claims
 - Monoline claims outstanding continue to grow as the monolines continue to submit claims and are generally unwilling to withdraw claims despite evidence refuting the claims
 - \$1.9B in claims were received during the quarter from whole loan and private label securitization investors substantially related to 2005 through 2007 origination vintages¹
- Increase in rescissions and approvals in 4Q10 was substantially impacted by the previously announced agreements with the GSEs

¹ Includes \$1.7B in claims contained in communications from private label securitizations investors that do not have the right to demand repurchase of loans directly or the right to access loan files. The inclusion of these claims in the amounts noted does not mean that we believe these claims have satisfied the contractual thresholds to direct the securitization trustee to take action or are otherwise procedurally or substantively valid.

Non-GSE Experience – 2004-2008 Originations

- From 2004 through 2008, \$963B of loans were sold into private label securitizations or through whole loan sales

Origination Issuer

- 74% originated through Countrywide
- 10% originated through legacy BAC
- 7% originated through legacy Merrill Lynch
- 9% originated through other legacy firms

Originations by Product

- 31% were prime originations
- 18% were Alt-A originations
- 16% were pay option prime originations
- 26% were subprime originations
- 9% were second lien originations

- Repurchase claims activity through December 31, 2010:
 - \$13.7B of repurchase claims received on 2004-2008 vintages
 - \$5.6B in claims from monoline insurers
 - \$5.7B in claims from whole loan buyers
 - \$1.7B in demands from private label securitization investors who do not have the contractual right to demand repurchase of loans directly ¹
 - \$800M in claims from one counterparty submitted prior to 2008
 - \$6.0B of resolved repurchase claims on 2004-2008 vintages
 - \$800M resolved with monolines; 15% were rescinded or paid in full (mostly second lien)
 - \$5.2B resolved with private investors; 59% were rescinded
 - \$7.7B repurchase claims remain outstanding on the 2004-2008 vintages
 - \$4.1B have been reviewed and declined for repurchase
 - \$1.7B in demands from private label securitization investors who do not have the contractual right to demand repurchase of loans directly ¹
 - Repurchase losses of \$1.7B
 - \$630M related to monolines
 - \$1.1B with private investors

¹ The inclusion of these claims in the amounts noted does not mean that we believe these claims have satisfied the contractual thresholds to direct the securitization trustee to take action or are otherwise procedurally or substantively valid

Non-GSE Experience – 2004-2008 Originations (cont'd)

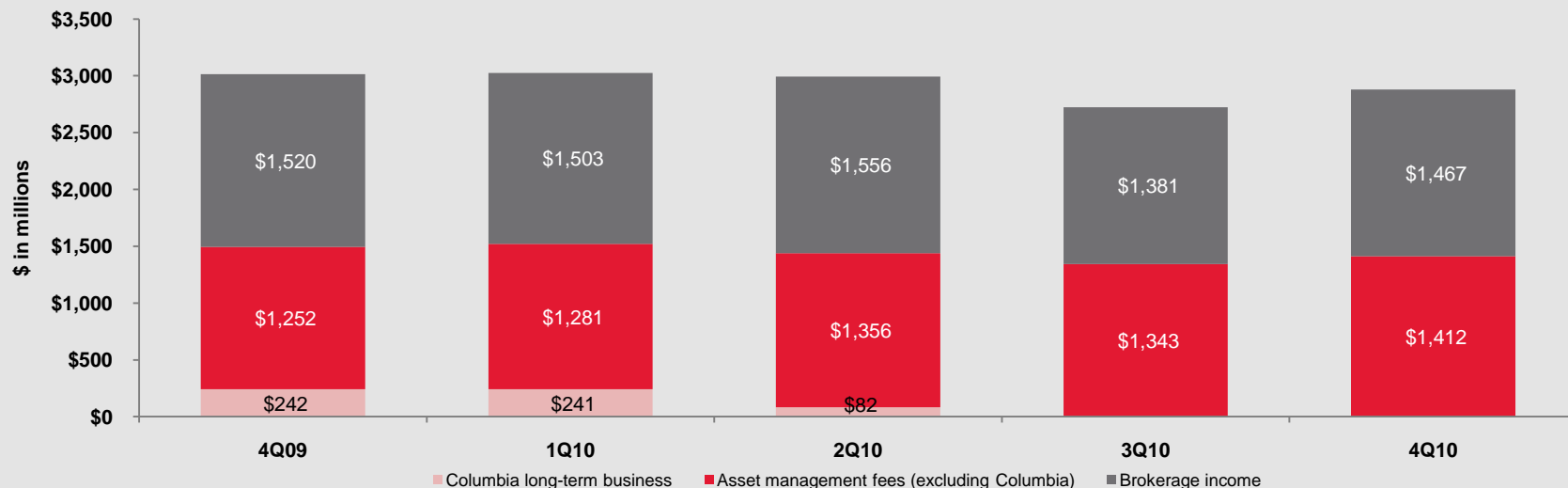
- Experience to date reflects:
 - 22.4% of loans sold have defaulted or are severely delinquent
- 58% (\$126B) of defaulted or severely delinquent loans made at least 25 payments prior to default or delinquency
 - Only a portion of these defaulted or severely delinquent loans will be the subject of a repurchase demand and only a portion of those would ultimately be repurchased
- Significant differences between GSE and private label representations and warranties deal terms (slide 21)
- Although non-GSE claims experience remains limited, we expect additional activity in this area going forward
 - It is possible that additional losses may occur
 - Various scenarios were evaluated as part of our planning process
 - A preliminary estimate of possible upper range of loss could be up to \$7B to \$10B over existing accruals
 - It does not represent a probable loss
 - It is based on current assumptions and is necessarily subject to change
 - A significant portion of this possible range of loss relates to loans originated through Countrywide prior to our acquisition
 - Counterparties and their claims still have significant legal and procedural hurdles to overcome
 - We expect resolution of these matters to be a protracted process, could take years to conclude
 - If valid claims are presented in accordance with contractual rights, loan repurchase claims will be processed appropriately
 - Where no such valid basis for a repurchase claim exists, we will vigorously contest any requests for repurchase

Key Private Label Differences in Representations and Warranties (vs. GSEs)

Significant aspects of private label transactions that differ from GSE sales are summarized below:

General Compliance	General representation of material compliance with underwriting guidelines (which permits exceptions)
Fraud	Virtually all deals do not contain a representation that there has been no fraud or material misrepresentation by borrower or third party
Acceptable Investment	No representation that the mortgage is of investment quality
Materiality	Many representations include materiality qualifiers
Causation	Breach of representation must materially and adversely affect certificate holders' interest in the loan
Disclosure	Offering documents included extensive disclosures including detailed risk factors, description of underwriting practice and guidelines, and loan attributes.
Claim Presentation Rights	Only parties to the Pooling and Servicing Agreement (PSA) (e.g., the Trustee) can bring such repurchase claims; certificate holders cannot bring claims directly. 25% of each tranche of certificate holders generally required in order to direct trustee to review loan files for potential claims. Investors must bear costs of Trustee's loan file review.
Liability for Repurchase	Repurchase liability, generally limited to seller

