As filed with the Securities and Exchange Commission on October 6, 2008.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
October 6, 2008

BANK OF AMERICA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-6523
(Commission File Number)

56-0906609
(IRS Employer Identification No.)

100 North Tryon Street
Charlotte, North Carolina 28255
(Address of principal executive offices)

(704) 386-5681
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 6, 2008, Bank of America Corporation (the "Registrant") announced financial results for the third quarter ended September 30, 2008, reporting third quarter net income of $1.18 billion and diluted earnings per common share of $0.15. A copy of the press release announcing the Registrant's results for the third quarter ended September 30, 2008 is attached hereto as Exhibit 99.1 and incorporated by reference herein.

ITEM 7.01. REGULATION FD DISCLOSURE.

On October 6, 2008, the Registrant held an investor conference call and webcast to disclose financial results for the third quarter ended September 30, 2008. The Supplemental Information package for use during this conference call is furnished herewith as Exhibit 99.2 and incorporated by reference in Item 7.01. All information in the Supplemental Information package is presented as of September 30, 2008, and the Registrant does not assume any obligation to correct or update said information in the future.

The information in the preceding paragraph, as well as Exhibit 99.2 referenced therein, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in filings under the Securities Act of 1933.

ITEM 8.01. OTHER EVENTS.

On October 6, 2008, the Registrant announced financial results for the third quarter ended September 30, 2008, reporting third quarter net income of $1.18 billion and diluted earnings per common share of $0.15. A copy of the press release announcing the Registrant's results for the third quarter ended September 30, 2008 is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Separately, the Registrant announced that, in connection with the integration of Countrywide Financial Corporation ("Countrywide") with its other businesses and operations, it intends to transfer substantially all of the assets and operations of Countrywide and its subsidiary Countrywide Home Loans, Inc. ("CHL") to other subsidiaries of the Registrant. As part of the consideration for such transfer, if effected, the Registrant would assume debt securities and related guarantees of Countrywide and CHL in an aggregate amount of approximately $21 billion. There can be no assurance that such transfer and assumption will occur or as to the timing or terms thereof.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, in particular, the information as to our assumption of outstanding debt securities and related guarantees of Countrywide Financial Corporation and Countrywide Home Loans, Inc. All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual results may differ materially from those set forth in our forward-looking statements. As a large, international financial services company, we face risks that are inherent in the businesses and marketplaces in which we operate. Information regarding important factors that could cause our future financial performance to vary from that described in our forward-looking statements is contained under the captions "Item 1A. Risk Factors," and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2007 and in Exhibit 99.3 included in this Form 8-K and may be provided in other reports and registration statements we file from time to time with the SEC. You should not place undue reliance on any forward-looking statements, which speak only as of the dates they are made. All subsequent written and oral forward-looking statements attributable to us or any person on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to herein. Except to the extent required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this filing or to reflect the occurrence of unanticipated events.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

The following exhibits are filed herewith:

EXHIBIT NO.	
99.1	Press Release dated October 6, 2008 with respect to the Registrant's financial results for the third quarter ended September 30, 2008
99.2	Supplemental Information prepared for use on October 6, 2008 in connection with financial results for the third quarter ended September 30, 2008
99.3	Risk Factors

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANK OF AMERICA CORPORATION

By: /s/ Neil A. Cotty
Neil A. Cotty
Chief Accounting Officer

Dated: October 6, 2008

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Press Release dated October 6, 2008 with respect to the Registrant’s financial results for the third quarter ended September 30, 2008
99.2	Supplemental Information prepared for use on October 6, 2008 in connection with financial results for the third quarter ended September 30, 2008
99.3	Risk Factors

October 6, 2008

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Bank of America Announces 3rd Quarter Earnings and Capital Raising Initiatives

Earns $1.18 billion, or $0.15 per share

Selling Approximately $10 billion in Common Stock

Reduces 4th Quarter Dividend 50% to $0.32

CHARLOTTE — Bank of America Corporation today reported third quarter 2008 net income of $1.18 billion, or $0.15 per share, down from $3.70 billion, or $0.82 per share, a year earlier.

The company also announced two initiatives to raise capital, targeting an 8 percent Tier 1 Capital ratio. The company intends to sell common stock with a target of raising $10 billion. In addition, the Board of Directors has declared a quarterly dividend on common stock of $0.32 to be paid on December 26, 2008 to shareholders of record on December 5, 2008. Assuming the current number of issued and outstanding shares, the reduction from $0.64 paid in recent quarters would add more than $1.4 billion to capital each quarter.

“These are the most difficult times for financial institutions that I have experienced in my 39 years in banking,” said Kenneth D. Lewis, chairman and chief executive officer. “We believe it is prudent to raise capital to very substantial levels in this uncertain environment. Both economic and financial market conditions have changed significantly in the last two months. We were willing to operate at capital levels over the short-term that were good, but not at our targeted levels, given projections two months ago. We now believe it is important to be at or near our 8 percent Tier 1 capital ratio target given the recessionary conditions and outlook for still weaker economic performance which we expect to drive higher credit losses and depress earnings. We believe that achieving higher capital levels today will position our company to provide credit to those consumers and businesses that are attracted to our strength and stability.

