

Bank of America

Third Quarter 2008 Results

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Forward Looking Statements

This press release 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.

Important Presentation Format Information

- **Certain prior period amounts have been reclassified to conform to current period presentation**

Summary

- **Environment continues to drive credit costs higher**
 - Housing prices continue to decline; exacerbated by rising unemployment and tightened credit availability
 - Increased stress in card and residential mortgage portfolios
 - Homebuilders remain weak
 - Commercial asset quality deteriorating, but remains at the low end of normalized levels
 - Reserve build remains elevated
- **3Q08 earnings impacted by several market related events**
 - Exposure to financial institution failures
 - Support for cash funds
 - Auction rate securities settlement
 - Valuations of trading positions
- **Taking capital actions in light of economic environment and opportunities**
- **Countrywide results included for first time in 3Q08**
 - Positive financial impact
 - Transition on track
- **Other integration news**
 - LaSalle systems to be converted in 4Q08
 - Merrill Lynch

Consolidated Highlights

(\$ in millions)

	3Q08	Increase (decrease) over	
		3Q07	2Q08
Net interest income (FTE)	\$ 11,920	\$ 2,928	\$ 983
Noninterest income	7,979	499	(1,810)
Total revenue, net of interest expense (FTE)	19,899	3,427	(827)
Provision for credit losses	6,450	4,420	620
Noninterest expense	11,660	2,949	2,001
Pre-tax income	1,789	(3,942)	(3,448)
Income tax expense (FTE)	612	(1,421)	(1,215)
Net income	\$ 1,177	\$ (2,521)	\$ (2,233)
Preferred dividends	\$ 473	\$ 430	\$ 287
Diluted EPS	0.15	(0.67)	(0.57)
After tax effect of merger charge	183	130	49
Return on common equity ¹	2.48 %	(870) bps	(715) bps
Tangible return on equity ¹	6.40	N/M	N/M

¹ Measures shown on an operating basis. Please refer to the Supplemental Information Package for more information.

Countrywide Impact on 3Q08

- Accretive to EPS in 3Q08 \$0.06, excluding merger and restructuring charges
- Balance Sheet
 - Total average assets \$150.7 billion
 - Average loans and leases \$77.9 billion (includes purchase acct. adjs. from page 25)
 - Average securities \$18.2 billion
 - Average MSR \$17.1 billion
 - Average deposits \$59.3 billion
- Income statement 3Q08
 - Revenue \$2.4 billion
 - Net interest income \$644 million (17 bp reduction in BAC net interest yield)
 - Noninterest income \$1.7 billion
 - Total expenses \$2.0 billion
- Cost savings on track
- Asset Quality
 - Overall, continued declines in home prices, especially in high risk states, continue to put pressure on asset quality (delinquencies and further deterioration in CLTVs)
 - The impaired portfolio and the associated credit marks are in line with our expectations
 - The non-impaired portfolio is performing as expected
- Operational integration on track

Integration Commentary

LaSalle

- Deployed Bank of America teller platform in LaSalle Banking Centers
- Customer notification and associate training well underway in preparation for 4Q08 systems conversions

Merrill Lynch

- Expected EPS impact of combination
 - 3% dilutive in 2009
 - Breakeven in 2010
- Expected cost saves of \$7 billion achieved by combination
 - Headcount reductions, vendor leverage and real estate rationalization
 - Offset by incremental intangibles amortization of \$450 million
 - 10% of combined business base
 - Over 20% realized in 2009
 - Fully realized in 2012
- Merger and restructuring charges of \$2.0 billion after tax
 - One time costs of merger execution
 - Personnel, project costs and contract terminations

Summary

- **Environment is challenged as market disruptions, housing and consumer weakness are clearly having broader economic effects**
- **Gaining share in key products**
- **Capitalizing on opportunities in the weakened environment**
- **Balance sheet**
 - **Actions will strengthen capital position**
 - **Deposit flows and deleveraging strengthening liquidity**
 - **Increased credit reserves**

3Q08 Highlights

- Diluted EPS of \$0.15, \$0.19 excluding merger and restructuring charges
- Net interest income up 9% from 2Q08 due to the addition of Countrywide, balance sheet positioning, loan growth and day count.
- \$630 million charge to support cash funds
- \$313 million loss related to auction rate securities
- \$320 million markdown on \$341 million ownership of FNMA and FHLMC preferred stock
- GCIB disruption charges of \$1.8 billion
 - CDO and subprime - \$952 million, net of hedge activities
 - GCIB portion of auction rate securities settlement impacts - \$190 million
 - Commercial real estate capital markets - \$182 million
 - Leveraged lending - \$145 million
- \$500 million gain on sales of a card portfolio and prime brokerage
- Provision expense of \$6.5 billion (includes approximately \$2.0 billion reserve build)
- Capital impacted by Countrywide acquisition and earnings below the dividend distributions
 - Tier 1 capital ratio estimated at 7.50%
- Countrywide added \$259 million to earnings in its first quarter of inclusion