Investment and Brokerage Revenue



Commentary vs. 3Q10

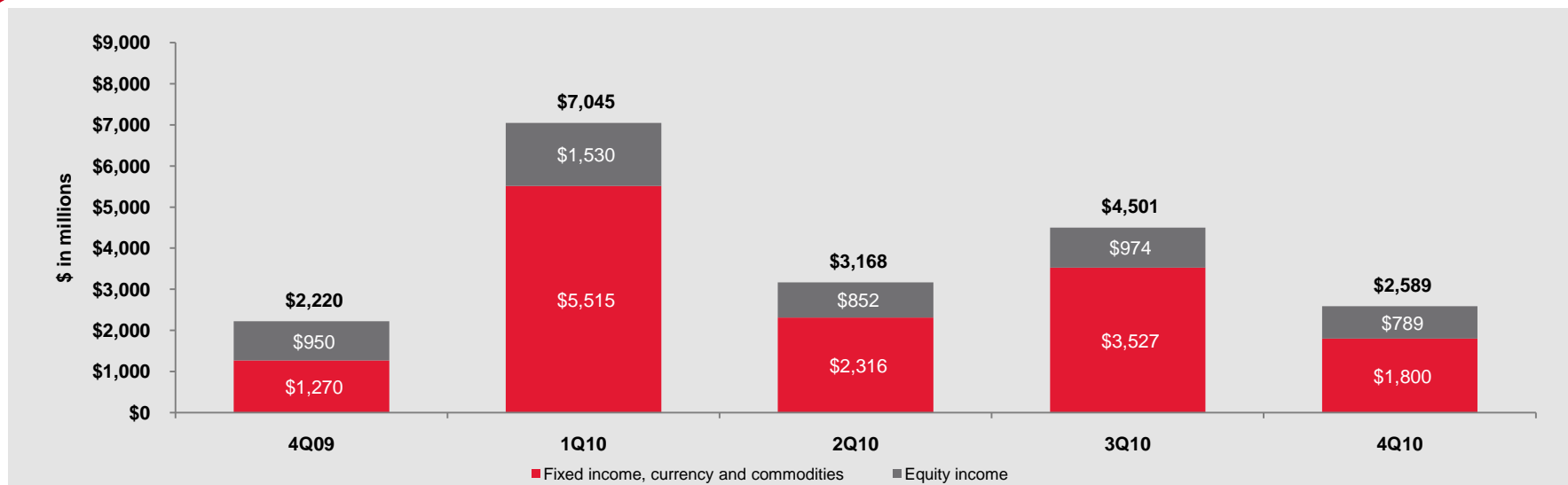
- Global Wealth & Investment Management reported near record quarterly revenue levels in 4Q10
- Investment and brokerage revenue increased by \$155M vs. 3Q10 due to higher asset management fees and brokerage income
- Asset management fees increased \$69M reflecting a strong market and positive long-term client flows
 - Revenue from inflows into higher valued products more than offset revenue from outflows in lower valued products such as custody and money market funds
- Brokerage fees increased \$86M in part due to increased transactional activity

Key Wealth Management Statistics

	4Q10	3Q10	4Q09
Financial Advisors	15,498	15,476	15,171
Client Facing Professionals	20,010	19,987	19,439
Assets under management (\$ in B)	\$ 643.9	\$ 624.1	\$ 749.8 ¹
Total client balances (\$ in B)	\$2,238.5	\$2,169.1	\$2,272.5 ¹
MLGWM: Active accounts (in millions)	3.30	3.12	3.13
MLGWM: Net new \$250K+ households	8,052	7,079	3,242

¹ Assets under management (AUM) and total client balances include \$114.2B and \$114.6B, respectively, of Columbia Management long-term asset management business through the date of sale on May 1, 2010.

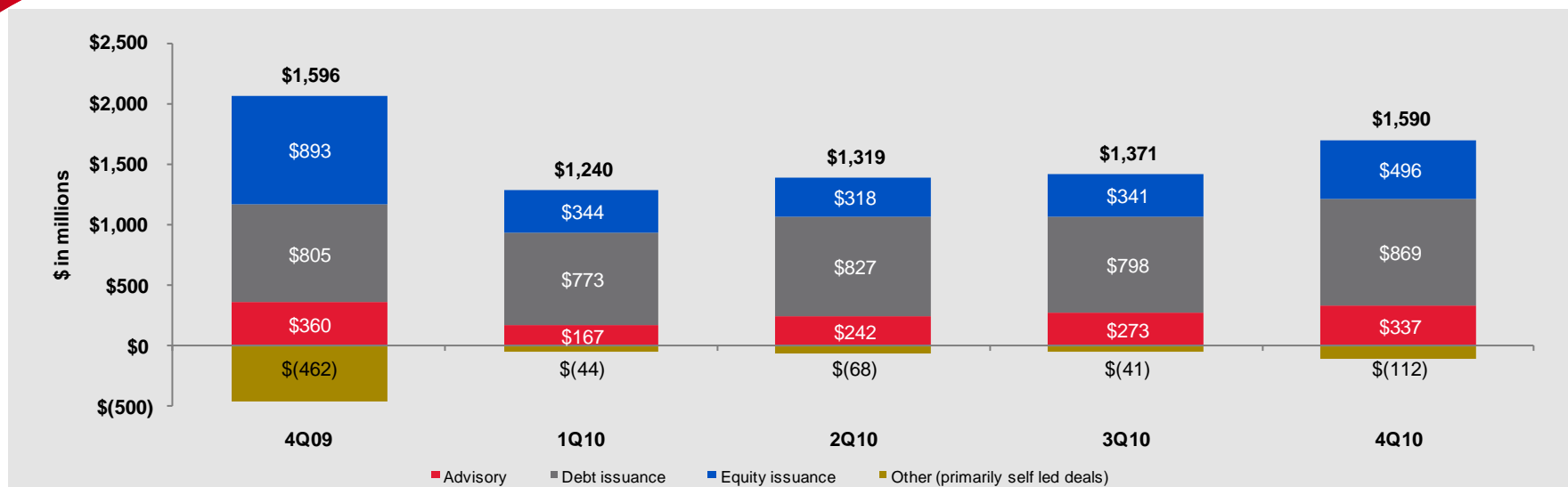
Sales and Trading Revenue ¹



Commentary vs. 3Q10

- Sales and trading revenue decreased \$1.9B from 3Q10 as a result of positioning in a weak trading environment, seasonal trading declines and reduction of risk-weighted assets by 11% with daily average VaR falling 15% during the quarter
- FICC revenue of \$1.8B decreased \$1.7B compared to 3Q10 as spread tightening early in the quarter was offset by diminished client activity and European debt deterioration
- Equity revenue of \$789M is down \$185M from 3Q10 as an increase in cash business commission revenue was more than offset by a decline in market volatility and client flows impacting derivatives

Investment Banking Revenue



Commentary vs. 3Q10

- Investment banking revenue increased from 3Q10 and helped maintain our No. 2 rank globally and No. 1 in U.S.²
- Revenue rose \$219M from 3Q10 due to continued strong performance in the Americas
- 4Q10 included several large international transactions in EMEA and Asia Pacific
- Continued leadership and strength globally in Leveraged Finance with lead involvement in several significant transactions

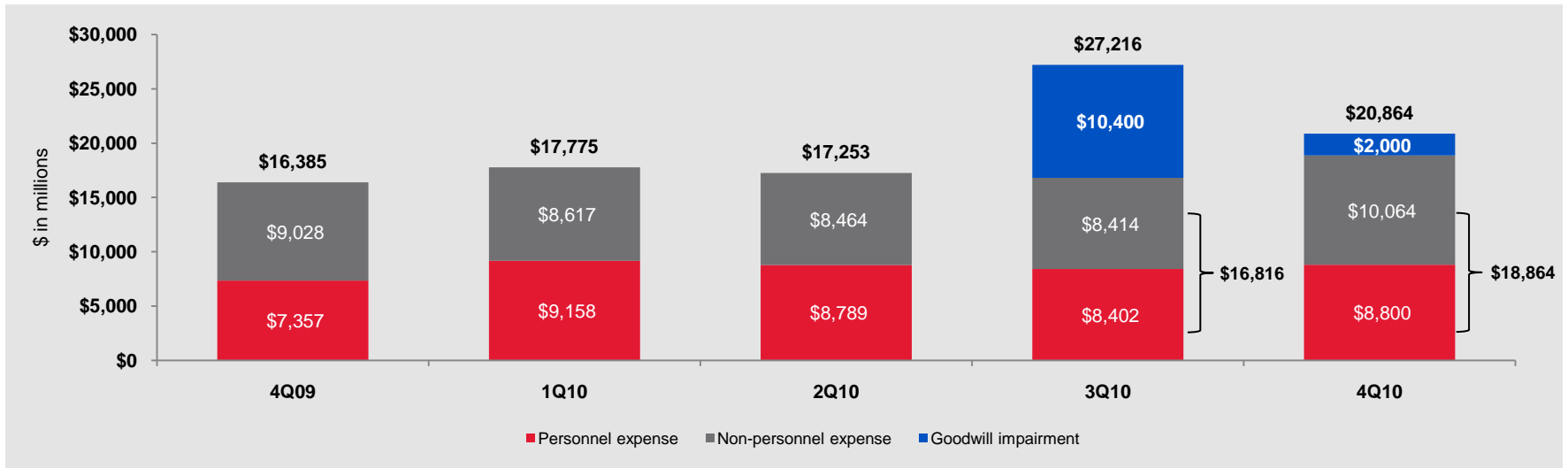
BAML 2010 Product Ranking Highlights^{1, 2}