“We know many investors in our stock are quite disappointed with a dividend reduction,” Lewis continued. “It is not a decision we made lightly. However, we cannot pay out what we have not earned. Our goal is to resume dividend increases from the new level as soon as our earnings performance warrants.

“All that said, our company continues to be profitable, and we have been able in the last year to make a number of moves that should significantly enhance our earnings when economic and financial market conditions improve. Our diversity and scale give us strength to deal with the current issues that few competitors can match. I have never been more optimistic about the long-term prospects of Bank of America.”

Lower earnings in the third quarter compared to a year earlier were driven by a significant increase in provision expense, as credit costs continued to rise, partially offset by advances in various income categories largely as a result of the acquisition of Countrywide Financial Corporation on July 1, 2008 and LaSalle Bank. Countrywide results were not included in prior period results.

Bank of America is clearly benefiting from consumer and business flight to safety, as shown by year-over-year increases in loans and especially deposits. While consumer credit costs continued to increase in line with economic conditions, the company continued to increase the number of customer accounts and make progress in such categories as investment banking.

Third Quarter Selected Business Developments

- Retail deposits increased $56 billion to $586 billion from June 30 to September 30, 2008, including the addition of $35 billion from Countrywide, extending Bank of America's lead as the largest retail depository institution in the United States. Excluding the impact of Countrywide, Bank of America gained $21 billion in retail deposits during the quarter as consumers moved money to safety. That gain was almost three times the industry average. Service charges increased $84 million from the second quarter, but debit card revenue declined slightly as consumers pulled back on spending.
- Reflecting deteriorating economic conditions, the consumer credit card business experienced a decrease in purchase volumes, slowing repayments and increased delinquencies during the quarter. Credit card held net charge offs increased to $1.24 billion, representing a net charge off rate of 6.14 percent. Credit card managed net credit losses rose to $3.00 billion, representing a loss rate of 6.40 percent.
- Investment banking income was up 22 percent from the previous year to $474 million. Revenue in Capital Markets and Advisory Services was adversely impacted by $952 million in CDO-related charges, $327 million in leveraged loan and commercial mortgage related writedowns and $190 million in losses on a commitment to buy back auction-rate securities from clients.
- Equity investment income results were negatively impacted by writedowns totaling $320 million on the preferred stock of Fannie Mae and Freddie Mac.

- Global Wealth and Investment Management revenue was affected by $630 million in support for cash funds and $123 million in losses on a commitment to buy back auction-rate securities from clients.

Third Quarter 2008 Financial Summary

Revenue and Expense

Revenue net of interest expense on a fully taxable-equivalent basis rose 21 percent to $19.90 billion from $16.47 billion a year earlier.

Net interest income on a fully taxable-equivalent basis rose 33 percent to $11.92 billion from $8.99 billion in the third quarter of 2007 due to the acquisitions of LaSalle and Countrywide, loan and deposit growth, and the impact of rate movements. The net interest yield increased 32 basis points to 2.93 percent due to increased yields on market-based activity driven by the steepening of the yield curve and the mix of products.

Noninterest income increased 7 percent to $7.98 billion from $7.48 billion a year earlier. The company booked a $630 million charge for providing support to cash funds and losses of $313 million related to auction-rate securities. Noninterest income was adversely impacted by $1.8 billion in writedowns and charges associated with market disruptions, which included Global Corporate and Investment Banking’s portion of the losses associated with auction-rate securities. Service charges income rose due in part to the increase in deposits. Mortgage banking income and insurance income also rose due to the acquisition of Countrywide.

Noninterest expense rose 34 percent to $11.66 billion, largely reflecting the addition of Countrywide and LaSalle. Pretax merger and restructuring charges related to acquisitions were $247 million compared with $84 million a year earlier. The efficiency ratio, on a fully taxable-equivalent basis, was 58.60 percent.

Credit Quality

Credit quality continued to weaken during the quarter with more rapid deterioration noted recently. The economy has moved to a recessionary environment and the risk of a prolonged recession has increased. Consumers are experiencing higher levels of stress from depreciating home prices, rising unemployment and tighter credit conditions. Higher levels of bankruptcies are occurring and delinquencies and losses have increased in all consumer portfolios.

Increased loss and delinquency trends first experienced in the home equity and homebuilder portfolios have now spread into the first mortgage, unsecured consumer lending and credit card portfolios. Deterioration has been more pronounced in California and Florida, which have been hit harder by home price depreciation and rising unemployment than in other markets. Commercial losses in sectors other than real estate and small business also increased, but remain below normalized ranges.

The company added almost $2 billion to the allowance for loan and lease losses during the quarter through provision. The additions were mainly for consumer loans, including the unsecured consumer lending, credit card and residential mortgage portfolios. The current coverage ratios and amounts shown below include the addition of Countrywide.

