

The Strength of Bank of America



BANK OF AMERICA CORPORATION'S FINANCIAL POWER

- In the second quarter of 2011, Bank of America Corporation reported a net loss of \$8.8 billion, or (\$0.90) per diluted share, compared with net income of \$3.1 billion for the same period a year ago and net income of \$2.0 billion in the first quarter of 2011.
- The loss was largely driven by charges related to an agreement to resolve a significant portion of the company's legacy mortgage-related issues, as well as other mortgage-related costs.
- Excluding these certain mortgage-related items and other selected items, net income was \$3.7 billion¹, or \$0.33 per diluted share, in the second quarter of 2011.
- For the quarter ending June 30, 2011, deposit balances for Bank of America were \$1.04 trillion, up from \$1.02 trillion from the previous quarter. (See chart below.)
- Bank of America Corporation's capital and liquidity positions were solid in the second quarter of 2011. Tier 1 capital and Tier 1 common ratios continued to exceed the levels required to meet the regulatory definitions of a "well capitalized" company, and Bank of America Corporation ended the quarter with approximately \$402 billion in global

DEPOSIT BALANCES (PERIOD END)



excess liquidity—compared with \$386 billion at the end of the first quarter of 2011.

- One measure of Bank of America's strength is what is called "time to required funding"—which refers to the number of months Bank of America Corporation, the parent company, can meet its financial commitments without issuing any new debt or accessing other sources of cash. Its time to required funding, as of the end of the second quarter of 2011, was 22 months.

A MARKET-LEADING POSITION

- As one of the world's largest financial institutions, Bank of America serves approximately 58 million consumers and small businesses around the world, doing business with one out of every two households in the U.S. It has approximately 5,700 banking centers and approximately 17,800 ATMs. Nearly 30 million of its customers actively bank online.

OUR CREDIT STRENGTH

- Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), Bank of America Corporation's broker dealer unit, and Bank of America, N.A. (BANA, Member FDIC), a federally chartered bank, have each received a long-term senior unsecured credit rating of A+ from Standard & Poor's (S&P).

SUPPORTING THE ECONOMY

- Bank of America extended approximately \$147 billion in credit in the second quarter of 2011, according to preliminary data. This included \$84 billion in commercial non-real estate loans, \$40 billion in residential first mortgages, \$11 billion in commercial real estate loans, \$4 billion in U.S. consumer and small business card, \$1 billion in home equity products and \$7 billion in other consumer credit.

To learn more about Bank of America Corporation's financial highlights for the second quarter of 2011, visit <http://investor.bankofamerica.com>.

Bank of America Corporation ("BAC") is the financial holding company that, through its subsidiaries and affiliated companies, provides banking and nonbanking financial services. Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer and member SIPC, and other subsidiaries of BAC.

Banking products are provided by Bank of America, N.A., and affiliated banks, members FDIC and wholly owned subsidiaries of BAC.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Merrill Lynch, as part of Bank of America Corporation, has a global reach, pool of investment insights and depth of resources that few other financial services companies can match. And Merrill Lynch continues to base its underlying business on an unwavering dedication to helping clients reach their financial goals.

- Merrill Lynch Global Wealth Management (MLGWM) is part of Bank of America Corporation's Global Wealth & Investment Management (GWIM) business, with \$1.5 trillion in client balances as of June 30, 2011² and nearly 16,000 Financial Advisors around the world. Merrill Lynch's diversified business model helps it weather weak markets and advance during strong ones.
- In the second quarter of 2011, Bank of America Corporation's GWIM, which includes Merrill Lynch Global Wealth Management, U.S. Trust, and Retirement Services, reported pre-tax income of \$787 million, down slightly from the \$798 million in the second quarter of 2010. In the second quarter of 2011, GWIM generated revenues of \$4.5 billion, roughly equal to the first quarter of 2011, driven in part by record asset management fees.

YOUR BROKERAGE ASSETS ARE SAFE AND SECURE

Client assets are kept separate and segregated from Bank of America Corporation's proprietary assets in accordance with strict regulatory requirements. In addition, the invested assets you entrust to Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) are protected by a number of safeguards:

- **Securities account protection through the Securities Investor Protection Corporation (SIPC).** MLPF&S, as a U.S. broker-dealer, is a member of SIPC, and its accounts are covered by SIPC. SIPC is a federally mandated non-profit corporation that protects investors' securities if a brokerage firm fails. SIPC funds are available to make up for any shortfall in client assets—up to a maximum of \$500,000 per client for securities, inclusive of \$250,000 per client for cash.
- **Private insurance coverage from Lloyd's of London.** MLPF&S has obtained excess-SIPC coverage through a Lloyd's of London syndicate. The policy provides additional protection for shortfalls above the SIPC limits (including up to \$1.9 million for cash), subject to an aggregate loss limit of \$1 billion for all customer claims.
- **Safe securities holding practices.** Client securities are legally the property of clients, are not on MLPF&S's balance sheet and are not exposed to MLPF&S's creditors, or those of Bank of America Corporation.
- **Stringent regulatory compliance systems.** As a registered broker-dealer, MLPF&S is subject to the comprehensive and stringent rules of the SEC mandating customer protection, financial responsibility and recordkeeping. MLPF&S protects client securities and cash from any risks involving the non-customer business activities of MLPF&S.
- **One of the strongest client security programs in the world.** MLPF&S regards both the security of your personal and financial information and the protection of your identity as critical priorities. MLPF&S maintains strong security standards, including firewalls, encryption and other technological safeguards, as well as advanced forms of protection regarding client authentication and account access controls

¹ Excluding certain mortgage-related items and other selected items represents a non-GAAP measure. For reconciliation to GAAP net income and EPS, refer to the company's second-quarter financial results, published on July 19, 2011.

² Source: Bank of America. Merrill Lynch Global Wealth Management (MLGWM) represents multiple business areas within Bank of America Corporation's Global Wealth & Investment Management division, including Merrill Lynch Wealth Management (North America and International), Merrill Lynch Trust Company and Private Banking & Investment Group. As of June 30, 2011, MLGWM entities had approximately \$1.5 trillion in client balances. Client Balances consists of the following assets of clients held in their MLGWM accounts: assets under management (AUM) of MLGWM entities, client brokerage assets, assets in custody of MLGWM entities, loan balances and deposits of MLGWM clients held at Bank of America, N.A., and affiliated banks, less an elimination for client brokerage and assets in custody included in AUM.

Investing in securities is always subject to market risk. Neither SIPC nor "excess-SIPC" coverage protects you against fluctuations in the market value of securities. Additional information about SIPC protection is available at www.sipc.org.

Merrill Lynch offers a broad range of brokerage, investment advisory (including financial planning) and other services. There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. It is important to understand the differences, particularly when determining which service or services to select.

Merrill Lynch is the marketing name for Merrill Lynch Wealth Management and Merrill Edge, which are made available through Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S).

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All data is confirmed as of June 30, 2011. Bank of America does not undertake any duty to update this information.

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