	Global Ranking	U.S. Ranking
Net investment banking revenue	2	1
Leveraged loans	1	1
Asset-backed securities	1	1
Mortgage-backed securities	2	2
Syndicated loans	2	1
High-yield corporate debt	2	2
Investment grade corporate debt	2	2
Convertible debt	3	3

¹ BAML = Bank of America Merrill Lynch.

² Source: Dealogic data as of January 5, 2011; includes self led transactions.

Noninterest Expense Levels

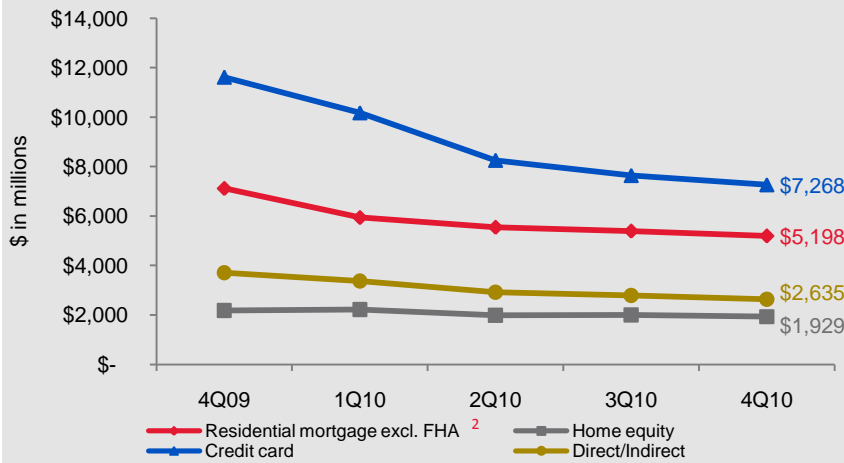


Commentary vs. 3Q10

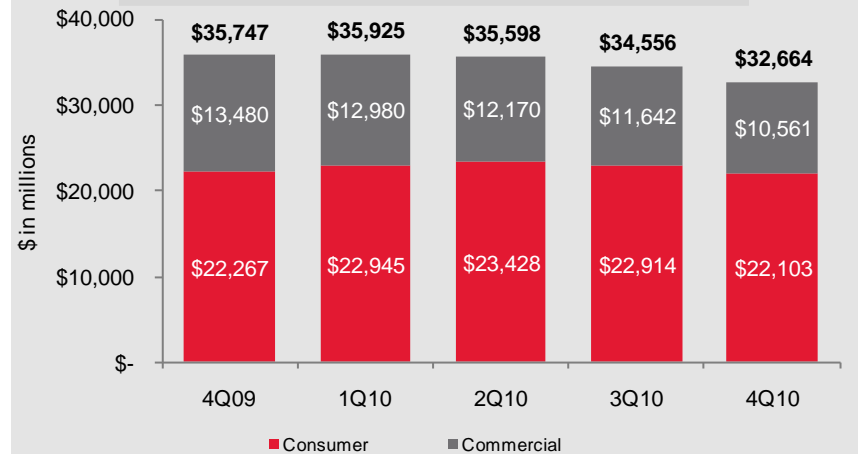
- Excluding goodwill impairment charges, 4Q10 expense increased \$2.0B or 12% from 3Q10
 - Litigation costs increased \$1B to \$1.5B, excluding fees paid to external service providers, primarily driven by the consumer businesses, including home lending
 - Personnel costs increased \$398M as investment in wealth management and trading continues
 - 4Q10 also included higher severance expense as we move to control costs
 - Professional fees increased \$232M largely attributable to increased legal and other costs in our home lending and markets businesses

Credit Trends Are Positive

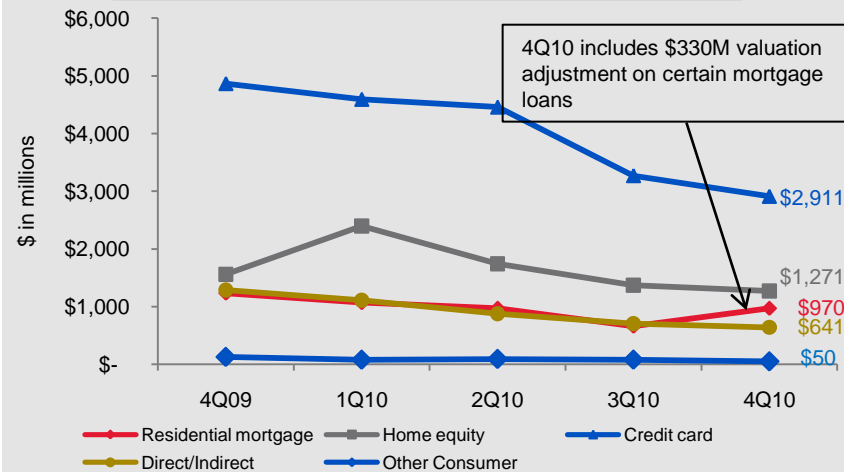
Consumer 30+ Day Delinquencies ¹



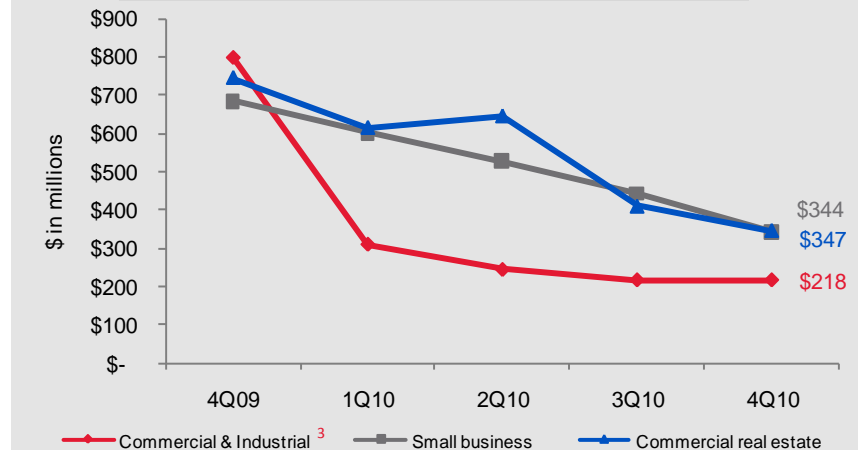
Nonperforming Loans, Leases and Foreclosed Properties



Consumer Net Charge-offs ¹



Commercial Net Charge-offs



¹ Credit card shown on a managed basis prior to 2010.

² FHA insured loans are excluded for comparison purposes.