- Provision for credit losses was $6.45 billion, up from $5.83 billion in the second quarter and from $2.03 billion in the third quarter of 2007.
- Net charge-offs were $4.36 billion, or 1.84 percent of total average loans and leases compared with $3.62 billion, or 1.67 percent, in the second quarter and $1.57 billion, or 0.80 percent, in the third quarter of 2007.
- Total managed net losses were $6.11 billion, or 2.32 percent, of total average managed loans and leases compared with $5.26 billion, or 2.16 percent, in the second quarter and $2.83 billion, or 1.27 percent, in the third quarter of 2007.
- Nonperforming assets were $13.36 billion or 1.42 percent of total loans, leases and foreclosed properties, compared with $9.75 billion, or 1.13 percent, at June 30, 2008 and $3.37 billion, or 0.43 percent, at September 30, 2007.
- The allowance for loan and lease losses was $20.35 billion, or 2.17 percent of loans and leases measured at historical cost compared with $17.13 billion, or 1.98 percent, at June 30, 2008 and $9.54 billion, or 1.21 percent, at September 30, 2007.

Capital Management

Total shareholders' equity was $161.04 billion at September 30. Period-end assets were $1.83 trillion. The Tier 1 capital ratio estimate is 7.50 percent, down from 8.25 percent at June 30, 2008. The ratio was 8.22 percent a year earlier.

Bank of America paid a cash dividend of $0.64 per share in the quarter. The company also issued about 109 million common shares, including 107 million shares for the acquisition of Countrywide and 2 million shares related to employee stock options and ownership plans. No shares were repurchased during the quarter. Period-end common shares issued and outstanding were 4.56 billion for the third quarter, up from 4.45 billion for the second quarter of 2008 and 4.44 billion in the year ago quarter.

Transition update

The **LaSalle** transition will reach a significant milestone in the fourth quarter with expected major systems conversions. In addition, the cost saves achieved in connection with the transaction will exceed original projections.

The transition at **Countrywide**, which was acquired on July 1, is on track. The company today reached a major milestone by announcing in conjunction with a number of state attorneys general a proactive home retention program that will modify troubled mortgages using principal reductions for nearly 400,000 Countrywide customers nationwide (see separate press release issued earlier today).

The combined company modified loans for more than 73,000 customers during the third quarter, up from 14,000 in the similar period in 2007.

Countrywide added $259 million in operating earnings to Bank of America this quarter, which was accretive to earnings per share by $0.06. The transition team is on track to reach targeted cost savings, which have been increased from original projections to $900 million after-tax, and expect to fully realize the benefits by 2011.

Bank of America agreed on September 15, 2008 to acquire **Merrill Lynch**. The company has begun to announce the senior management team of the combined company and the transition teams are beginning to map out their activities.

Note: Chief Executive Officer Kenneth D. Lewis and Chief Financial Officer Joe L. Price will discuss third quarter 2008 results in a conference call at 5 p.m. EDT today. The presentation and supporting materials can be accessed on the Bank of America Investor Relations Web site at http://investor.bankofamerica.com. For a listen-only connection to the conference call, dial 877.585.6241 or (international) 785.830.1916 and the conference ID: 79795.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving more than 59 million consumer and small business relationships with more than 6,100 retail banking offices, more than 18,000 ATMs and award-winning online banking with more than 25 million active users. Bank of America offers industry leading support to more than 4 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients in more than 150 countries and has relationships with 99 percent of the U.S. Fortune 500 companies and 83 percent of the Fortune Global 500. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

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.*

www.bankofamerica.com

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The Company has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, Bank of America Corporation or the lead managers will arrange to send you the prospectus if you request it by contacting Bank of America Corporation, Corporate Treasury - Securities Administration, at 1-866-804-5241, Banc of America Securities LLC, toll free at 1-800-294-1322 or Merrill Lynch & Co. at 1-866-500-5408.

Bank of America Corporation and Subsidiaries

Selected Financial Data

(Dollars in millions, except per share data; shares in thousands)

Summary Income Statement	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Net interest income	**$ 11,642**	$ 8,617	**$ 32,254**	$ 25,276
Total noninterest income	**7,979**	7,480	**24,848**	28,753
Total revenue, net of interest expense	**19,621**	16,097	**57,102**	54,029
Provision for credit losses	**6,450**	2,030	**18,290**	5,075
Noninterest expense, before merger and restructuring charges	**11,413**	8,627	**29,953**	26,845
Merger and restructuring charges	**247**	84	**629**	270
Income before income taxes	**1,511**	5,356	**8,230**	21,839
Income tax expense	**334**	1,658	**2,433**	7,125
Net income	**$ 1,177**	$ 3,698	**$ 5,797**	$ 14,714
Earnings per common share	**$ 0.15**	$ 0.83	**$ 1.11**	$ 3.30
Diluted earnings per common share	**0.15**	0.82	**1.10**	3.25

Summary Average Balance Sheet	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Total loans and leases	**$ 946,914**	$ 780,516	**$ 900,574**	$ 745,162
Debt securities	**266,013**	174,568	**240,347**	179,589
Total earning assets	**1,622,466**	1,375,795	**1,544,617**	1,352,177
Total assets	**1,905,691**	1,580,565	**1,808,765**	1,554,760
Total deposits	**857,845**	702,481	**810,663**	695,465
Shareholders' equity	**166,454**	134,487	**160,890**	133,878
Common shareholders' equity	**142,303**	131,606	**141,337**	131,017

Performance Ratios	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Return on average assets	**0.25 %**	0.93 %	**0.43 %**	1.27 %
Return on average common shareholders' equity	**1.97**	11.02	**4.68**	14.88

