

# **Bank of America Full Year and Fourth Quarter 2007 Results**

**Ken Lewis**  
**Chairman, CEO and President**

**Joe Price**  
**Chief Financial Officer**

**January 22, 2008**

# Forward Looking Statements

---

**This presentation contains forward-looking statements, including statements about the financial conditions, results of operations and earnings outlook of Bank of America Corporation. The forward-looking statements involve certain risks and uncertainties. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include, among others, the following: 1) projected business increases following process changes and other investments are lower than expected; 2) competitive pressure among financial services companies increases significantly; 3) general economic conditions are less favorable than expected; 4) political conditions including the threat of future terrorist activity and related actions by the United States abroad may adversely affect the company's businesses and economic conditions as a whole; 5) changes in the interest rate environment and market liquidity reduce interest margins, impact funding sources and effect the ability to originate and distribute financial products in the primary and secondary markets; 6) changes in foreign exchange rates increases exposure; 7) changes in market rates and prices may adversely impact the value of financial products; 8) legislation or regulatory environments, requirements or changes adversely affect the businesses in which the company is engaged; 9) changes in accounting standards, rules or interpretations, 10) litigation liabilities, including costs, expenses, settlements and judgments, may adversely affect the company or its businesses; 11) mergers and acquisitions and their integration into the company; and 12) decisions to downsize, sell or close units or otherwise change the business mix of any of the company. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Bank of America does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made. For further information regarding Bank of America Corporation, please read the Bank of America reports filed with the SEC and available at [www.sec.gov](http://www.sec.gov).**

## Important Presentation Format Information

---

- **Certain prior period amounts have been reclassified to conform to current period presentation**
- **The Corporation reports its Global Consumer & Small Business Banking (GCSBB) results, specifically Card Services, on a managed basis. Refer to Exhibit A in the Supplemental Package for a reconciliation from Managed to Held Results**

# Summary Earnings Statement – Annual Comparison

(\$ in millions)

	2007	2006	\$ Change	% Change
Core net interest income (FTE)	\$33,466	\$34,155	\$(689)	(2) %
Market-based net interest income	2,716	1,660		
Net interest income (FTE)	36,182	35,815	367	1
Noninterest income	31,886	37,989	(6,103)	(16)
Total revenue, net of interest expense (FTE)	68,068	73,804	(5,736)	(8)
Provision for credit losses	8,385	5,010	3,375	67
Noninterest expense (excl. merger & restruct.)	36,600	34,792	1,808	5
Merger and restructuring charges	410	805		
Noninterest expense	37,010	35,597		
Pre-tax income	22,673	33,197		
Income tax expense	7,691	12,064		
Net income	14,982	21,133	(6,151)	(29)
Merger & restructuring charges (after-tax)	258	507		
Net Income before merger and restruct.	\$15,240	\$21,640	(6,400)	(30)
Diluted EPS reported	\$3.30	\$4.59		(28)
Impact of merger and restructuring charges	.06	.11		
Impact of intangibles amortization	.24	.24		
ROE <sup>1</sup>	11.27 %	16.66 %		
Tangible ROE <sup>1</sup>	22.64	33.59		

## Consolidated Highlights Adjusted to a Managed Basis<sup>1,2</sup>

(\$ in millions)

	2007	Change vs. 2006	
		Amt.	%
Net interest income (FTE)	\$44,023	\$1,163	3 %
Noninterest income	29,004	(5,302)	(15)
Total revenue, net of interest expense (FTE)	73,027	(4,139)	(5)
Provision for credit losses <sup>3</sup>	13,344	4,972	59
Noninterest expense (excl. merger and restruct.)	36,600	1,808	5
Merger and restructuring charges	410	(395)	(49)
Noninterest expense	37,010	1,413	4
Pre-tax income	22,673	(10,524)	(32)
Income tax expense	7,691	(4,373)	
Net income	\$14,982	\$(6,151)	(29)

<sup>1</sup> Managed basis assumes that the loans that have been securitized were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented. Noninterest income, both on a held and managed basis, includes the impact of adjustments to the interest-only strip that are recorded in card income.

<sup>2</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology. See Reconciliation of Presented Held to Managed Basis on pages 31-35.

<sup>3</sup> Represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# Global Consumer & Small Business Banking (GCSBB) – Managed Basis

(\$ in millions)

	2007	Change vs. 2006	
		Amt.	%
Net interest income (FTE)	\$28,809	\$612	2 %
Noninterest income	18,873	2,144	13
Total revenue, net of interest expense (FTE)	47,682	2,756	6
Provision for credit losses <sup>1</sup>	12,929	4,395	51
Noninterest expense	20,060	1,685	9
Pre-tax income	14,693	(3,324)	(18)
Income tax expense	5,263	(1,376)	
Net income	\$9,430	\$(1,948)	(17)
ROE	14.94 %	(317 bps)	
Efficiency ratio	42.07	117 bps	

- Card Services average loans grew 10% over 2006, led by U.S. Consumer and Business Card, Unsecured Lending and International
- Consumer credit card loss rate YTD increased to 4.79%
- Retail sales of 49 million grew 9% over 2006
- Noninterest income growth over 2006 led by a combined 10% improvement in card income and service charges
- Small business unit sales grew 26% over 2006, led by online banking and deposit products
- Provision expense increased as a result of higher net charge-offs and reserve increases for deterioration in home equity reflecting weakness in the housing market, seasoning and deterioration of the small business portfolio and growth in the businesses

<sup>1</sup> Represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# Global Wealth & Investment Management (GWIM)

(\$ in millions)