³ Includes U.S. commercial (excluding small business) and non-U.S. commercial, excluding Leasing.

Credit Highlights

(\$ in millions)

	Net Charge-offs			Allowance for Loan Losses		
	4Q10	3Q10	Inc/ (Dec)	4Q10	3Q10	Inc/ (Dec)
Residential mortgage	\$ 970	\$ 660	\$ 310	\$ 4,648	\$ 4,320	\$ 328
Home equity	1,271	1,372	(101)	12,934	12,925	9
Discontinued real estate	11	17	(6)	1,670	1,191	479
US credit card	2,572	2,975	(403)	10,876	11,977	(1,101)
Non US credit card	339	295	44	2,045	2,116	(71)
Direct / indirect consumer	641	707	(66)	2,381	2,661	(280)
Other consumer	50	80	(30)	161	171	(10)
Total consumer	5,854	6,106	(252)	34,715	35,361	(646)
US Commercial (excl small business)	210	206	4	2,062	2,269	(207)
Small business	344	444	(100)	1,514	1,820	(306)
Commercial real estate	347	410	(63)	3,137	3,573	(436)
Commercial leasing	20	19	1	126	151	(25)
Non US commercial	8	12	(4)	331	407	(76)
Total commercial	929	1,091	(162)	7,170	8,220	(1,050)
Total loans and leases	\$ 6,783	\$ 7,197	\$ (414)	\$ 41,885	\$ 43,581	\$ (1,696)

Commentary vs. 3Q10

- Net charge-offs declined \$414M to \$6.8B in 4Q10 and the net charge-off ratio declined 20 bps to 2.87%
 - Charge-offs declined across almost all products
 - Consumer, excluding FHA-insured loans, 30+ performing delinquencies declined for the 7th consecutive quarter
 - 4Q10 residential mortgage charge-offs included \$330M for valuation adjustments on certain mortgage loans
- Loan loss reserves declined \$1.7B during the quarter
 - \$42B allowance for loan and lease losses provides coverage for 4.47% of loans compared to \$44B and 4.69% coverage in 3Q10
 - Allowance now covers 1.6 times current period annualized net charge-offs compared to 1.5 times in 3Q10 (excluding the purchased credit-impaired reserves: 1.3 times in 4Q10 and 3Q10)
 - Reserves for the purchased credit-impaired loan portfolio increased by \$828M, impacting discontinued real estate, residential mortgage and home equity
 - Most categories of loans experienced reserve releases during the quarter, led by unsecured products

Bank of America





Appendix

Consolidated Results Trends

(\$ in billions, except per share amounts)

	4Q10	3Q10	2Q10	1Q10	4Q09 ¹
Net interest income (FTE)	\$ 12.7	\$ 12.7	\$ 13.2	\$ 14.1	\$ 14.4
Noninterest income	10.0	14.3	16.3	18.2	13.9
Total revenue, net of interest expense (FTE)	22.7	27.0	29.5	32.3	28.3
Total noninterest expense	20.9	27.2	17.3	17.8	16.4
Provision for credit losses	5.1	5.4	8.1	9.8	13.0
Income (loss) before income taxes	(3.3)	(5.6)	4.1	4.7	(1.1)
Income tax expense (benefit) FTE	(2.1)	1.7	1.0	1.5	(0.9)
Net income (loss)	\$ (1.2)	\$ (7.3)	\$ 3.1	\$ 3.2	\$ (0.2)
Diluted EPS	\$ (0.16)	\$ (0.77)	\$ 0.27	\$ 0.28	\$ (0.60)

Excluding Non-cash Goodwill Impairment Charges

(\$ in billions, except per share amounts)

	4Q10	3Q10	2Q10	1Q10	4Q09 ¹
Net interest income (FTE)	\$ 12.7	\$ 12.7	\$ 13.2	\$ 14.1	\$ 14.4
Noninterest income	10.0	14.3	16.3	18.2	13.9
Total revenue, net of interest expense (FTE)	22.7	27.0	29.5	32.3	28.3
Total noninterest expense	18.9	16.8	17.3	17.8	16.4
Provision for credit losses	5.1	5.4	8.1	9.8	13.0
Income (loss) before income taxes	(1.3)	4.8	4.1	4.7	(1.1)
Income tax expense (benefit) FTE	(2.1)	1.7	1.0	1.5	(0.9)
Net income (loss)	\$ 0.8	\$ 3.1	\$ 3.1	\$ 3.2	\$ (0.2)
Diluted EPS	\$ 0.04	\$ 0.27	\$ 0.27	\$ 0.28	\$ (0.60)

¹ Periods prior to January 1, 2010 are presented on a managed basis and assume that credit card loans that were securitized were not sold and earnings on these loans are presented in a manner similar to the way loans that have not been sold (i.e., held loans) were presented. See page 50 for adjustments made.

4Q10 Results by Business Segment

(\$ in millions)

	Total Corporation	Deposits	Global Card Services	Home Loans & Insurance	Global Commercial Banking	Global Banking & Markets	Global Wealth & Investment Management	All Other
Net interest income (FTE)	\$12,709	\$1,945	\$4,203	\$1,131	\$1,881	\$1,992	\$1,488	\$69
Card income	2,127	-	2,000	-	69	34	22	2
Service charges	2,036	946	-	5	506	558	19	2
Investment and brokerage services	2,879	(2)	-	-	10	561	2,307	3
Investment banking income	1,590	-	-	-	9	1,584	110	(113)
Equity investment income	1,512	-	1	1	(14)	9	15	1,500
Trading account profits	995	-	-	-	(12)	962	39	6
Mortgage banking income	(1,419)	-	-	(1,338)	-	(6)	7	(82)
Gains on sales of debt securities	872	-	-	54	-	5	(45)	858
All other income	(633)	(5)	42	631	87	(132)	317	(1,573)
Noninterest income	9,959	939	2,043	(647)	655	3,575	2,791	603
Total revenue, net of interest expense (FTE)	22,668	2,884	6,246	484	2,536	5,567	4,279	672
Total noninterest expense	20,864	3,153	1,746	6,038	998	4,436	3,587	906
Pre-tax, pre-provision earnings	1,804	(269)	4,500	(5,554)	1,538	1,131	692	(234)
Provision for credit losses	5,129	41	2,141	1,198	(132)	(112)	155	1,838
Income (loss) before income taxes	(3,325)	(310)	2,359	(6,752)	1,670	1,243	537	(2,072)
Income tax expense (benefit) FTE	(2,081)	(109)	874	(1,781)	629	519	205	(2,418)
Net income (loss)	\$(1,244)	\$(201)	\$1,485	\$(4,971)	\$1,041	\$724	\$332	\$346



Progress on Customer Franchise

Continued Progress on Customer-Focused Franchise

Consumers

- Customer satisfaction levels, net new checking accounts, and loan and account attrition improved
- Assisted customers in home purchases and refinance activity with \$84.7B first mortgages originated in 4Q10
- Helped customers stay in their homes; since start of 2008, Bank of America and (previously) Countrywide cumulatively modified 775,000 loans
- Added financial advisors for the sixth consecutive quarter
- Wealth management clients added \$15.5B of average deposits and \$6.9B in long-term AUM flows in 4Q10
- Merrill Lynch clients and advisors given fully integrated banking and brokerage capabilities
- Introduced e-banking account, ATM emergency cash, and moving forward on new consumer account structure
- Ending Global Card Services loan level stabilizing with runoff of only 1% in 4Q10, driven by run-off portfolio