3Q08 Business Highlights

Global Consumer & Small Business

- **Total growth in average retail deposits of \$47 billion versus 2Q08**
 - Excluding Countrywide addition, average deposits grew \$8 billion reflecting flight to safety (period end deposits up \$21 billion)
 - 1.8 million net new checking and savings accounts opened in 3Q08
- **Service charges grew on increased deposit accounts**
- **Debit card income down slightly from 2Q08 on lower volume**
 - Economic pressure affecting consumer spending
 - 2Q08 post –tax stimulus
 - Storm activity and fuel shortages
- **Consumer Real Estate**
 - Consolidated first mortgage production was \$51.5 billion
 - Historically heavy refi mix driving reduction in volumes
 - Mortgage banking income increased \$1.2 billion due to the addition of Countrywide
 - MSR's at \$20.8 billion (added \$16.8 billion from Countrywide) represent 1.26% of portfolio
 - Loan modifications for 3Q08 for the combined companies were over 73,000, up from 14,000 in 3Q07
- **Credit card losses were higher impacting provision and securitization residual**
 - Loans were flat with 2Q08 reflecting tightened credit availability
 - Net loss rate increased to 6.40% from 5.96%

3Q08 Business Highlights

Global Corporate & Investment Banking

- Average commercial deposits increased \$5 billion vs. 2Q08 as customers sought strength
- Sale of prime brokerage reduced assets by \$40 billion
- Trading risk positions reduced
- Excluding prime brokerage and securitization of auto loans, average loans grew \$6.2 billion, or 2% from 2Q08
- Sales and trading reflect typical 3Q08 seasonality as well as valuations

Global Wealth & Investment Management

- Average deposits increased \$3.9 billion to \$161.0 billion vs. 2Q08 as customers continued their flight to safety
- Average loans grew \$0.7 billion to \$88.3 billion vs. 2Q08
- Lower quarterly results driven by cash funds support, auction rate securities settlement and the impact of lower equity markets

Balance Sheet Movements versus 2Q08

- **Assets climbed \$114.3 billion to \$1.8 trillion at 9/30/08**
 - **Countrywide added \$164.4 billion**
 - **Excluding impact of Countrywide:**
 - **Loans decreased \$6.9 billion**
 - **Commercial loans decreased \$3.6 billion driven by the sale of prime brokerage**
 - **Consumer loans decreased \$3.3 billion driven by residential mortgage and securitization of auto loans**
 - **Market related earning assets are down \$45 billion as we continue to maximize the efficiency of the book, primarily through the divestiture of the prime brokerage**
- **Liabilities**
 - **Countrywide added \$140.4 billion**
 - **Excluding impact of Countrywide:**
 - **Total retail deposits increased \$21.0 billion as we experienced flight to safety**
 - **Long term debt decreased \$12.6 billion primarily due to maturities of \$11.5 billion which were offset by minimal issuances of \$3.5 billion.**
 - **Short-term borrowing decreased \$37.9 billion due to a decline in customer short positions, a shift into other products and the prime brokerage sale**
- **Equity remained relatively flat, as common stock issuances related to the Countrywide acquisition and net income were offset by dividends and a decrease in OCI**
 - **OCI decreased \$3.8 billion due to fair value adjustments related to our strategic equity investments and higher unrealized losses on securities**

Net Interest Income

(\$ in millions)

	<u>3Q08</u>	<u>2Q08</u>	<u>\$ Change</u>
Reported net interest income (FTE)	\$ 11,920	\$ 10,937	\$ 983
Market-based NII	<u>(1,448)</u>	<u>(1,369)</u>	<u>(79)</u>
Core net interest income (FTE)	10,472	9,568	904
Impact of securitizations	<u>2,310</u>	<u>2,254</u>	<u>56</u>
Core NII – Managed Basis	<u>\$ 12,782</u>	<u>\$ 11,822</u>	<u>\$ 960</u>
Average earning assets	\$ 1,622,466	\$ 1,500,234	\$ 122,232
Market-based earning assets	<u>(377,630)</u>	<u>(375,274)</u>	<u>(2,356)</u>
Impact of securitizations	101,743	103,131	(1,388)
Reported net interest yield	2.93 %	2.92 %	1 bps
Core net interest yield	3.36	3.41	(5)
Core net interest yield – Managed Basis	3.79	3.86	(7)

- Change in core net interest income – *managed basis* driven by:
 - Countrywide impact of \$644 million
 - Balance sheet positioning, loan growth and day count impact roughly \$300 million
- Absent the negative impact from the addition of Countrywide (17 bps), core net interest yield expanded due to the factors mentioned above.