	2007	Change vs. 2006	
		Amt.	%
Net interest income (FTE)	\$3,857	\$186	5 %
Noninterest income	4,066	380	10
Total revenue, net of interest expense (FTE)	7,923	566	8
Provision for credit losses	14	53	NM
Noninterest expense	4,635	768	20
Pre-tax income	3,274	(255)	(7)
Income tax expense	1,179	(127)	
Net income	\$2,095	\$(128)	(6)
ROE	18.87 %	(341 bps)	
Efficiency ratio	58.50	593 bps	

- Record asset management fees increased 26% as AUM increased from the acquisitions of U.S. Trust and LaSalle, combined with an increase of net asset inflows and market values.
- Premier Banking and Investments revenue increased 9% over 2006, due to record brokerage income and growth in fee based assets
- Sold Marsico for a gain of \$1.5 billion (pre-tax), which is reflected in All Other

# Global Corporate & Investment Banking (GCIB)

(\$ in millions)

	2007	Change vs. 2006	
		Amt.	%
Net interest income (FTE)	\$11,217	\$1,340	14 %
Noninterest income	2,200	(9,084)	(81)
Total revenue, net of interest expense (FTE)	13,417	(7,744)	(37)
Provision for credit losses	652	643	NM
Noninterest expense	11,925	347	3
Pre-tax income	840	(8,734)	(91)
Income tax expense	302	(3,240)	
Net income	\$538	\$(5,494)	(91)
ROE	1.19 %	NM	
Efficiency ratio	88.88	NM	

- Business Lending and Treasury Services revenue increased \$484 million from 2006, aided by the combination of the addition of LaSalle and organic growth.
- Capital Markets and Advisory Services revenue was \$303 million in 2007 compared to \$8.5 billion 2006
  - Revenue decreased primarily due to the \$5.6 billion writedown on CDO and subprime related exposures
- Average loans grew 18% vs 2006
- Provision reflected the absence of prior year reserve releases and increased charge-offs although still near historic lows in commercial lending

# Summary Earnings Statement – 4th Quarter Comparison

(\$ in millions)

	4Q07	4Q06	\$ Change	% Change
Core net interest income (FTE)	\$9,005	\$8,468	\$537	6 %
Market-based net interest income	809	487		
Net interest income (FTE)	9,814	8,955	859	10
Noninterest income	3,508	9,887	(6,379)	(65)
Total revenue, net of interest expense (FTE)	13,322	18,842	(5,520)	(29)
Provision for credit losses	3,310	1,570	1,740	NM
Noninterest expense (excl. merger & restruct.)	10,137	8,849	1,288	15
Merger and restructuring charges	140	244		
Noninterest expense	10,277	9,093		
Pre-tax income (loss)	(265)	8,179		
Income tax expense (benefit)	(533)	2,923		
Net income	268	5,256	(4,988)	NM
Merger & restructuring charges (after-tax)	88	154		
Net Income before merger & restruct.	\$356	\$5,410	(5,054)	NM
Diluted EPS reported	\$.05	\$1.16		NM
Impact of merger and restructuring charges	.02	.03		
Impact of intangibles amortization	.06	.06		
ROE <sup>1</sup>	.85 %	16.22 %		
Tangible Equity Ratio <sup>1</sup>	2.12	31.44		

## 4Q07 P&L Items

---

- **Marsico Gain \$1.5 billion (pre-tax)**
- **CDO related exposures writedown (including sub-prime) \$5.3 billion (\$4.5 billion in trading account profits (losses) and \$748 million in other income)**
  - \$4.0 billion super-senior
  - \$1.3 billion other CDO and subprime related exposures
- **Provision \$3.3 billion (Includes \$1.3 billion of reserve increases)**
- **Approximately \$400 million writedown of securities purchased as part of the company's support of certain cash funds**
- **Approximately \$400 million of support in Columbia Funds**
- **Weak trading results**

## LaSalle Impact on 4Q07

---

- Accretive to EPS in 4Q07 \$.01, which includes merger and restructuring charges
- Acquisition opening Balance Sheet
  - Total assets \$117 billion
    - Loans and leases \$63 billion (70% of portfolio is commercial loans)
    - Securities \$30 billion
    - Goodwill & Intangibles \$12 billion
  - Deposits \$63 billion
- Income statement 4Q07
  - Revenue \$685 million
    - Net interest income \$470 million
  - Total expenses \$615 million
    - Restructuring charge \$68 million (pre-tax)
    - Amortization of intangibles \$47 million (pre-tax)
- Cost saves on track to exceed \$1.25 billion (pre-tax) by the end of 2009
- Asset Quality:
  - Total NPA's at \$1.2 billion
  - Consumer credit quality stable
  - Commercial:
    - NPA's at \$873 million
    - Criticized exposure \$5.2 billion
- Operational integration on track

# Global Consumer & Small Business Banking (GCSBB) – Managed Basis

(\$ in millions)

	4Q07	Change from			
		4Q06		3Q07	
		Amt.	%	Amt.	%
Net interest income (FTE)	\$7,400	\$262	4 %	\$135	2 %
Noninterest income	5,114	581	13	394	8
Total revenue, net of interest expense (FTE)	12,514	843	7	529	4
Provision for credit losses <sup>1</sup>	4,303	1,526	55	1,182	38
Noninterest expense	5,493	709	15	522	11
Pre-tax income	2,718	(1,392)	(34)	(1,175)	(30)
Income tax expense	847	(669)		(594)	
Net income	\$1,871	\$(723)	(28)	\$(581)	(24)
ROE	11.09 %	(568 bps)		(454 bps)	
Efficiency ratio	43.90	291 bps		242 bps	

- Card Services average loans grew 12% over 4Q06, led by U.S. Consumer and Business Card, Unsecured Lending, and International
- Consumer Card loss rate increased 8 basis points to 4.75%, from 3Q07.
- Noninterest income growth over 4Q06 led by a combined 29% improvement in service charges and mortgage banking income
- Small business unit sales grew 7% over 4Q06, led by checking and online banking
- Provision expense from 3Q07 increased resulting from increases in reserves for deterioration in home equity reflecting weakness in the housing market and seasoning and growth in the Card Services portfolio