Companies

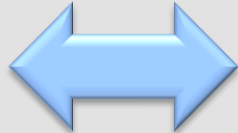
- Maintained strong #2 position in global investment banking revenues
- Continuing to build international client coverage team
- Global Commercial Banking Commercial and Industrial loans have grown more than 2% from 3Q10, showing stabilization
- Providing financing solutions to more clients in international markets
- Continuing to grow deposits as commercial banking clients maintain high levels of liquidity; increased \$8.1B in 4Q10
- Integrated Bank of America Merrill Lynch platform benefiting middle market clients
 - Leveraging an integrated partnership model, Global Commercial Bank clients generated approximately 23% of the investment banking revenues
- As a result of Global Commercial Banking referrals and partnerships, Retirement Services realized \$2.5B of funded sales

Investors

- Successfully merged legacy broker-dealers and now facing our clients as Merrill Lynch, Pierce, Fenner and Smith, LLC

Leveraging the Franchise

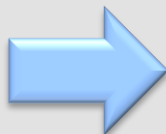
**Financial
Advisors**



**Consumer
Banking**

- Provided wealth clients with approximately 281,000 new credit and banking solutions in 2010
- 4,600 new funded accounts and \$340M in assets into Merrill Edge in 2010
- 91,000 401k leads to Merrill Edge resulting in 8K new 401k rollover accounts and over \$300MM in assets

**Consumer
Banking**



**Commercial
Bank**

- Over 100,000 referrals in 2010

**Financial Advisor
Referrals**



**Commercial
Bank**

- Over 6,400 referrals in 2010

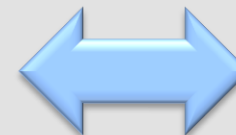
**Commercial
Leads**



**Wealth
Advisors**

- Over 5,100 referrals in 2010 up significantly over 2009
- Retirement Services realized \$2.5B of funded sales as a result of GCB referrals and partnerships

**Commercial
Bank**



**Investment
Bank**

- We continue to enhance our dual coverage model. Market share with these clients ranked 1st for 2010



Additional Representations and Warranties Disclosure

Government Sponsored Enterprise (GSE) Experience – 2004-2008 Originations

- From 2004 through 2008, \$1.1T of loans sold directly to GSEs
- Recent agreement with Freddie Mac for \$1.28B extinguishes outstanding and potential mortgage repurchase and make-whole claims arising out of any alleged breaches of selling representations and warranties related to loans sold by legacy Countrywide to **Freddie Mac** through 2008
- Recent agreement with Fannie Mae for \$1.52B substantially resolves the existing pipeline of repurchase and make-whole claims outstanding as of September 20, 2010, arising out of alleged breaches of selling representations and warranties related to loans sold by legacy Countrywide to **Fannie Mae**
- We believe the remaining representations and warranties exposure for loans sold directly to the GSEs has been addressed as a result of these agreements and the associated adjustments to the accrued liability for representations and warranties
 - Based on the models derived from the historical GSE experience, we believe we are 70 to 75% through the receipt of GSE repurchase claims
 - Our liability for GSEs fully reflects claims received as well as an estimate of claims still expected
 - The liability assumes no material changes in experience with GSEs, home prices, or other factors
- Preliminary estimates of repurchase claims as of 12/31/10 reflect:
 - \$21.6B of repurchase claims received on 2004-2008 vintages
 - \$18.2B of resolved repurchase claims on 2004-2008 vintages with loss experience of 27% of resolved claim requests ¹
- Experience to date reflects:
 - Slightly less than 10% of loans sold have defaulted or are severely delinquent
 - Collateral loss severity rate on approved repurchases of approximately 45 - 55%
- 55% of delinquent or defaulted loans made at least 25 payments prior to default or delinquency

GSE Experience – 2004-2008 Originations

(\$ in billions)

	Legacy Originator			Government Sponsored Enterprise Mix		
	Countrywide	Other	Total	Freddie Mac	Fannie Mae	Total
Original Funded Balance	\$ 846	\$ 272	\$ 1,118	\$ 292	\$ 826	\$ 1,118
Less:						
Principal Payments	406	133	539	127	412	539
Defaults	31	3	34	7	27	34
Outstanding Balance 12/31/10	\$ 409	\$ 136	\$ 545	\$ 158	\$ 387	\$ 545
Outstanding Delinquent > 180 days	\$ 59	\$ 14	\$ 73	\$ 21	\$ 52	\$ 73
Defaults + Severely Delinquent (principal at risk)	\$ 90	\$ 17	\$ 107	\$ 28	\$ 79	\$ 107
Payments made prior to delinquency:						
Less than 13			\$ 16 15%			\$ 16 15%
13-24			32 30%			32 30%
25-36			33 31%			33 31%
greater than 36			26 24%			26 24%
Outstanding GSE pipeline on representations and warranties claims						
As of 9/30/10 (all vintages)			\$ 6.8	\$ 1.6	\$ 5.2	\$ 6.8 ²
As of 12/31/10 (all vintages)			\$ 2.8	\$ 0.6	\$ 2.2	\$ 2.8
Cumulative representations and warranties losses 2004-2008						
Prior to Agreements as of 12/31/10			\$ 3.5	\$ 1.8	\$ 1.7	\$ 3.5
Agreements			\$ 2.8	\$ 1.3	\$ 1.5	\$ 2.8

¹ Includes approximately \$112B in outstanding balances that were originated by Countrywide from 2004-2008 and covered by the Freddie Mac agreement. The agreement covered \$127B in unpaid principal balances for all periods.

² Includes approximately \$832M of missing document claims in the process of being cured.

Non-Government Sponsored Enterprise (GSE) Experience – 2004-2008 Originations

(\$ in billions)

Entity	Principal Balance					Principal at Risk			
	Original Principal Balance	Outstanding Principal Balance 12/31/10	Outstanding Principal Balance > 180 Days Past Due	Defaulted Principal Balance	Principal at Risk	Borrower Made < 13 Payments	Borrower Made 13 to 24 Payments	Borrower Made 25 to 36 Payments	Borrower Made > 36 Payments
Bank of America	\$ 100	\$ 34	\$ 4	\$ 3	\$ 7	\$ 1	\$ 2	\$ 2	\$ 2
Countrywide	716	293	86	80	166	24	46	49	47
Merrill Lynch	65	22	7	10	17	3	4	3	7
First Franklin	82	23	7	19	26	4	6	4	12
Total ^{1,2,3}	\$ 963	\$ 372	\$ 104	\$ 112	\$ 216	\$ 32	\$ 58	\$ 58	\$ 68

Product	Principal Balance					Principal at Risk			
	Original Principal Balance	Outstanding Principal Balance 12/31/10	Outstanding Principal Balance > 180 Days Past Due	Defaulted Principal Balance	Principal at Risk	Borrower Made < 13 Payments	Borrower Made 13 to 24 Payments	Borrower Made 25 to 36 Payments	Borrower Made > 36 Payments
Prime	\$ 302	\$ 124	\$ 16	\$ 11	\$ 27	\$ 2	\$ 6	\$ 8	\$ 11
Alt-A	172	82	22	21	43	6	12	13	12
Pay option	150	65	31	20	51	5	15	17	14
Subprime	245	82	36	43	79	16	19	17	27
Home Equity	88	18	-	16	16	2	5	5	4
Other	6	1	(1)	1	-	0	0	0	0
Total	\$ 963	\$ 372	\$ 104	\$ 112	\$ 216	\$ 32	\$ 58	\$ 58	\$ 68

¹ Includes \$186B of original principal balance related to transactions with monoline participation.

² Excludes transactions sponsored by Bank of America and Merrill Lynch where no representations were granted.

³ Includes exposures on third party sponsored transactions related to legacy entity originations.