Credit Quality	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Total net charge-offs	**$ 4,356**	$ 1,573	**$ 10,690**	$ 4,495
Annualized net charge-offs as a % of average loans and leases outstanding [(1)]	**1.84 %**	0.80 %	**1.59 %**	0.80 %
Provision for credit losses	**$ 6,450**	$ 2,030	**$ 18,290**	$ 5,075
Total consumer credit card managed net losses	**2,996**	2,024	**8,119**	6,076
Total consumer credit card managed net losses as a % of average managed credit card receivables	**6.40 %**	4.67 %	**5.85 %**	4.81 %

	September 30	
	2008	2007
Total nonperforming assets	**$ 13,357**	$ 3,372
Nonperforming assets as a % of total loans, leases and foreclosed properties [(1)]	**1.42 %**	0.43 %
Allowance for loan and lease losses	**$ 20,346**	$ 9,535
Allowance for loan and lease losses as a % of total loans and leases measured at historical cost [(1)]	**2.17 %**	1.21 %

Capital Management	September 30	
	2008	2007
Risk-based capital ratios:		
Tier 1	**7.50 *%**	8.22 %
Tangible equity ratio [(2)]	**4.03 ***	4.09
Period-end common shares issued and outstanding	**4,562,055**	4,436,855

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Shares issued	**109,108**	9,499	**124,170**	49,734
Shares repurchased	**—**	(9,580)	**—**	(71,030)
Average common shares issued and outstanding	**4,543,963**	4,420,616	**4,469,517**	4,424,269
Average diluted common shares issued and outstanding	**4,563,508**	4,475,917	**4,493,506**	4,483,465
Dividends paid per common share	**$ 0.64**	$ 0.64	**$ 1.92**	$ 1.76

Summary Ending Balance Sheet	September 30	
	2008	2007
Total loans and leases	**$ 942,676**	$ 793,537
Total debt securities	**258,677**	177,296
Total earning assets	**1,544,907**	1,362,543
Total assets	**1,831,177**	1,578,763
Total deposits	**874,051**	699,222
Total shareholders' equity	**161,039**	138,510
Common shareholders' equity	**136,888**	135,109
Book value per share of common stock	**$ 30.01**	$ 30.45

* Preliminary data

(1) Ratios do not include loans measured at fair value in accordance with SFAS 159 at and for the three and six months ended September 30, 2008 and 2007.

(2) Tangible equity equals shareholders' equity less goodwill and intangible assets divided by total assets less goodwill and intangible assets

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Supplemental Financial Data

(Dollars in millions)

Fully taxable-equivalent basis data	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Net interest income	**$ 11,920**	$ 8,992	**$33,148**	$26,375
Total revenue, net of interest expense	**19,899**	16,472	**57,996**	55,128
Net interest yield	**2.93 %**	2.61 %	**2.86 %**	2.60 %
Efficiency ratio	**58.60**	52.89	**52.73**	49.19

Other Data	September 30	
	2008	2007
Full-time equivalent employees	**247,024**	198,000
Number of banking centers - domestic	**6,139**	5,748
Number of branded ATMs - domestic	**18,584**	17,231

Certain prior period amounts have been reclassified to conform to current period presentation.

Exhibit 99.2

Supplemental Information
Third Quarter 2008

This information is preliminary and based on company data available at the time of the presentation. It speaks only as of the particular date or dates included in the accompanying pages. Bank of America does not undertake an obligation to, and disclaims any duty to, correct or update any of the information provided. Any forward-looking statements in this information are subject to the forward-looking language contained in Bank of America's reports filed with the SEC pursuant to the Securities Exchange Act of 1934, which are available at the SEC's website (www.sec.gov) or at Bank of America's website (www.bankofamerica.com). Bank of America's future financial performance is subject to risks and uncertainties as described in its SEC filings.

Bank of America Corporation and Subsidiaries

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Bank of America Corporation and Subsidiaries

Consolidated Financial Highlights

(Dollars in millions, except per share information; shares in thousands)