<sup>1</sup> Represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

## Retail Sales Highlights – 4Q07

---

<b><u>Product</u></b>	<b><u>Metric</u></b>	<b><u>Performance</u></b>	<b><u>Highlight</u></b>
Checking	Net new retail accounts	343,000 units	<ul style="list-style-type: none"> <li>• Total retail checking portfolio now over 34 million accounts</li> </ul>
Card Services	New accounts	3.3 million units	<ul style="list-style-type: none"> <li>• Lower cost delivery strategy driving increased sales</li> <li>• Banking Center sales increased 8% from 4Q06</li> </ul>
Mortgage	Production	\$24.8 billion	<ul style="list-style-type: none"> <li>• Leading position in total direct to consumer retail originations</li> </ul>
Home equity	Production	\$19.3 billion	<ul style="list-style-type: none"> <li>• Leading position in provider of home equity lending</li> </ul>
Debit card	Revenue	\$564 million up 12% over 4Q06	<ul style="list-style-type: none"> <li>• Remains #1 in market share driven by continued strength in DDA sales</li> </ul>
Online banking	Activations	1.6 million units	<ul style="list-style-type: none"> <li>• Largest active online banking customer base with 24 million, paying \$61 billion of bills</li> </ul>
Small business	Sales	726,000 units	<ul style="list-style-type: none"> <li>• Growth from 4Q06 driven by checking and online product sales</li> </ul>

# Deposits Business Metrics (GCSBB)

Trend of deposit indicators:

	4Q07	3Q07	4Q06
<b><u>Average balances (in billions):</u></b>			
Checking	\$124.4	\$121.9	\$124.4
Savings	28.9	28.5	29.9
MMS	64.6	60.9	66.1
CDs & IRAs	114.5	101.4	99.2
Foreign & Other	3.0	2.7	2.3
<b>Total GCSBB deposits</b>	<b>335.4</b>	<b>315.4</b>	<b>321.9</b>
<b>GWIM and Business Banking deposits <sup>1</sup></b>	<b>174.0</b>	<b>162.1</b>	<b>141.2</b>
<b>Total retail deposit balances</b>	<b>\$509.4</b>	<b>\$477.5</b>	<b>\$463.1</b>
<b><u>Deposit Spreads:</u></b>			
Checking	4.36 %	4.30 %	4.23 %
Savings	3.85	3.71	3.70
MMS	2.84	3.43	3.25
CDs & IRAs	.89	1.06	1.11
Foreign & Other	4.38	4.32	4.27
<b>Total GCSBB deposits</b>	<b>2.82</b>	<b>3.02</b>	<b>3.00</b>

<sup>1</sup> Retail deposit balances in business segments other than GCSBB

# Global Wealth & Investment Management (GWIM)

(\$ in millions)

	4Q07	Change from			
		4Q06		3Q07	
		Amt.	%	Amt.	%
Net interest income (FTE)	\$964	\$40	4 %	\$(45)	(4) %
Noninterest income	863	(112)	(11)	(328)	(28)
Total revenue, net of interest expense (FTE)	1,827	(72)	(4)	(373)	(17)
Provision for credit losses	34	32	NM	63	NM
Noninterest expense	1,318	331	34	44	3
Pre-tax income	475	(435)	(48)	(480)	(50)
Income tax expense	141	(196)		(215)	
Net income	\$334	\$(239)	(42)	\$(265)	(44)
ROE	10.56 %	NM		NM	
Efficiency ratio	72.15	NM		NM	

- Excluding U.S. Trust, LaSalle and the sale of Marsico, AUM is up 7% over 4Q06 due to strong equity and money market net flows and favorable market impact
- AUM grew to more than \$643 billion from 4Q06.
- Average loans increased 30% from 4Q06
- Excluding the impact of migration, average deposits increased 20% from 4Q06
- Revenue impacted by approximately \$400 million of support provided to certain cash funds.

# All Other – Including GCSBB Securitization Eliminations

(\$ in millions)

	4Q07	Change from			
		4Q06		3Q07	
		Amt.	%	Amt.	%
Net interest income (FTE)	\$(1,958)	\$(330)	(20) %	\$73	4 %
Noninterest income	1,720	(27)	(2)	455	36
Total revenue, net of interest expense (FTE)	(238)	(357)	NM	528	69
Provision for credit losses <sup>1</sup>	(1,295)	(159)	(14)	(5)	-
Merger & restructuring charges	140	(104)	(43)	56	67
All other noninterest expense	(33)	(104)	NM	239	88
Pre-tax income	950	10	1	238	33
Income tax expense	125	(124)		(40)	
Net income	<u>\$825</u>	<u>\$134</u>	19	<u>\$278</u>	51
<b><u>Components of equity investment income:</u></b>					
Principal investing	\$117	\$(430)	(79) %	\$(158)	(57) %
Corporate & strategic	161	(323)	(67)	(416)	(72)
Total All Other equity income	278	(753)	(73)	(574)	(67)
Other business segments	39	3	8	(13)	(25)
Total Corp equity income	<u>\$317</u>	<u>\$(750)</u>	(70)	<u>\$(587)</u>	(65)

- Noninterest income was driven by the Marsico sale of \$1.5 billion (pre-tax)
- Approximately \$400 million writedown of securities purchased as part of the company's support of certain cash funds

# Global Corporate & Investment Banking (GCIB)

(\$ in millions)