Additional Asset Quality Information

Impact of FHA-Insured Loans on Delinquencies

Commentary vs. 3Q10

- We continue to repurchase delinquent FHA-insured loans which masks the continued improvement in our 30+ delinquency trends
 - Total consumer 30+ delinquency excluding FHA improved by \$804M driven by decline in U.S. Credit Card of \$546M

(\$ in millions)	4Q10	3Q10	2Q10	1Q10	4Q09 ¹
FHA-insured 30+ Delinquencies	\$ 19,069	\$ 18,178	\$ 16,988	\$ 14,917	\$ 12,241
<i>Change from prior period</i>	891	1,190	2,071	2,676	9,815
30+ Delinquency Amounts					
Total consumer as reported	36,254	36,167	35,860	36,799	37,093
<i>Total consumer excluding FHA²</i>	17,185	17,989	18,872	21,882	24,852
Residential mortgages as reported	24,267	23,573	22,536	20,858	19,360
<i>Residential mortgages excluding FHA²</i>	5,198	5,395	5,548	5,941	7,119
30+ Delinquency Ratios					
Total consumer as reported	5.63%	5.70%	5.52%	5.57%	5.56%
<i>Total consumer excluding FHA²</i>	3.10%	3.21%	3.22%	3.64%	4.03%
Residential mortgages as reported	9.41%	9.69%	9.18%	8.51%	8.00%
<i>Residential mortgages excluding FHA²</i>	2.69%	2.77%	2.68%	2.81%	3.26%

¹ 2009 amounts shown on a managed basis.

² Excludes purchased credit-impaired loans.

Consumer Asset Quality Key Indicators

(\$ in millions)

	Residential Mortgage				Home Equity				Discontinued Real Estate			
	4Q10		3Q10		4Q10		3Q10		4Q10		3Q10	
	As Reported	Excluding Countrywide Purchased Credit-Impaired and FHA Insured Portfolios	As Reported	Excluding Countrywide Purchased Credit-Impaired and FHA Insured Portfolios	As Reported	Excluding Countrywide Purchased Credit-Impaired	As Reported	Excluding Countrywide Purchased Credit-Impaired	As Reported	Excluding Countrywide Purchased Credit-Impaired	As Reported	Excluding Countrywide Purchased Credit-Impaired
Loans end of period	\$257,973	\$193,435	\$243,141	\$194,560	\$137,981	\$125,391	\$141,558	\$128,711	\$13,108	\$1,456	\$13,442	\$1,472
Loans average	254,051	196,693	237,292	196,074	139,772	127,116	143,083	130,192	13,297	1,508	13,632	1,544
Net charge-offs	\$970	\$970	\$660	\$660	\$1,271	\$1,271	\$1,372	\$1,372	\$11	\$11	\$17	\$17
% of average loans	1.51%	1.96%	1.10%	1.34%	3.61%	3.97%	3.80%	4.18%	0.35%	3.10%	0.48%	4.25%
Allowance for loan losses	\$4,648	\$4,419	\$4,320	\$4,318	\$12,934	\$8,420	\$12,925	\$8,489	\$1,670	\$79	\$1,191	\$95
% of Loans	1.80%	2.28%	1.78%	2.22%	9.37%	6.72%	9.13%	6.60%	12.74%	5.45%	8.86%	6.49%
Average refreshed (C)LTV ¹		81		81		85		84		81		80
90%+ refreshed (C)LTV ¹		33%		34%		41%		41%		29%		28%
Average refreshed FICO		719		718		723		723		639		641
% below 620 FICO		14%		14%		12%		12%		46%		44%

Consumer Asset Quality Key Indicators (cont'd)

(\$ in millions)

	Credit Card		Other ¹		Total Consumer	
	4Q10	3Q10	4Q10	3Q10	4Q10	3Q10
Loans end of period	\$141,250	\$140,871	\$93,138	\$95,403	\$643,450	\$634,415
Loans average	140,130	142,298	94,345	98,647	641,595	634,952
Net charge-offs	\$2,911	\$3,270	\$691	\$787	\$5,854	\$6,106
% of average loans	8.24%	9.12%	2.91%	3.16%	3.62%	3.81%
Allowance for loan losses	\$12,921	\$14,093	\$2,542	\$2,832	\$34,715	\$35,361
% of Loans	9.15%	10.00%	2.73%	2.97%	5.40%	5.57%

Commentary vs. 3Q10

- The average refreshed FICO for the U.S. Credit Card portfolio was 706 at 4Q10 compared to 702 at 3Q10
- The percentage below 620 was 12% at 4Q10 compared to 13% at 3Q10
- The 4Q10 credit card loss rate of 8.24% is down by 88bps from 9.12% in 3Q10

Commercial Asset Quality Key Indicators ¹

(\$ in millions)

	Commercial and Industrial ²		Commercial Real Estate		Small Business		Commercial Lease Financing		Total Commercial	
	4Q10	3Q10	4Q10	3Q10	4Q10	3Q10	4Q10	3Q10	4Q10	3Q10
Loans end of period	\$ 207,615	\$ 206,443	\$ 49,393	\$ 52,819	\$ 14,719	\$ 15,228	\$ 21,942	\$ 21,321	\$ 293,669	\$ 295,811
Loans average	\$ 207,551	\$ 203,651	\$ 51,538	\$ 55,596	\$ 14,939	\$ 15,503	\$ 21,363	\$ 21,402	\$ 295,391	\$ 296,152
Net Charge-offs	\$ 218	\$ 218	\$ 347	\$ 410	\$ 344	\$ 444	\$ 20	\$ 19	\$ 929	\$ 1,091
% of average loans	0.42%	0.43%	2.67%	2.93%	9.13%	11.38%	0.38%	0.34%	1.25%	1.46%
90+ Performing DPD ³	\$ 242	\$ 145	\$ 47	\$ 174	\$ 325	\$ 363	\$ 18	\$ 24	\$ 632	\$ 706
% of Loans ³	0.12%	0.07%	0.10%	0.33%	2.21%	2.39%	0.08%	0.11%	0.22%	0.24%
Nonperforming loans ³	\$ 3,686	\$ 4,166	\$ 5,829	\$ 6,376	\$ 204	\$ 202	\$ 117	\$ 123	\$ 9,836	\$ 10,867
% of Loans ³	1.78%	2.02%	11.80%	12.07%	1.39%	1.33%	0.53%	0.58%	3.35%	3.67%
Allowance for loan losses	\$ 2,393	\$ 2,676	\$ 3,137	\$ 3,573	\$ 1,514	\$ 1,820	\$ 126	\$ 151	\$ 7,170	\$ 8,220
% of Loans	1.15%	1.30%	6.35%	6.77%	10.28%	11.95%	0.57%	0.71%	2.44%	2.78%
Reservable Criticized Utilized Exposure ^{1, 3}	\$ 19,238	\$ 22,486	\$ 20,518	\$ 21,974	\$ 1,677	\$ 1,741	\$ 1,188	\$ 1,497	\$ 42,621	\$ 47,698
% of Total Reservable Exposure ^{1, 3}	7.08%	8.25%	38.88%	39.00%	11.37%	11.40%	5.41%	7.02%	11.80%	13.06%

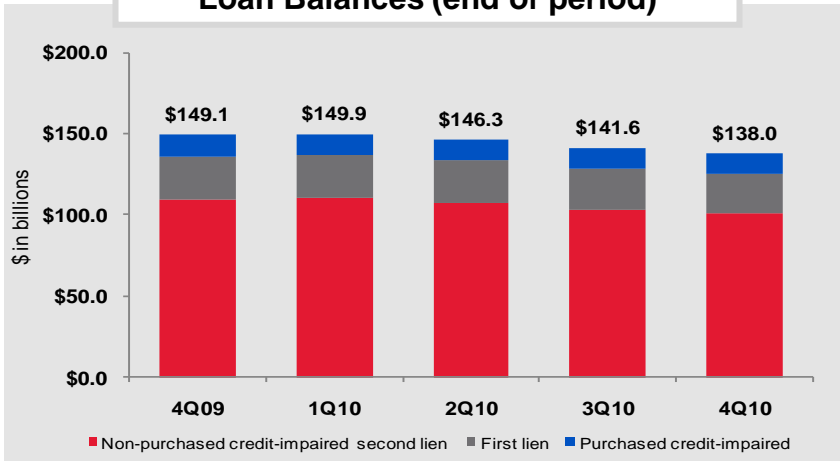
¹ Excludes derivatives, foreclosed property, assets held for sale, debt securities and FVO loans.