	Nine Months Ended September 30 2008 (1)	Nine Months Ended September 30 2007	Third Quarter 2008 (1)	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Income statement							
Net interest income	**$ 32,254**	$ 25,276	**$ 11,642**	$ 10,621	$ 9,991	$ 9,165	$ 8,617
Noninterest income	**24,848**	28,753	**7,979**	9,789	7,080	3,639	7,480
Total revenue, net of interest expense	**57,102**	54,029	**19,621**	20,410	17,071	12,804	16,097
Provision for credit losses	**18,290**	5,075	**6,450**	5,830	6,010	3,310	2,030
Noninterest expense, before merger and restructuring charges	**29,953**	26,845	**11,413**	9,447	9,093	10,269	8,627
Merger and restructuring charges	**629**	270	**247**	212	170	140	84
Income tax expense (benefit)	**2,433**	7,125	**334**	1,511	588	(1,183)	1,658
Net income	**5,797**	14,714	**1,177**	3,410	1,210	268	3,698
Diluted earnings per common share	**1.10**	3.25	**0.15**	0.72	0.23	0.05	0.82
Average diluted common shares issued and outstanding	**4,493,506**	4,483,465	**4,563,508**	4,457,193	4,461,201	4,470,108	4,475,917
Dividends paid per common share	**$ 1.92**	$ 1.76	**$ 0.64**	$ 0.64	$ 0.64	$ 0.64	$ 0.64
Performance ratios							
Return on average assets	**0.43 %**	1.27 %	**0.25 %**	0.78 %	0.28 %	0.06 %	0.93 %
Return on average common shareholders' equity	**4.68**	14.88	**1.97**	9.25	2.90	0.60	11.02
Risk-based Capital							
Tier 1 Capital Ratio	**7.50 %**	8.22 %	**7.50 %**	8.25 %	7.51 %	6.87 %	8.22 %
Tangible equity ratio (2)	**4.03**	4.09	**4.03**	4.62	4.16	3.62	4.09
At period end							
Book value per share of common stock	**$ 30.01**	$ 30.45	**$ 30.01**	$ 31.11	$ 31.22	$ 32.09	$ 30.45
Tangible book value per share of common stock (3)	**12.08**	15.25	**12.08**	13.65	13.73	14.62	15.25
Market price per share of common stock:							
Closing price	**$ 35.00**	$ 50.27	**$ 35.00**	$ 23.87	$ 37.91	$ 41.26	$ 50.27
High closing price for the period	**45.03**	54.05	**37.48**	40.86	45.03	52.71	51.87
Low closing price for the period	**18.52**	47.00	**18.52**	23.87	35.31	41.10	47.00
Market capitalization	**159,672**	223,041	**159,672**	106,292	168,806	183,107	223,041
Number of banking centers - domestic	**6,139**	5,748	**6,139**	6,131	6,148	6,149	5,748
Number of branded ATMs - domestic	**18,584**	17,231	**18,584**	18,531	18,491	18,753	17,231
Full-time equivalent employees	**247,024**	198,000	**247,024**	206,587	209,096	209,718	198,000

(1) Preliminary data based on risk-based capital

(2) Tangible equity equals shareholders' equity less goodwill and intangible assets divided by total assets less goodwill and intangible assets.

(3) Tangible book value per share of common stock is a non-GAAP measure. For a corresponding reconciliation of common tangible shareholders' equity to a GAAP financial measure, see Supplemental Financial Data on page 3. We believe the use of this non-GAAP measure provides additional clarity in assessing the results of the Corporation.

Certain prior period amounts have been reclassified to conform to current period presentation.

Supplemental Financial Data

(Dollars in millions)

Fully taxable-equivalent basis data

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Net interest income	**$33,148**	$26,375	**$11,920**	$10,937	$10,291	$ 9,815	$ 8,992
Total revenue, net of interest expense	**57,996**	55,128	**19,899**	20,726	17,371	13,454	16,472
Net interest yield	**2.86 %**	2.60 %	**2.93 %**	2.92 %	2.73 %	2.61 %	2.61 %
Efficiency ratio	**52.73**	49.19	**58.60**	46.60	53.32	77.36	52.89

Reconciliation to GAAP financial measures

Supplemental financial data presented on an operating basis is a basis of presentation not defined by accounting principles generally accepted in the United States (GAAP) that excludes merger and restructuring charges. We believe that the exclusion of merger and restructuring charges, which represent events outside our normal operations, provides a meaningful period-to-period comparison and is more reflective of normalized operations.

Return on average common shareholders' equity and return on average tangible shareholders' equity utilize non-GAAP allocation methodologies. Return on average common shareholders' equity measures the earnings contribution of a unit as a percentage of the shareholders' equity allocated to that unit. Return on average tangible shareholders' equity measures the earnings contribution of the Corporation as a percentage of shareholders' equity reduced by goodwill. These measures are used to evaluate our use of equity (i.e., capital) at the individual unit level and are integral components in the analytics for resource allocation. The efficiency ratio measures the costs expended to generate a dollar of revenue. We believe the use of these non-GAAP measures provides additional clarity in assessing the results of the Corporation.

Other companies may define or calculate supplemental financial data differently. See the tables below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, and the nine months ended September 30, 2008 and 2007.

Reconciliation of net income to operating earnings

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Net income	**$ 5,797**	$ 14,714	**$ 1,177**	$ 3,410	$ 1,210	$ 268	$ 3,698
Merger and restructuring charges	**629**	270	**247**	212	170	140	84
Related income tax benefit	**(205)**	(100)	**(64)**	(78)	(63)	(52)	(31)
Operating earnings	**$ 6,221**	$ 14,884	**$ 1,360**	$ 3,544	$ 1,317	$ 356	$ 3,751

Reconciliation of ending common shareholders' equity to ending common tangible shareholders' equity

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Ending common shareholders' equity	**$136,888**	$135,109	**$136,888**	$ 138,540	$ 139,003	$ 142,394	$ 135,109
Ending goodwill	**(81,756)**	(67,433)	**(81,756)**	(77,760)	(77,872)	(77,530)	(67,433)
Ending common tangible shareholders' equity	**$ 55,132**	$ 67,676	**$ 55,132**	$ 60,780	$ 61,131	$ 64,864	$ 67,676

Reconciliation of average shareholders' equity to average tangible shareholders' equity