	4Q07	Change from			
		4Q06		3Q07	
		Amt.	%	Amt.	%
Net interest income (FTE)	\$3,408	\$887	35 %	\$661	24 %
Noninterest income	(4,189)	(6,821)	NM	(4,327)	NM
Total revenue, net of interest expense (FTE)	(781)	(5,934)	NM	(3,666)	NM
Provision for credit losses	268	341	NM	40	18
Noninterest expense	3,359	352	12	873	35
Pre-tax income (loss)	(4,408)	(6,627)	NM	(4,579)	NM
Income tax expense (benefit)	(1,646)	(2,467)		(1,717)	
Net income (loss)	<u>\$(2,762)</u>	<u>\$(4,160)</u>	NM	<u>(2,862)</u>	NM
ROE	(20.47) %	NM		NM	
Efficiency ratio	NM	NM		NM	

- Business Lending and Treasury Services revenue increased \$680 million from 4Q06, aided by the combination of the addition of LaSalle and organic growth.
- Capital Markets and Advisory Services reported a loss of \$3.8 billion in 4Q07 vs earnings of \$369 million in 4Q06 and a loss of \$717 million in 3Q07
  - Sales and trading revenue were negative \$5.2 billion in 4Q07 vs positive \$1.3 billion in 4Q06 and negative \$642 million in 3Q07
  - Revenue decreased primarily due to the \$5.3 billion writedown on CDO related exposure
- Average loans grew 36% vs 4Q06, with LaSalle contributing 19% of the growth
- Provision increased from 4Q06 reflecting the absence of prior year reserve releases, and higher charge-offs although still remaining near historic lows in commercial lending

# Market Dislocations Created Losses in Capital Markets and Advisory Services Business

(\$ in millions)

	4Q07		
	Total	Sales & Trading	Investment Banking
Liquid Products	\$615	\$584	\$31
Credit Products	(196)	(455)	259
Structured Products	(5,422)	(5,480)	58
Equities	286	198	88
Other	141	-	141
<b>Total</b>	<b>\$(4,576)</b>	<b>\$(5,153)</b>	<b>\$577</b>

	Change in revenue from 3Q07		
	Total	Sales & Trading	Investment Banking
Liquid Products	\$22	\$16	\$6
Credit Products	501	430	71
Structured Products	(4,895)	(4,911)	16
Equities	(19)	(46)	27
Other	21	-	21
<b>Total</b>	<b>\$(4,370)</b>	<b>\$(4,511)</b>	<b>\$141</b>

- Excludes \$26 million and \$22 million margin from FVO loan book for 4Q07 and 3Q07

# Bank of America CDO Exposure – 12/31/07

(Super senior exposure shown before writedowns)

(\$ in millions)	Subprime Exposure <sup>(1)</sup>			Non Subprime Exposure <sup>(2)</sup>			Total CDOs		
	Gross	Insured	Net	Gross	Insured	Net	Gross	Insured	Net
<b><u>Super Senior Liquidity Commitments</u></b>									
High Grade	\$ 4,610	\$ 1,800	\$ 2,810	\$ 3,053	\$ -	\$ 3,053	\$ 7,663	\$ 1,800	\$ 5,863
Mezzanine	363	-	363	-	-	-	363	-	363
CDO <sup>2</sup>	4,240	-	4,240	-	-	-	4,240	-	4,240
<b>Total Super Senior Liquidity Commitments</b>	<b>9,213</b>	<b>1,800</b>	<b>7,413</b>	<b>3,053</b>	<b>-</b>	<b>3,053</b>	<b>12,266</b>	<b>1,800</b>	<b>10,466</b>
<b><u>Other Super Senior Exposure</u></b>									
High Grade	4,010	2,110	1,900	1,192	734	458	5,202	2,844	2,358
Mezzanine	1,547	-	1,547	-	-	-	1,547	-	1,547
CDO <sup>2</sup>	1,685	410	1,275	-	-	-	1,685	410	1,275
<b>Total Other Super Senior Exposure</b>	<b>7,242</b>	<b>2,520</b>	<b>4,722</b>	<b>1,192</b>	<b>734</b>	<b>458</b>	<b>8,434</b>	<b>3,254</b>	<b>5,180</b>
<b><u>Total Super Senior, before writedowns</u></b>	<b>16,455</b>	<b>4,320</b>	<b>12,135</b>	<b>4,245</b>	<b>734</b>	<b>3,511</b>	<b>20,700</b>	<b>5,054</b>	<b>15,646</b>
Warehouse <sup>(3)</sup>	314	N/A	314	501	N/A	501	815	N/A	815
Sales & Trading <sup>(3) (4)</sup>	279	N/A	279	742	N/A	742	1,021	N/A	1,021

(1) Classified as subprime when subprime consumer real estate loans make up at least 35 percent of the ultimate underlying collateral.

(2) Includes CLO and CMBS Super Senior exposure

(3) Amount represents net market value of warehouse and sales & trading positions.

(4) Amount excludes net short derivative hedge positions with notional values of \$750 million and \$323 million, respectively, for subprime and non subprime exposure.

# Bank of America Subprime CDO Exposure <sup>(1)</sup> - 12/31/07

(\$ in millions)

	<u>Before Writedowns</u>	<u>Writedowns</u>	<u>Net of Writedowns</u>
<b><u>Super Senior Liquidity Commitments</u></b>			
High Grade	\$ 2,810	\$ (640)	\$ 2,170
Mezzanine	363	(5)	358
CDO <sup>2</sup>	<u>4,240</u>	<u>(2,013)</u>	<u>2,227</u>
<b>Total Super Senior Liquidity Commitments</b>	<b>7,413</b>	<b>(2,658)</b>	<b>4,755</b>
<b><u>Other Super Senior Exposure</u></b>			
High Grade	1,900	(233)	1,667
Mezzanine	1,547	(752)	795
CDO <sup>2</sup>	<u>1,275</u>	<u>(316)</u>	<u>959</u>
<b>Total Other Super Senior Exposure</b>	<b><u>4,722</u></b>	<b><u>(1,301)</u></b>	<b><u>3,421</u></b>
<b>Total Super Senior</b>	<b><u>\$ 12,135</u></b>	<b><u>\$ (3,959)</u></b>	<b><u>\$ 8,176</u></b>

(1) Classified as subprime when subprime consumer real estate loans make up at least 35 percent of the ultimate underlying collateral.