² Includes U.S. commercial, excluding small business, and non-U.S. commercial.

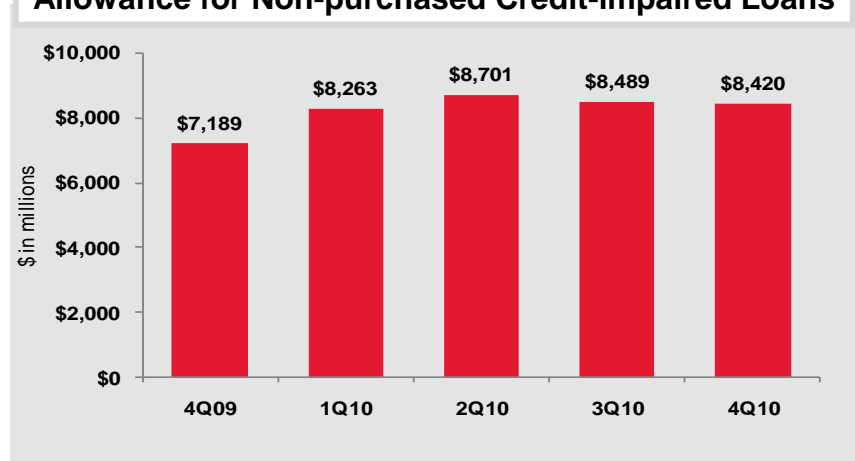
³ Excludes the Merrill Lynch purchased credit-impaired loan portfolio.

Focus on Home Equity Loans

Loan Balances (end of period)



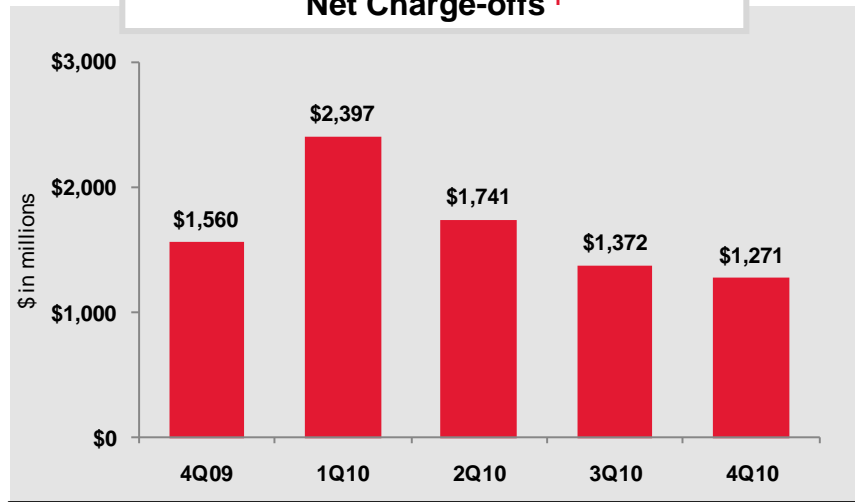
Allowance for Non-purchased Credit-impaired Loans



Home Equity Portfolio Characteristics

- 90% of portfolio are stand-alone originations versus piggy-back loans
- \$12.6B legacy Countrywide purchased credit-impaired loan portfolio
- For the non-purchased credit-impaired portfolio
 - \$24.8B are in first lien position
 - \$100.5B are second lien positions
 - Approximately 36% or \$36B have CLTVs greater than 100%
 - Does not mean that entire second lien position is a loss in the event of default
 - Assuming proceeds of 85% of the collateral value, we estimate collateral value of \$9.8B available for second liens
 - Additionally, on 93% of second liens with CLTVs greater than 100%, the customer is current
- Allowance on the non-purchased credit-impaired home equity portfolio is \$8.4B

Net Charge-offs ¹



Net charge-offs include \$643M in 1Q10 and \$128M in 2Q10 on collateral dependent modified loans, and \$170M in 1Q10, \$126M in 2Q10, \$92M in 3Q10 and \$75M in 4Q10 from consolidation of loans under FAS 166/167



Additional Balance Sheet Management Information

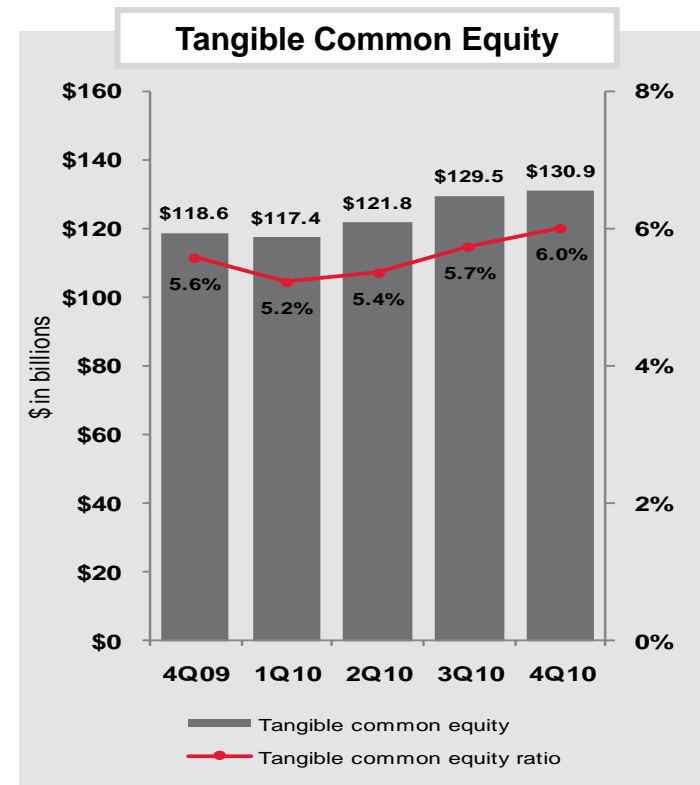
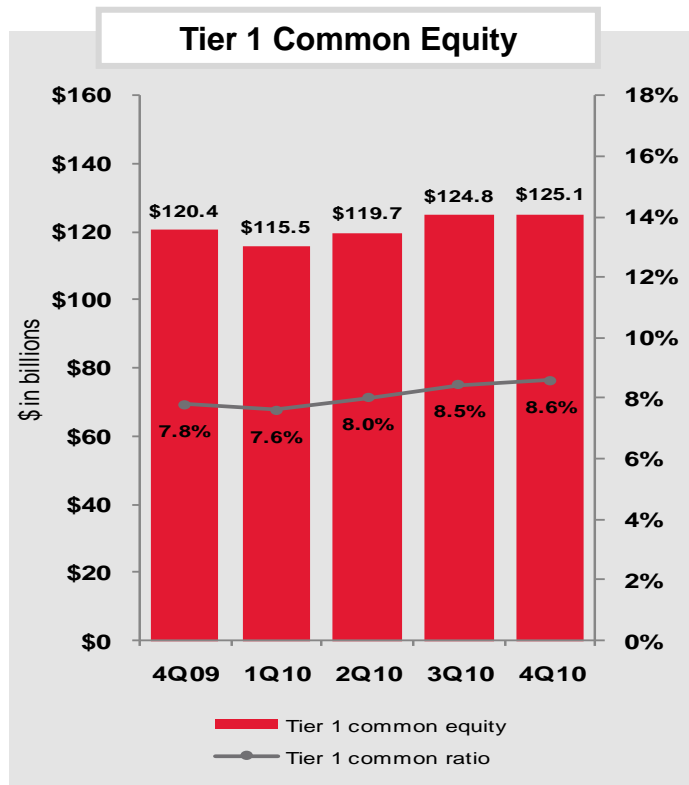
Run-off Loan Portfolios