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Average shareholders' equity	**$160,890**	$133,878	**$166,454**	$ 161,428	$ 154,728	$ 144,924	$ 134,487
Average goodwill	**(79,150)**	(66,309)	**(81,977)**	(77,815)	(77,628)	(78,308)	(67,499)
Average tangible shareholders' equity	**$ 81,740**	$ 67,569	**$ 84,477**	$ 83,613	$ 77,100	$ 66,616	$ 66,988

Operating basis

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Return on average assets	**0.46 %**	1.28 %	**0.28 %**	0.81 %	0.30 %	0.08 %	0.94 %
Return on average common shareholders' equity	**5.08**	15.06	**2.48**	9.63	3.20	0.85	11.18
Return on average tangible shareholders' equity	**10.17**	29.45	**6.40**	17.05	6.87	2.12	22.21
Efficiency ratio (1)	**51.65**	48.70	**57.36**	45.58	52.35	76.32	52.38

(1) Fully taxable-equivalent basis

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Consolidated Statement of Income

(Dollars in millions, except per share information; shares in thousands)

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Interest income							
Interest and fees on loans and leases	**$ 41,797**	$ 40,318	**$ 14,261**	$ 13,121	$ 14,415	$ 15,363	$ 14,111
Interest on debt securities	**9,295**	7,046	**3,621**	2,900	2,774	2,738	2,334
Federal funds sold and securities purchased under agreements to resell	**2,920**	5,974	**912**	800	1,208	1,748	1,839
Trading account assets	**6,937**	7,059	**2,344**	2,229	2,364	2,358	2,519
Other interest income	**3,133**	3,428	**1,058**	977	1,098	1,272	1,230
Total interest income	**64,082**	63,825	**22,196**	20,027	21,859	23,479	22,033
Interest expense							
Deposits	**11,954**	12,840	**3,846**	3,520	4,588	5,253	4,545
Short-term borrowings	**10,452**	16,369	**3,223**	3,087	4,142	5,598	5,519
Trading account liabilities	**2,250**	2,619	**661**	749	840	825	906
Long-term debt	**7,172**	6,721	**2,824**	2,050	2,298	2,638	2,446
Total interest expense	**31,828**	38,549	**10,554**	9,406	11,868	14,314	13,416
Net interest income	**32,254**	25,276	**11,642**	10,621	9,991	9,165	8,617
Noninterest income							
Card income	**10,212**	10,486	**3,122**	3,451	3,639	3,591	3,595
Service charges	**7,757**	6,493	**2,722**	2,638	2,397	2,415	2,221
Investment and brokerage services	**3,900**	3,720	**1,238**	1,322	1,340	1,427	1,378
Investment banking income	**1,645**	1,801	**474**	695	476	544	389
Equity investment income (loss)	**1,330**	3,747	**(316)**	592	1,054	317	904
Trading account profits (losses)	**(1,810)**	491	**(384)**	357	(1,783)	(5,380)	(1,388)
Mortgage banking income	**2,564**	516	**1,674**	439	451	386	155
Insurance premiums	**1,092**	548	**678**	217	197	213	235
Gains on sales of debt securities	**362**	71	**10**	127	225	109	7
Other income (loss)	**(2,204)**	880	**(1,239)**	(49)	(916)	17	(16)
Total noninterest income	**24,848**	28,753	**7,979**	9,789	7,080	3,639	7,480
Total revenue, net of interest expense	**57,102**	54,029	**19,621**	20,410	17,071	12,804	16,097
Provision for credit losses	**18,290**	5,075	**6,450**	5,830	6,010	3,310	2,030
Noninterest expense							
Personnel	**14,344**	13,931	**5,198**	4,420	4,726	4,822	4,169
Occupancy	**2,623**	2,211	**926**	848	849	827	754
Equipment	**1,208**	1,018	**440**	372	396	373	336
Marketing	**1,813**	1,644	**605**	571	637	712	552
Professional fees	**1,071**	770	**424**	362	285	404	258
Amortization of intangibles	**1,357**	1,209	**464**	447	446	467	429
Data processing	**1,905**	1,372	**755**	587	563	590	463
Telecommunications	**814**	750	**288**	266	260	263	255
Other general operating	**4,818**	3,940	**2,313**	1,574	931	1,811	1,411
Merger and restructuring charges	**629**	270	**247**	212	170	140	84
Total noninterest expense	**30,582**	27,115	**11,660**	9,659	9,263	10,409	8,711
Income (loss) before income taxes	**8,230**	21,839	**1,511**	4,921	1,798	(915)	5,356
Income tax expense (benefit)	**2,433**	7,125	**334**	1,511	588	(1,183)	1,658
Net income	**$ 5,797**	$ 14,714	**$ 1,177**	$ 3,410	$ 1,210	$ 268	$ 3,698
Preferred stock dividends	**849**	129	**473**	186	190	53	43
Net income available to common shareholders	**$ 4,948**	$ 14,585	**$ 704**	$ 3,224	$ 1,020	$ 215	$ 3,655
Per common share information							
Earnings	**$ 1.11**	$ 3.30	**$ 0.15**	$ 0.73	$ 0.23	$ 0.05	$ 0.83
Diluted earnings	**1.10**	3.25	**0.15**	0.72	0.23	0.05	0.82
Dividends paid	**1.92**	1.76	**0.64**	0.64	0.64	0.64	0.64
Average common shares issued and outstanding	**4,469,517**	4,424,269	**4,543,963**	4,435,719	4,427,823	4,421,554	4,420,616
Average diluted common shares issued and outstanding	**4,493,506**	4,483,465	**4,563,508**	4,457,193	4,461,201	4,470,108	4,475,917