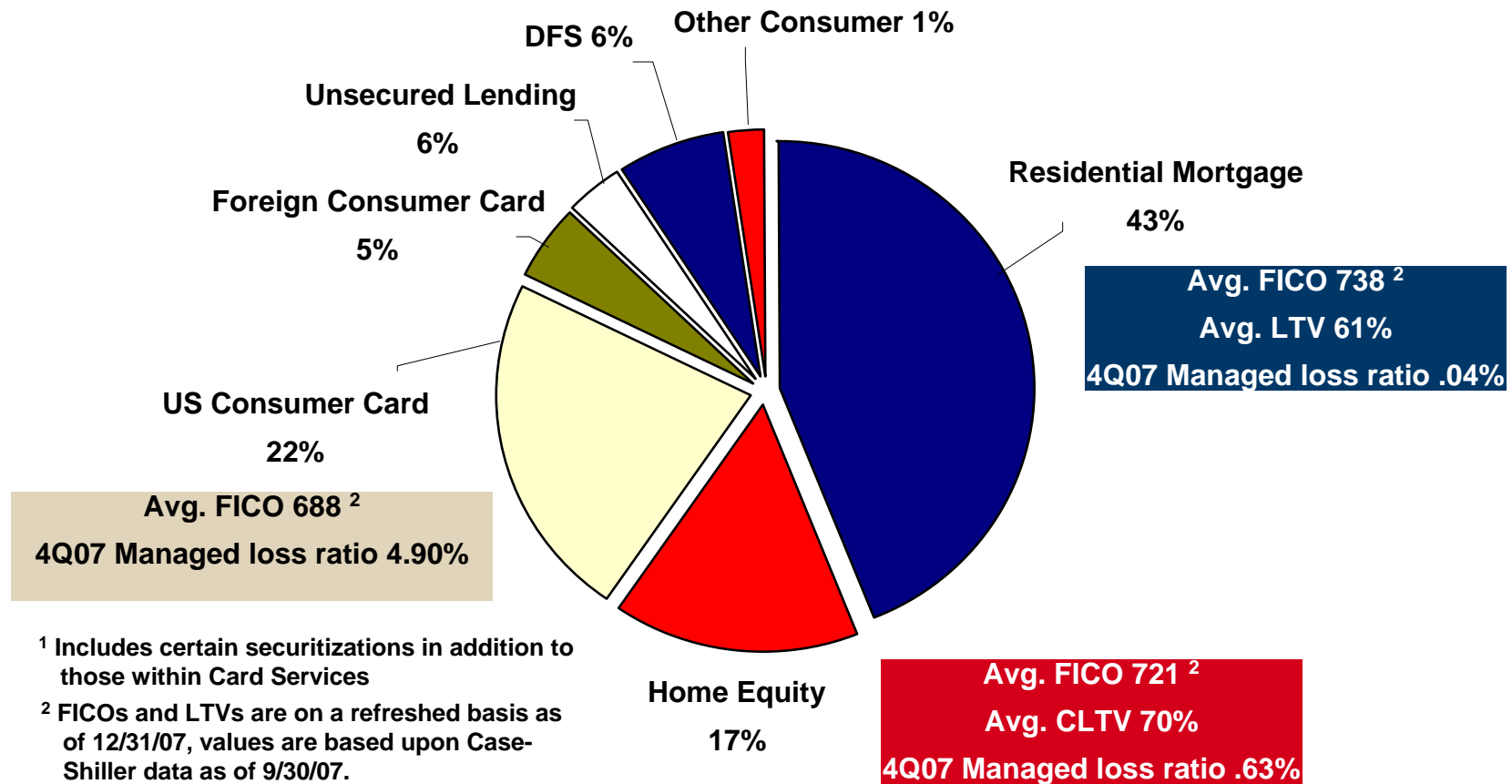
## Asset Quality

---

- **Managed net credit loss ratio across all businesses was 1.34%, up 7 basis points from 3Q07**
  - Held net charge-offs increased to 0.91%, up 11 basis points from 3Q07
- **Provision was higher than net charge-offs by \$1.3 billion**
  - Approximately 2/3 of the increase was due to deterioration, reflecting ongoing weakness in the housing market principally in home equity and the homebuilder sector of the commercial portfolio. Small business also experienced deterioration
  - Approximately 1/3 of the increase was due to growth and seasoning, mainly in the Unsecured Lending, U.S. Card, and Foreign Card portfolios
- **Consumer card losses tracking as expected**
  - Managed consumer credit card net loss rate increased to 4.75% as expected from 4.67% in 3Q07. 30 day delinquencies increased to 5.45% from 5.24% in 3Q07. 90 day delinquencies increased to 2.66% from 2.48% in 3Q07.
- **Growth in Small Business Lending drove the commercial charge-offs in 4Q**
- **Commercial net charge-off ratio excluding small business increased to 0.14%, primarily due to broad based increases from recent historical lows**

# Balanced Mix of Managed Consumer Loans

**Total Managed Consumer 4Q07 Average Balances <sup>1</sup>**  
**\$654.2B**



# Net Interest Income

## Linked Quarter Net Interest Income & Yield

(\$ in millions)