Capital Markets 3Q Revenue

- Includes \$1.8 billion of disruption charges in 3Q08 vs. \$1.2 billion in 2Q08

(\$ in millions)

	3Q08		
	Total	Sales & Trading	Investment Banking
Liquid Products	\$ 1,067	\$ 1,063	\$ 4
Credit Products	81	(151)	232
Structured Products	(1,213)	(1,329)	116
Equities	225	175	50
Other	89	-	89
Total	<u>\$ 249</u>	<u>\$ (242)</u>	<u>\$ 491</u>

	Change in revenue from 2Q08		
	Total	Sales & Trading	Investment Banking
Liquid Products	\$ (37)	\$ (39)	\$ 2
Credit Products	(1,052)	(834)	(218)
Structured Products	(413)	(407)	(6)
Equities	(183)	(123)	(60)
Other	7	-	7
Total	<u>\$ (1,678)</u>	<u>\$ (1,403)</u>	<u>\$ (275)</u>

- Excludes \$23 million and \$25 million margin from FVO loan book for 3Q08 and 2Q08

Key Capital Markets Risk Exposures

(\$ in millions)

	Exposures	
	9/30/2008	6/30/2008
Leveraged lending related:		
Net new commitments	\$ 2,535	\$ 3,207
Prior commitments – distributed/funded/other	(4,342)	(3,039)
EOP Unfunded commitments	2,254	4,061
Net new additions	410	122
Sold or syndicated	(2,268)	(3,518)
EOP Funded commitments	4,296	6,154
<i>Net writedown</i>	(145)	(64)
Exposure originated prior to market disruption	4,150	6,630
Capital markets commercial mortgage related:		
Unfunded commitments	700	717
Funded commitments	7,482	8,487
<i>Net writedown</i>	(148)	(79)
<i>Other capital markets commercial mortgage writedowns</i>	(34)	(184)
Super Senior CDO and other subprime related:		
Super senior subprime, net of insurance	2,890	3,501
Super senior nonsubprime, net of insurance	3,084	3,260
Retained positions from terminated deals	1,458	1,667
<i>Net writedown</i>	(952)	(645)

Subprime Super Senior CDO Exposure Carrying Values ¹

(Dollars in millions)

	September 30, 2008				
	Subprime Net Exposure	Carrying Value as a Percent of Original Net Exposure	Subprime Content of Collateral ²	Vintage of Subprime Collateral	
				Percent in 2006/2007 Vintages	Percent in 2005/prior Vintages
Super senior liquidity commitments					
High grade	\$ -	- %	- %	- %	- %
Mezzanine	337	93	42	46	54
CDO-squared	-	-	-	-	-
Total super senior liquidity commitments	337	93			
Other super senior exposure					
High grade	942	66	56	14	86
Mezzanine	179	18	73	69	31
CDO-squared	1,432	28	23	71	29
Total other super senior	2,553	34			
Total super senior	\$2,890	37			
Purchased securities from liquidated CDOs	\$1,458	48	51	38	62
Total	\$4,348	40			

¹ Classified as subprime when subprime consumer real estate loans make up at least 35 percent of the ultimate underlying collateral's original net exposure value.

² Based on current net exposure value.

Asset Quality

- Sustained stress in the housing/financial markets and other economic pressures including high food and fuel costs drove consumer losses higher. Rising unemployment levels now impacting losses as well. Loss rates impacted by slower loan growth from tightened underwriting.
- Held net charge-offs increased to 1.84%, up 17 basis points from 2Q08 (up 34 bps excluding Countrywide)
- Provision expense of \$6.5 billion includes approximately \$2 billion reserve build
 - Consumer stress from housing, unemployment and tighter credit conditions
 - \$700 million in unsecured lending
 - \$600 million consumer credit card
 - \$350 million residential mortgage
 - \$100 million dealer financial services
 - Commercial reserves built by roughly \$250 million
- Allowance for loan and lease losses of \$20.3 billion covering 2.17% of loans up 19 bps from 2Q08 (2.23% coverage excluding Countrywide loans)
- Consumer card losses trended higher
 - Managed consumer credit card net loss rate increased to 6.40% from 5.96% in 2Q08. 30+ day delinquencies increased to 5.89% from 5.53% in 2Q08. 90+ day delinquencies increased to 2.88% from 2.82% in 2Q08.
- Small business net charge-off ratio increased 105 basis points to 10.64%.
- Commercial net charge-off ratio excluding small business increased 26 bps to 0.54%.
 - Excluding small business and commercial real estate, net charge-off ratio increased 14 bps to 0.27%

Consumer Asset Quality Key Indicators

(\$ in millions)