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries
Consolidated Balance Sheet

(Dollars in millions)

	September 30 2008	June 30 2008	September 30 2007
Assets			
Cash and cash equivalents	**$ 39,341**	$ 39,127	$ 34,956
Time deposits placed and other short-term investments	**11,709**	7,649	8,829
Federal funds sold and securities purchased under agreements to resell	**87,038**	107,070	135,150
Trading account assets	**174,859**	167,837	179,365
Derivative assets	**45,792**	42,039	30,843
Debt securities	**258,677**	249,859	177,296
Loans and leases, net of allowance:			
Loans and leases	**942,676**	870,464	793,537
Allowance for loan and lease losses	**(20,346)**	(17,130)	(9,535)
Total loans and leases, net of allowance	**922,330**	853,334	784,002
Premises and equipment, net	**13,000**	11,627	9,762
Mortgage servicing rights (includes **$20,811,** $4,250 and $3,179 measured at fair value)	**21,131**	4,577	3,417
Goodwill	**81,756**	77,760	67,433
Intangible assets	**9,167**	9,603	9,635
Loans held-for-sale	**27,414**	23,630	30,672
Other assets	**138,963**	122,763	107,403
Total assets	**$ 1,831,177**	$1,716,875	$ 1,578,763
Liabilities			
Deposits in domestic offices:			
Noninterest-bearing	**$ 201,025**	$ 199,587	$ 165,343
Interest-bearing	**577,503**	497,631	434,728
Deposits in foreign offices:			
Noninterest-bearing	**3,524**	3,432	3,950
Interest-bearing	**91,999**	84,114	95,201
Total deposits	**874,051**	784,764	699,222
Federal funds purchased and securities sold under agreements to repurchase	**225,729**	238,123	199,293
Trading account liabilities	**68,229**	70,806	87,155
Derivative liabilities	**26,466**	21,095	19,012
Commercial paper and other short-term borrowings	**145,812**	177,753	201,155
Accrued expenses and other liabilities (includes **$427**, $507 and $392 of reserve for unfunded lending commitments)	**72,141**	55,038	48,932
Long-term debt	**257,710**	206,605	185,484
Total liabilities	**1,670,138**	1,554,184	1,440,253
Shareholders' equity			
Preferred stock, $0.01 par value; authorized - 100,000,000 shares; issued and outstanding **- 7,602,067**, 7,602,067 and 143,739 shares	**24,151**	24,151	3,401
Common stock and additional paid-in capital, $0.01 par value; authorized - 7,500,000,000 shares; issued and outstanding - **4,562,054,554,** 4,452,947,217 and 4,436,855,341 shares	**65,361**	61,109	60,276
Retained earnings	**77,695**	79,920	84,027
Accumulated other comprehensive income (loss)	**(5,647)**	(1,864)	(8,615)
Other	**(521)**	(625)	(579)
Total shareholders' equity	**161,039**	162,691	138,510
Total liabilities and shareholders' equity	**$ 1,831,177**	$1,716,875	$ 1,578,763

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries
Core Net Interest Income - Managed Basis

(Dollars in millions)

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Net interest income [1]							
As reported	**$ 33,148**	$ 26,375	**$ 11,920**	$ 10,937	$ 10,291	$ 9,815	$ 8,992
Impact of market-based net interest income [2]	**(4,125)**	(1,908)	**(1,448)**	(1,369)	(1,308)	(810)	(789)
Core net interest income	**29,023**	24,467	**10,472**	9,568	8,983	9,005	8,203
Impact of securitizations [3]	**6,654**	5,820	**2,310**	2,254	2,090	2,021	2,009
Core net interest income - managed basis	**$ 35,677**	$ 30,287	**$ 12,782**	$ 11,822	$ 11,073	$ 11,026	$ 10,212
Average earning assets							
As reported	**$ 1,544,617**	$ 1,352,177	**$ 1,622,466**	$ 1,500,234	$ 1,510,295	$ 1,502,998	$ 1,375,795
Impact of market-based earning assets [2]	**(385,517)**	(414,363)	**(377,630)**	(375,274)	(403,733)	(407,315)	(407,066)
Core average earning assets	**1,159,100**	937,814	**1,244,836**	1,124,960	1,106,562	1,095,683	968,729
Impact of securitizations	**102,481**	103,028	**101,743**	103,131	102,577	104,385	104,181
Core average earning assets - managed basis	**$ 1,261,581**	$ 1,040,842	**$ 1,346,579**	$ 1,228,091	$ 1,209,139	$ 1,200,068	$ 1,072,910
Net interest yield contribution [1, 4]							
As reported	**2.86 %**	2.60 %	**2.93 %**	2.92 %	2.73 %	2.61 %	2.61 %
Impact of market-based activities [2]	**0.48**	0.88	**0.43**	0.49	0.52	0.67	0.77
Core net interest yield on earning assets	**3.34**	3.48	**3.36**	3.41	3.25	3.28	3.38
Impact of securitizations	**0.43**	0.40	**0.43**	0.45	0.42	0.38	0.42
Core net interest yield on earning assets - managed basis	**3.77 %**	3.88 %	**3.79 %**	3.86 %	3.67 %	3.66 %	3.80 %