	4Q07	3Q07	\$ Change	% Change
Reported net interest income (FTE)	\$9,814	\$8,990	\$824	9 %
Market based NII	(809)	(789)	(20)	
Core net interest income (FTE)	9,005	8,201	804	10
Impact of securitizations	2,021	2,009	12	
<b>Core NII – Managed Basis</b>	<b>\$11,026</b>	<b>\$10,210</b>	<b>\$816</b>	<b>8</b>
Average earning assets	\$1,502,998	\$1,375,795	\$127,203	9 %
Market based earning assets	(406,709)	(406,947)	238	-
Impact of securitizations	104,385	104,181	204	-
Reported net interest yield	2.61 %	2.61 %	- bps	
Core net interest yield	3.28	3.38	(10 bps)	
<b>Core net interest yield – Managed Basis</b>	<b>3.66</b>	<b>3.80</b>	<b>(14 bps)</b>	

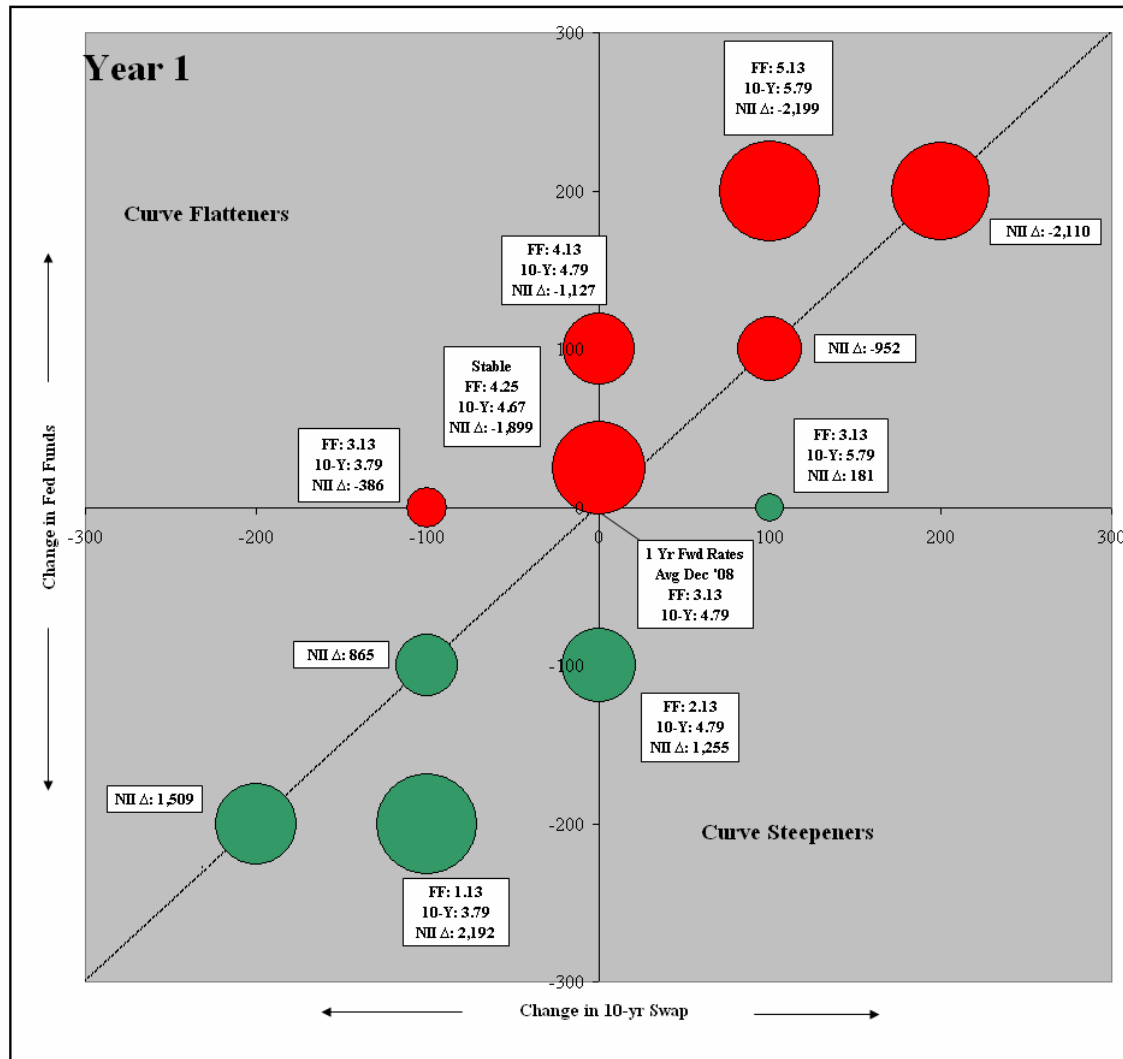
- Change in core net interest income – **managed basis** driven by:
  - Acquisition of LaSalle (\$470 mm)
    - Net interest margin negatively impacted by 15 bps
  - Consumer and commercial loan growth (\$300 mm)
  - One-time benefit related to a leasing business restructuring (\$300 mm)
  - Offset by negative impact of rates (\$210 mm)