	Residential Mortgage			Home Equity			Discontinued Real Estate		
	3Q08		2Q08	3Q08		2Q08	3Q08		2Q08
	As Reported	Excluding the Purchase Accounting impact ¹	As Reported	As Reported	Excluding the Purchase Accounting impact ¹	As Reported	As Reported	Excluding the Purchase Accounting impact ¹	As Reported
Loans EOP	\$256,989	\$ 259,332	\$235,472	\$151,938	\$ 155,438	\$121,409	\$ 22,081	\$ 27,276	N/A
Loans Avg	260,748	263,228	256,164	151,142	154,909	120,265	22,031	27,610	N/A
Net losses	\$ 242	\$ 525	\$ 151	\$ 964	\$ 1,732	\$ 923	\$ (3)	\$ 940	N/A
% of avg loans	0.37 %	0.79 %	0.24 %	2.53 %	4.45 %	3.09 %	(0.05) %	13.55 %	N/A
Allowance for loan losses	\$ 1,376	N/A	\$ 792	\$ 4,744	N/A	\$ 3,812	\$ 82	N/A	N/A
% of Loans	0.54 %	N/A	0.34 %	3.12 %	N/A	3.14 %	0.37 %	N/A	N/A
Avg. refreshed (C)LTV ²	69	N/A	65	82	N/A	78	Not Available	N/A	N/A
90%+ refreshed (C)LTV ²	20 %	N/A	16 %	37 %	N/A	35 %	Not Available	N/A	N/A
Avg. refreshed FICO ²	732	N/A	733	716	N/A	716	Not Available	N/A	N/A
% below 620 FICO ²	7 %	N/A	6 %	10 %	N/A	10 %	Not Available	N/A	N/A

¹ The purchase accounting impacts on loans are the fair value adjustments related to the impaired and non-impaired acquired portfolios. Loan balances have been reduced by the charge-offs that would have occurred during the quarter had purchase accounting not been applied at acquisition.

² All data is Legacy BAC only. Residential mortgage data as of August 2008.

Consumer Asset Quality Key Indicators (cont.'d)

(\$ in millions)

	Credit Card				Other ¹		Total Managed Consumer	
	Held		Managed		3Q08	2Q08	3Q08	2Q08
	3Q08	2Q08	3Q08	2Q08				
Loans EOP	\$ 81,350	\$ 78,642	\$183,398	\$187,162	\$ 86,529	\$ 88,766	\$700,935	\$632,809
Loans Avg	80,489	78,221	186,408	185,659	89,115	86,546	709,444	648,634
Net losses	\$ 1,242	\$ 1,108	\$ 2,996	\$ 2,751	\$ 951	\$ 743	\$ 5,150	\$ 4,568
% of avg loans	6.14 %	5.69 %	6.40 %	5.96 %	4.23 %	3.43 %	2.89 %	2.83 %
Allowance for loan losses	\$ 4,257	\$ 3,684	N/A	N/A	\$ 3,926	\$ 3,149	\$ 14,385	\$ 11,437
% of Loans	5.23 %	4.68 %	N/A	N/A	4.53 %	3.55 %	2.40 %	2.18 %
Avg. refreshed (C)LTV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90%+ refreshed (C)LTV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Avg. refreshed FICO ²	N/A	N/A	685	686	N/A	N/A	N/A	N/A
% below 620 FICO ²	N/A	N/A	16 %	16 %	N/A	N/A	N/A	N/A

¹ Other primarily consists of the following portfolios of loans: Consumer unsecured lending and dealer financial services.

² Credit card shown on a domestic basis.

Consumer Asset Quality Key Indicators – Excluding Countrywide

(\$ in millions)