(\$ in billions)	Loan balances (end of period)			4Q10 Revenue less net charge-offs
	December 31, 2010	September 30, 2010	Increase (Decrease)	
Residential mortgage	\$ 12.3	\$ 12.5	\$ (0.2)	\$ (0.3) ¹
Home equity	36.7	38.1	(1.4)	(0.3) ¹
Discontinued real estate	13.1	13.4	(0.3)	(0.4) ¹
Direct/indirect	35.5	39.0	(3.5)	(0.2)
Other consumer	1.4	1.5	(0.1)	0.0
Total consumer	99.0	104.5	(5.5)	(1.1)
Total commercial	7.6	8.2	(0.6)	(0.1)
Subtotal	106.6	112.7	(6.1)	(1.2)
Government insured mortgage repurchases	20.7	19.2	1.5	0.1
Total run-off loans	\$ 127.3	\$ 131.9	\$ (4.6)	\$ (1.1)

4Q10 Run-off Portfolio Highlights

- Total run-off loans were down \$4.6B from 3Q10 and down \$31.2B from 4Q09. Excluding government-insured mortgage repurchases, run-off loans were down \$6.1B from 3Q10 and \$38.6B from 4Q09.
- Includes Countrywide purchased credit-impaired loans of \$34.8B (\$10.6B residential mortgage, \$12.6B home equity, \$11.6B discontinued real estate)
- Direct/indirect loans include consumer finance loans of \$12.4B, completed bulk purchase programs of \$14.1B, and other loans of \$9.0B in 4Q10

Strong Capital Measures Improving

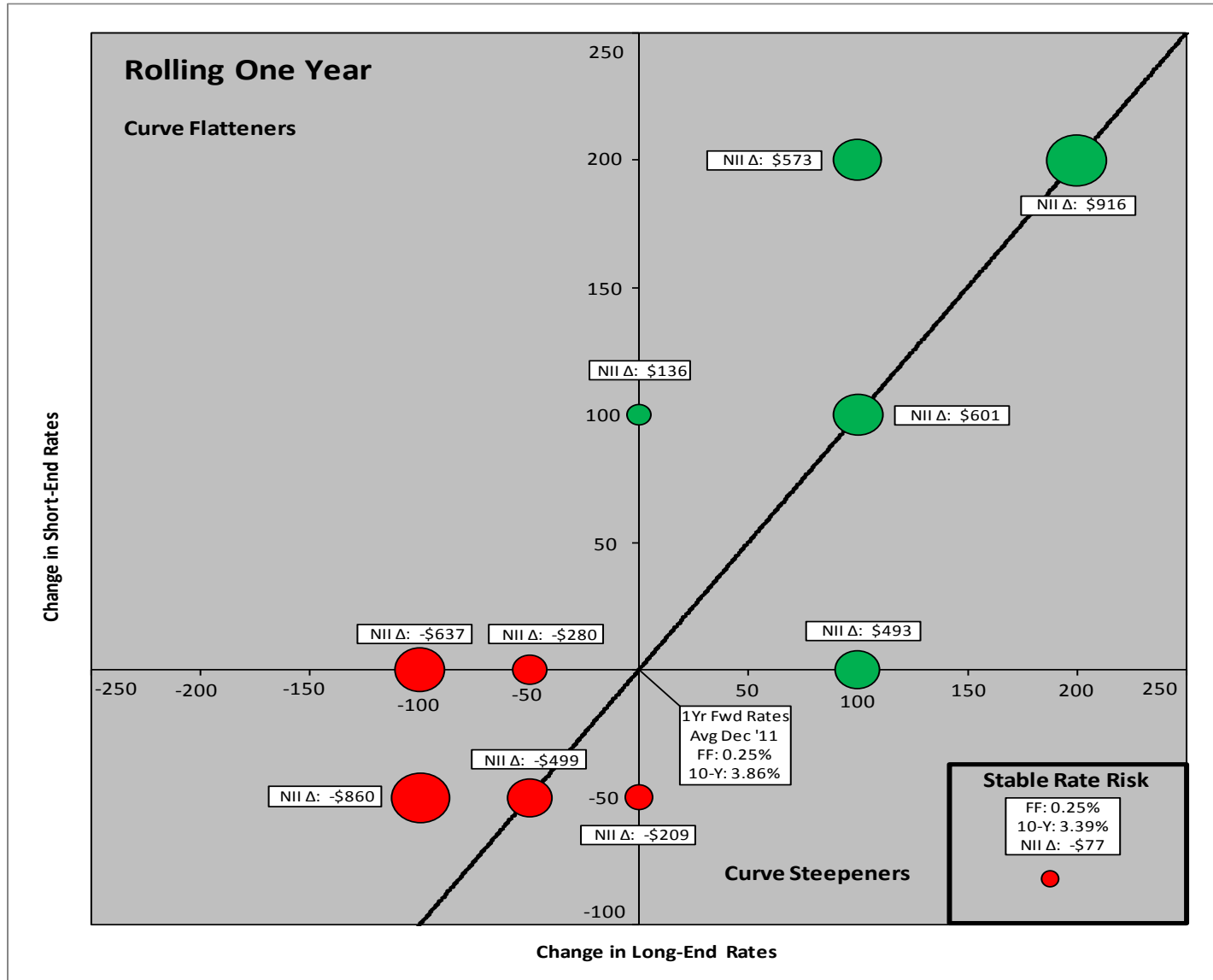


Commentary vs. 3Q10

- Capital ratios improved as a result of:
 - Net income less goodwill impairment charges, mark to market of certain structured liabilities and dividends increased (structured liability mark impacts TCE ratio but not regulatory ratios)
 - 4Q10 also included \$1.5B conversion of preferred stock to common stock
 - EOP assets declined \$75B and reduced risk-weighted assets by more than \$20B
 - Partially offset by an increase in the DTA disallowance

Net Interest Income Sensitivity at December 31, 2010

(\$ in millions)



NII Sensitivity (continued)

Rolling One Year

(\$ in millions)

December 31, 2010

September 30, 2010

Forward curve interest rate scenarios

+ 100 bp parallel shift

\$601

\$875

- 50 bp parallel shift

(499)

(671)

Flattening scenarios from forward curve

+ 100 bp flattening on short end

136

114

- 100 bp flattening on long end

(637)

(815)

Steepening scenarios from forward curve

+ 100 bp steepening on long end

493

726

- 50 bp steepening on short end

(209)

(286)

Reconciliation of Reported to Managed Results

Fourth Quarter 2009

(\$ in millions)	Reported Basis	Securitization Impact ²	As Adjusted
Net interest income ¹	\$11,896	\$2,474	\$14,370
Card income	1,782	381	2,163
Other income	(1,884)	71	(1,813)
Total revenue ¹	\$25,413	\$2,926	\$28,339
Provision expense	\$10,110	\$2,926	\$13,036
Net (loss)	(\$194)	\$0	(\$194)

Full Year 2009

(\$ in millions)	Reported Basis	Securitization Impact ²	As Adjusted
Net interest income ¹	\$48,410	\$10,524	\$58,934
Card income	\$8,353	\$655	9,008
Other income	\$(14)	\$220	206
Total revenue ¹	\$120,944	\$11,399	\$132,343
Provision expense	\$48,570	\$11,399	\$59,969
Net income	\$6,276	\$0	\$6,276

¹ Fully taxable-equivalent basis.

² Includes conforming adjustments and represents the impact of securitizations utilizing actual bond costs. This is different from the business segment view which utilizes funds transfer pricing methodologies.