# Net Interest Income – Managed Sensitivity

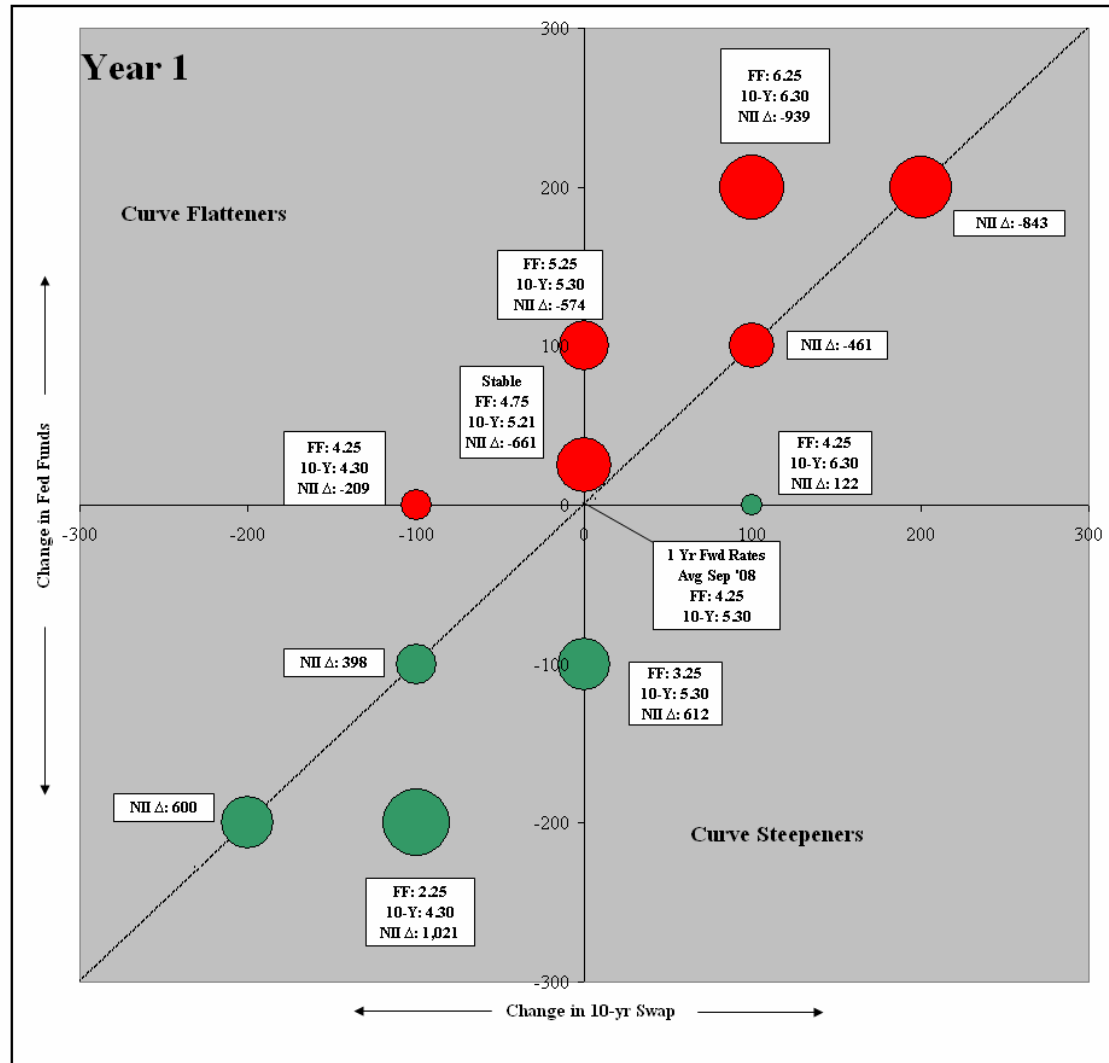
(\$ in millions)

	Managed net interest income impact for next 12 months	
	@ 12/31/07	@ 9/30/07
<b><u>Forward curve interest rate scenarios</u></b>		
+100 bp parallel shift	\$(952)	\$(461)
- 100 bp parallel shift	865	398
<b><u>Flattening scenario from forward curve</u></b>		
+ 100 bp flattening on short end	(1,127)	(574)
- 100 bp flattening on long end	(386)	(209)
<b><u>Steepening scenario from forward curve</u></b>		
+ 100 bp steepening on long end	181	122
- 100 bp steepening on short end	1,255	612

# NII Sensitivity – 1<sup>st</sup> Rolling 12 Months (at 12/31/07)



# NII Sensitivity – 1<sup>st</sup> Rolling 12 Months (at 9/30/07)



# Capital Strength

(\$ in millions)

	4Q07	3Q07	4Q06
Tier 1 Capital	\$83,372	\$94,108	\$91,064
Risk Weighted Assets	1,212,905	1,145,069	1,054,533
Tier 1 Capital Ratio	6.87 %	8.22 %	8.64 %
Total Capital Ratio	11.02	11.86	11.88
Tier 1 Leverage Ratio	5.04	6.20	6.36
Tangible Equity	\$58,977	\$61,442	\$60,188
Tangible Equity Ratio	3.62 %	4.09 %	4.35 %
Tangible Equity Ratio Adj. for OCI	3.56	4.62	4.86
Months to required funding – Parent Co.	19	28	24
 <b><u>Earnings Returned to Common Shareholders</u></b>			
Dividends paid	\$2,849	\$2,851	\$2,490
Cost of net share repurchases	1	152	2,538
Dividends & net repurchases as % of earnings	NM	81 %	96 %
Dividend yield	6.20 %	5.09	4.20

# Appendix

---

## Consolidated Highlights Adjusted to a Managed Basis<sup>1,2</sup>

(\$ in millions)

	4Q07	Change from			
		4Q06		3Q07	
		Amt.	%	Amt.	%
Net interest income (FTE)	\$11,835	\$1,030	10 %	\$836	8 %
Noninterest income	2,797	(6,263)	(69)	(3,767)	(57)
Total revenue, net of interest expense (FTE)	14,632	(5,233)	(26)	(2,931)	(17)
Provision for credit losses <sup>3</sup>	4,620	2,027	78	1,331	40
Noninterest expense (excl. merger & restruct.)	10,137	1,288	15	1,678	20
Merger and restructuring charges	140	(104)	(43)	56	67
Noninterest expense	10,277	1,184	13	1,734	20
Pre-tax income (loss)	(265)	(8,444)	NM	(5,996)	NM
Income tax expense (benefit)	(533)	(3,456)		(2,566)	
Net income	\$268	\$(4,988)	NM	\$(3,430)	NM

<sup>1</sup> Managed basis assumes that loans that have been securitized were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented. Noninterest income, both on a held and managed basis, includes the impact of adjustments to the interest-only strip that are recorded in card income.