	Residential Mortgage		Home Equity		Credit Card				Other ¹		Total Managed Consumer	
	3Q08	2Q08	3Q08	2Q08	Held		Managed		3Q08	2Q08	3Q08	2Q08
					3Q08	2Q08	3Q08	2Q08				
Loans EOP	\$230,203	\$235,472	\$122,869	\$121,409	\$ 81,350	\$ 78,642	\$183,398	\$187,162	\$ 86,559	\$ 88,766	\$623,029	\$632,809
Loans Avg	234,004	256,164	121,945	120,265	80,489	78,221	186,408	185,659	89,272	86,546	631,629	648,634
Net losses	\$ 242	\$ 151	\$ 966	\$ 923	\$ 1,242	\$ 1,108	\$ 2,996	\$ 2,751	\$ 951	\$ 743	\$ 5,155	\$ 4,568
% of avg loans	0.41 %	0.24 %	3.15 %	3.09 %	6.14 %	5.69 %	6.40 %	5.96 %	4.23	3.43 %	3.25 %	2.83 %
90+ Performing DPD ²	\$ 268	\$ 278	N/A	N/A	\$ 2,330	\$ 2,109	\$ 5,288	\$ 5,278	\$ 1,116	\$ 1,000	\$ 6,672	\$ 6,557
% of Loans	0.12 %	0.12 %	N/A	N/A	2.87 %	2.68 %	2.88 %	2.82 %	1.29 %	1.13 %	1.07 %	1.04 %
Nonperforming loans	\$ 4,445	\$ 3,269	\$ 2,022	\$ 1,851	N/A	N/A	N/A	N/A	\$ 102	\$ 100	\$ 6,569	\$ 5,220
% of Loans	1.93 %	1.39 %	1.65 %	1.52 %	N/A	N/A	N/A	N/A	0.12 %	0.11 %	1.05 %	0.82 %
Allowance for loan losses	\$ 1,163	\$ 792	\$ 3,854	\$ 3,812	\$ 4,257	\$ 3,684	N/A	N/A	\$ 3,926	\$ 3,149	\$ 13,200	\$ 11,437
% of Loans	0.51 %	0.34 %	3.14 %	3.14 %	5.23 %	4.68 %	N/A	N/A	4.53 %	3.55 %	2.53 %	2.18 %
Avg. refreshed (C)LTV ⁴	69	65	82	78	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90%+ refreshed (C)LTV ⁴	20 %	16 %	37 %	35 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Avg. refreshed FICO ^{3,4}	732	733	716	716	N/A	N/A	685	686	N/A	N/A	N/A	N/A
% below 620 FICO ^{3,4}	7 %	6 %	10 %	10 %	N/A	N/A	16 %	16 %	N/A	N/A	N/A	N/A

¹ Other primarily consists of the following portfolios of loans: Consumer unsecured lending and dealer financial services.

² Includes loans delinquent more than 90 days and still accruing interest.

³ Credit card shown on a domestic basis.

⁴ Residential mortgage data as of August 2008.

Consumer Asset Quality Key Indicators – Countrywide only

(\$ in millions)

	3Q08							
	Residential		Home Equity		Discontinued Real Estate		Total Consumer	
	As Reported	Excluding the Purchase Accounting impact ¹	As Reported	Excluding the Purchase Accounting impact ¹	As Reported	Excluding the Purchase Accounting impact ¹	As Reported	Excluding the Purchase Accounting impact ¹
Loans EOP	\$ 26,786	\$ 29,129	\$ 29,069	\$ 32,569	\$ 22,081	\$ 27,276	\$ 77,906	\$ 88,942
Loans Avg	26,744	29,224	29,197	32,963	22,031	27,610	77,814	89,639
Net losses	\$ -	\$ 280	\$ (4)	\$ 761	\$ (3)	\$ 940	\$ (7)	\$ 1,981
% of avg loans	- %	3.81 %	(0.05) %	9.18 %	(0.05) %	13.55 %	(0.03) %	8.79 %
Allowance for loan losses	\$ 213	N/A	\$ 890	N/A	\$ 82	N/A	\$ 1,185	N/A
% of Loans	0.80 %	N/A	3.06 %	N/A	0.37 %	N/A	1.52 %	N/A

¹ The purchase accounting impacts on loans are the fair value adjustments related to the impaired and non-impaired acquired portfolios. Loan balances have been reduced by the charge-offs that would have occurred during the quarter had purchase accounting not been applied at acquisition.

Consumer Real Estate Asset Quality

Home Equity

- Net charge-off ratio down 56 basis points from 2Q08 to 2.53% (up 6 bps excluding Countrywide)
 - Loans with >90% CLTV represents 37% of portfolio (legacy BAC only)
 - CA and FL represent 40% of the portfolio but 66% of losses.
- Allowance for loan losses was 3.12% of loans.

Residential Mortgage

- Net charge-off ratio up 13 basis points from 2Q08 to 0.37% (up 17 bps excluding Countrywide)
 - Net charge-offs were \$242 million. Housing stressed states and the CRA portfolio drove a disproportionate share of losses.
 - Loans with >90% CLTV represented 20% of the portfolio (legacy BAC only, August data).
 - CA and FL represented 42% of the portfolio but 62% of losses (as of August).
- Allowance was increased and covers 0.54% of loans.

Consumer Real Estate (cont'd) and Other Consumer Lending Asset Quality

Discontinued Real Estate

- Net recovery of 0.05% (impaired loans written down to fair value at acquisition date).
- Allowance for loan losses was 0.37% of loans.

Consumer Credit Card – Managed Basis

- Net loss ratio climbed 44 basis points to 6.40%.
 - Increase greater in geographies of housing stress
- Allowance was increased to cover 5.23% of held loans.
- 30+ delinquencies increased 36 basis points to 5.89% of loans.
- 90+ delinquencies increased 6 basis point to 2.88% of loans.