<sup>2</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology. See Reconciliation of Presented Held to Managed Basis on pages 31-35.

<sup>3</sup> Represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# All Other – Including GCSBB Securitization Eliminations

(\$ in millions)

	2007	Change vs. 2006	
		Amt.	%
Net interest income (FTE)	\$ (7,701)	\$ (1,771)	(30) %
Noninterest income	6,747	457	7
Total revenue, net of interest expense (FTE)	(954)	(1,314)	NM
Provision for credit losses <sup>1</sup>	(5,210)	(1,716)	(49)
Merger and restructuring charges	410	(395)	(49)
All other noninterest expense	(20)	(992)	NM
Pre-tax income	3,866	1,789	86
Income tax expense	947	370	
Net income	\$2,919	\$1,419	95
<b>Components of equity investment income:</b>			
Principal investing	\$2,217	\$323	17 %
Corporate & strategic	1,528	550	56
Total All Other equity income	3,745	873	30
Other business segments	319	2	1
Total Corp equity income	\$4,064	\$875	27

<sup>1</sup> Represents the provision for credit losses in All Other combined with the GCSBB securitization offset.

# Reconciliation of Presented Held to Managed Basis – Consolidated 4Q07<sup>1</sup>

(\$ in millions)

	4Q07		
	Held Basis	Securitization Impact	Managed Basis <sup>2</sup>
Net interest income (FTE)	\$9,814	\$2,021	\$11,835
Noninterest income	3,508	(711)	2,797
Total revenue, net of interest expense (FTE)	13,322	1,310	14,632
Provision for credit losses	3,310	1,310	4,620
Noninterest expense (excl. merger & restruct.)	10,137	-	10,137
Merger and restructuring charges	140	-	140
Noninterest expense	10,277	-	10,277
Pre-tax income	(265)	-	(265)
Income tax expense	(533)	-	(533)
Net income	\$268	\$-	\$268

<sup>1</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology.

<sup>2</sup> Provision for credit losses on a managed basis represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# Reconciliation of Presented Held to Managed Basis – Consolidated 4Q06<sup>1</sup>

(\$ in millions)

	4Q06		
	Held Basis	Securitization Impact	Managed Basis <sup>2</sup>
Net interest income (FTE)	\$8,955	\$1,850	\$10,805
Noninterest income	9,887	(827)	9,060
Total revenue, net of interest expense (FTE)	18,842	1,023	19,865
Provision for credit losses	1,570	1,023	2,593
Noninterest expense (excl. merger & restruct.)	8,849	-	8,849
Merger and restructuring charges	244	-	244
Noninterest expense	9,093	-	9,093
Pre-tax income	8,179	-	8,179
Income tax expense	2,923	-	2,923
Net income	\$5,256	\$-	\$5,256

<sup>1</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology.

<sup>2</sup> Provision for credit losses on a managed basis represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# Reconciliation of Presented Held to Managed Basis – Consolidated 3Q07<sup>1</sup>

(\$ in millions)

	3Q07		
	Held Basis	Securitization Impact	Managed Basis <sup>2</sup>
Net interest income (FTE)	\$8,990	\$2,009	\$10,999
Noninterest income	7,314	(750)	6,564
Total revenue, net of interest expense (FTE)	16,304	1,259	17,563
Provision for credit losses	2,030	1,259	3,289
Noninterest expense (excl. merger and restruct.)	8,459	-	8,459
Merger and restructuring charges	84	-	84
Noninterest expense	8,543	-	8,543
Pre-tax income	5,731	-	5,731
Income tax expense	2,033	-	2,033
Net income	\$3,698	\$-	\$3,698

<sup>1</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology.

<sup>2</sup> Provision for credit losses on a managed basis represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# Reconciliation of Presented Held to Managed Basis – Consolidated 2007<sup>1</sup>

(\$ in millions)

	2007		
	Held Basis	Securitization Impact	Managed Basis <sup>2</sup>
Net interest income (FTE)	\$36,182	\$7,841	\$44,023
Noninterest income	31,886	(2,882)	29,004
Total revenue, net of interest expense (FTE)	68,068	4,959	73,027
Provision for credit losses	8,385	4,959	13,344
Noninterest expense (excl. merger & restruct.)	36,600	-	36,600
Merger and restructuring charges	410	-	410
Noninterest expense	37,010	-	37,010
Pre-tax income	22,673	-	22,673
Income tax expense	7,691	-	7,691
Net income	\$14,982	\$-	\$14,982

<sup>1</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology.

<sup>2</sup> Provision for credit losses on a managed basis represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

# Reconciliation of Presented Held to Managed Basis – Consolidated 2006<sup>1</sup>

(\$ in millions)

	2006		
	Held Basis	Securitization Impact	Managed Basis <sup>2</sup>
Net interest income (FTE)	\$35,815	\$7,045	\$42,860
Noninterest income	37,989	(3,683)	34,306
Total revenue, net of interest expense (FTE)	73,804	3,362	77,166
Provision for credit losses	5,010	3,362	8,372
Noninterest expense (excl. merger & restruct.)	34,792	-	34,792
Merger and restructuring charges	805	-	805
Noninterest expense	35,597	-	35,597
Pre-tax income	33,197	-	33,197
Income tax expense	12,064	-	12,064
Net income	\$21,133	\$-	\$21,133

<sup>1</sup> Represents the Consolidated FTE results plus the loan securitization adjustments, related to Card Services, utilizing actual bond costs. This is different from GCSBB which utilizes fund transfer pricing methodology.

<sup>2</sup> Provision for credit losses on a managed basis represents the provision for credit losses on held loans combined with realized credit losses associated with the Card Services securitized loan portfolio.

**Bank of America**