Commercial Asset Quality Key Indicators ¹

(\$ in millions)

	Commercial ²		Commercial Real Estate		Small Business		Commercial Lease Financing		Total Commercial	
	3Q08	2Q08	3Q08	2Q08	3Q08	2Q08	3Q08	2Q08	3Q08	2Q08
Loans EOP	\$232,824	\$235,541	\$ 63,736	\$ 62,897	\$ 19,430	\$ 19,908	\$ 22,416	\$ 22,815	\$338,406	\$341,161
Loans Avg	233,508	227,603	63,013	62,640	19,715	20,008	22,585	22,276	338,821	332,527
Net charge-offs % of avg loans	\$ 163 0.28 %	\$ 75 0.13 %	\$ 262 1.65 %	\$ 136 0.88 %	\$ 527 10.64 %	\$ 477 9.59 %	\$ 8 0.13 %	\$ 6 0.11 %	\$ 960 1.13 %	\$ 694 0.84 %
90+ Performing DPD % of Loans	\$ 257 0.11 %	\$ 278 0.12 %	\$ 204 0.32 %	\$ 262 0.42 %	\$ 598 3.08 %	\$ 594 2.98 %	\$ 45 0.20 %	\$ 27 0.12 %	\$ 1,104 0.33 %	\$ 1,161 0.34 %
Nonperforming loans % of Loans	\$ 1,614 0.69 %	\$ 1,127 0.47 %	\$ 3,090 4.85 %	\$ 2,616 4.15 %	\$ 183 0.94 %	\$ 153 0.77 %	\$ 35 0.16 %	\$ 40 0.18 %	\$ 4,922 1.45 %	\$ 3,936 1.15 %
Allowance for loan losses % of Loans	\$ 2,179 0.94 %	\$ 2,083 0.87 %	\$ 1,376 2.16 %	\$ 1,333 2.12 %	\$ 2,196 11.30 %	\$ 2,078 10.44 %	\$ 210 0.94 %	\$ 199 0.87 %	\$ 5,961 1.76 %	\$ 5,693 1.67 %
Criticized Utilized Exposure ³ % of Total Exposure	\$ 19,299 5.47 %	\$ 15,616 4.49 %	\$ 12,204 17.50 %	\$ 10,776 15.62 %	\$ 1,203 6.16 %	\$ 1,060 5.29 %	\$ 1,131 5.05 %	\$ 870 3.81 %	\$ 33,837 7.32 %	\$ 28,322 6.16 %

- Homebuilder utilized balances at 9/30/08, included in commercial real estate, were flat compared to 2Q08 at \$13 billion. These utilized balances are included in total binding exposure which was \$18 billion.
 - Criticized utilized exposure increased \$769 million to \$8.3 billion (64% of utilized exposure)
 - NPAs rose \$520 million to \$2.7 billion
 - 3Q08 charge-offs were \$222 million compared to \$130 million in 2Q08

¹ Does not include certain commercial loans measured at fair value in accordance with SFAS 159.

² Includes Commercial – Domestic and Commercial – Foreign.

³ Excludes Assets Held for Sale.

Countrywide Purchase Accounting Update

(\$ in billions)

Total purchase price	\$4.2
Preliminary allocation of the purchase price	
Countrywide shareholders' equity	8.4
Pre-tax adjustments to reflect assets acquired and liabilities assumed at fair value:	
Loans ¹	(9.3)
Investments in other financial instruments	(0.3)
Mortgage servicing rights	(1.5)
Other assets	(0.7)
Deposits	(0.2)
Notes payable and other liabilities	(1.0)
Pre-tax total adjustments	(13.0)
Deferred income taxes	4.7
After tax total adjustments	(8.3)
Fair value of net assets acquired	0.1
Preliminary goodwill resulting from the Merger	\$4.1

¹ Loan mark detail:

	<u>Balances</u>	<u>Losses</u>	<u>Loss %</u>
<u>Consumer</u>			
Prime firsts	\$ 30	\$ 2.5	8.3 %
Prime pay options	26	5.1	19.3
Home Equity	34	6.3	18.5
Sub-prime	<u>2</u>	<u>0.4</u>	27.7
Total consumer	\$ 92	\$ 14.3	15.6 %
Less: CFC allowance at 6/30		(5.0)	
Less: Non-impaired loan losses ²		<u>(1.1)</u>	
PAA for Credit		8.2	
Add: Rate marks net of deferred fee write-off		<u>1.1</u>	
Total loan PAA		<u>\$ 9.3</u>	

² Represents loss exposure for non-impaired loans that will flow through earnings over time, if incurred.

Capital Actions to Strengthen Balance Sheet

Announced intent to raise \$10 billion in common equity

- Allows us to capture near-term growth opportunities
- Improves capital ratios

Proforma w/ \$10bb
capital raise

Capital Ratios	<u>3Q08</u>	<u>3Q08</u>
Tangible Total Ratio	4.0%	4.6%
Tangible Common Ratio	2.6%	3.2%
Leverage Ratio	5.5%	6.0%
Tier 1 Capital	7.5%	8.3%
Total Capital	11.5%	12.3%

Announced 50% reduction in common dividend to \$.32 quarterly

- Reduces capital committed by roughly \$6 billion annually
- Adds roughly 11 bps quarterly

Conclusions

- **Environment remains challenging**
 - Credit costs reflect economic environment
 - Capital markets remain volatile
- **Business momentum remains strong in most businesses**
 - Retail deposits and lending growing
 - Commercial customers seeking capital for liquidity
 - Wealth management showing steady customer activity and performance
- **Balance sheet strengthened**
- **Integration of acquisitions on track**

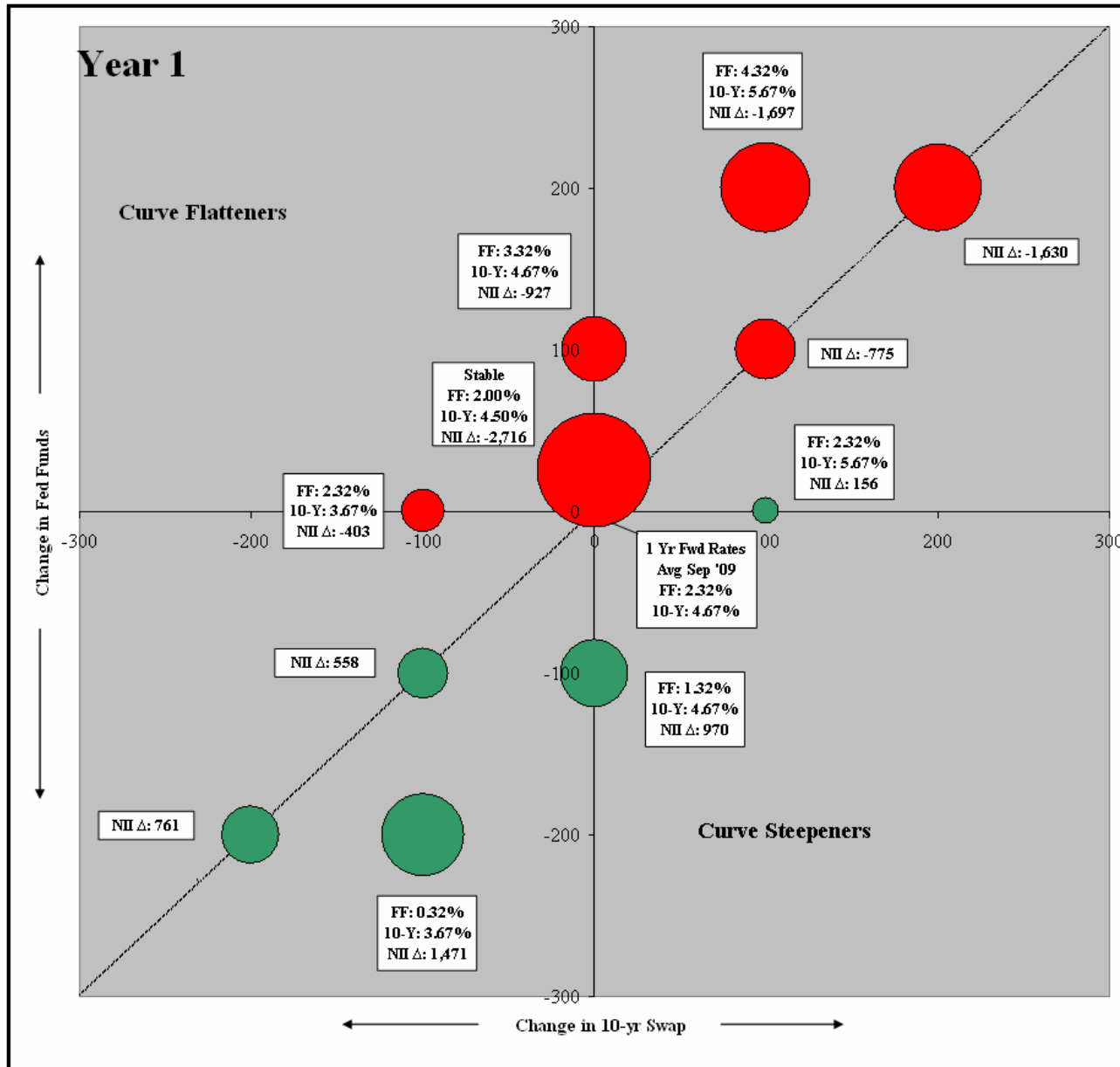
Appendix

Net Interest Income – Managed Sensitivity

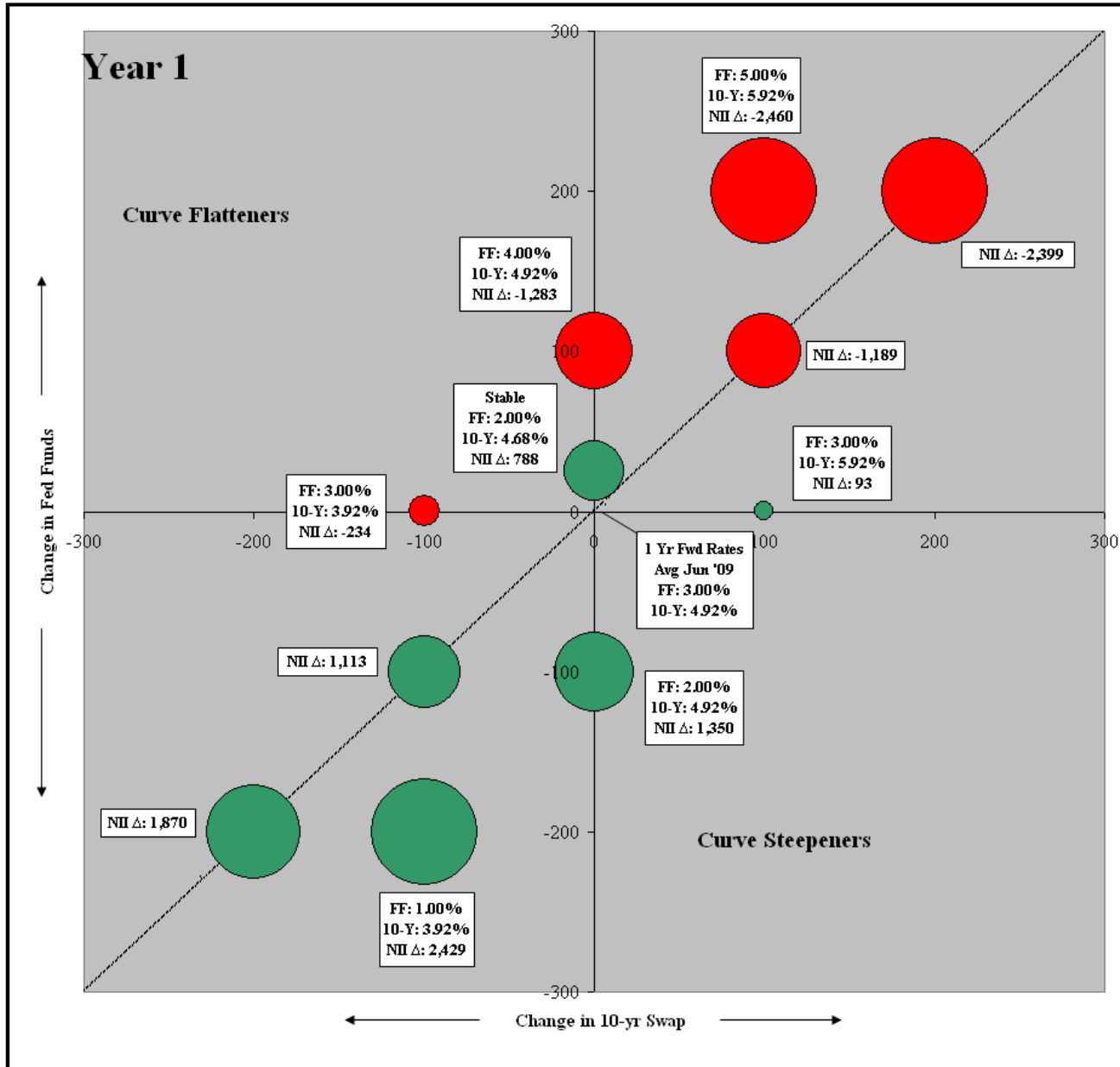
(\$ in millions)

	Managed net interest income impact for next 12 months	
	@ 9/30/08	@ 6/30/08
<u>Forward curve interest rate scenarios</u>		
+100 bp parallel shift	\$ (775)	\$ (1,189)
- 100 bp parallel shift	558	1,113
<u>Flattening scenario from forward curve</u>		
+ 100 bp flattening on short end	(927)	(1,283)
- 100 bp flattening on long end	(403)	(234)
<u>Steepening scenario from forward curve</u>		
+ 100 bp steepening on long end	156	93
- 100 bp steepening on short end	970	1,350

Bank of America
NII Sensitivity on a Managed Basis
First Rolling 12 Months
September 30, 2008



Bank of America
NII Sensitivity on a Managed Basis
First Rolling 12 Months
June 30, 2008



Bank of America 