(1) *Fully taxable-equivalent basis*
(2) *Represents the impact of market-based amounts included in the Capital Markets and Advisory Services business within Global Corporate and Investment Banking. For the nine months ended September 30, 2008 and 2007, the impact of market-based net interest income excludes $75 million and $44 million, and for the three months ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, respectively, excludes $23 million, $25 million, $27 million, $26 million and $22 million of net interest income on loans for which the fair value option has been elected and is not considered market-based income.*
(3) *Represents the impact of securitizations utilizing actual bond costs. This is different from the segment view which utilizes funds transfer pricing methodologies.*
(4) *Calculated on an annualized basis.*

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Quarterly Average Balances and Interest Rates - Fully Taxable-equivalent Basis

(Dollars in millions)

	Third Quarter 2008			Second Quarter 2008			Third Quarter 2007		
	Average Balance	**Interest Income/ Expense**	**Yield/ Rate**	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Earning assets									
Time deposits placed and other short-term investments	**$ 11,361**	**$ 101**	**3.54 %**	$ 10,310	$ 87	3.40 %	$ 11,879	$ 148	4.92 %
Federal funds sold and securities purchased under agreements to resell	**136,322**	**912**	**2.67**	126,169	800	2.54	139,259	1,839	5.27
Trading account assets	**191,757**	**2,390**	**4.98**	184,547	2,282	4.95	194,661	2,604	5.33
Debt securities (1)	**266,013**	**3,672**	**5.52**	235,369	2,963	5.04	174,568	2,380	5.45
Loans and leases (2):									
Residential mortgage	**260,748**	**3,712**	**5.69**	256,164	3,541	5.54	274,385	3,928	5.72
Home equity	**151,142**	**2,124**	**5.59**	120,265	1,627	5.44	98,611	1,884	7.58
Discontinued real estate	**22,031**	**399**	**7.25**	—	—	—	—	—	—
Credit card - domestic	**63,414**	**1,682**	**10.55**	61,655	1,603	10.45	57,491	1,780	12.29
Credit card - foreign	**17,075**	**535**	**12.47**	16,566	512	12.43	11,995	371	12.25
Direct/Indirect consumer (3)	**85,392**	**1,790**	**8.34**	82,593	1,731	8.43	72,978	1,600	8.70
Other consumer (4)	**3,723**	**80**	**8.78**	3,953	84	8.36	4,322	96	8.90
Total consumer	**603,525**	**10,322**	**6.82**	541,196	9,098	6.75	519,782	9,659	7.39
Commercial - domestic	**224,117**	**2,852**	**5.06**	219,537	2,762	5.06	176,554	3,207	7.21
Commercial real estate (5)	**63,220**	**727**	**4.57**	62,810	737	4.72	38,977	733	7.47
Commercial lease financing	**22,585**	**53**	**0.93**	22,276	243	4.37	20,044	246	4.91
Commercial - foreign	**33,467**	**377**	**4.48**	32,820	366	4.48	25,159	377	5.95
Total commercial	**343,389**	**4,009**	**4.64**	337,443	4,108	4.89	260,734	4,563	6.95
Total loans and leases	**946,914**	**14,331**	**6.03**	878,639	13,206	6.04	780,516	14,222	7.25
Other earning assets	**70,099**	**1,068**	**6.07**	65,200	1,005	6.19	74,912	1,215	6.46
Total earning assets (6)	**1,622,466**	**22,474**	**5.52**	1,500,234	20,343	5.44	1,375,795	22,408	6.48
Cash and cash equivalents	**36,030**			33,799			31,356		
Other assets, less allowance for loan and lease losses	**247,195**			220,580			173,414		
Total assets	**$ 1,905,691**			$ 1,754,613			$ 1,580,565		
Interest-bearing liabilities									
Domestic interest-bearing deposits:									
Savings	**$ 32,297**	**$ 58**	**0.72 %**	$ 33,164	$ 64	0.77 %	$ 31,510	$ 50	0.62 %
NOW and money market deposit accounts	**278,520**	**973**	**1.39**	258,104	856	1.33	215,078	1,104	2.04
Consumer CDs and IRAs	**218,862**	**1,852**	**3.37**	178,828	1,646	3.70	165,840	1,949	4.66
Negotiable CDs, public funds and other time deposits	**36,039**	**291**	**3.21**	24,216	195	3.25	17,392	227	5.20
Total domestic interest-bearing deposits	**565,718**	**3,174**	**2.23**	494,312	2,761	2.25	429,820	3,330	3.07
Foreign interest-bearing deposits:									
Banks located in foreign countries	**36,230**	**266**	**2.91**	33,777	272	3.25	43,727	564	5.12
Governments and official institutions	**11,847**	**72**	**2.43**	11,789	77	2.62	17,206	218	5.03
Time, savings and other	**48,209**	**334**	**2.76**	55,403	410	2.97	41,868	433	4.09
Total foreign interest-bearing deposits	**96,286**	**672**	**2.78**	100,969	759	3.02	102,801	1,215	4.69
Total interest-bearing deposits	**662,004**	**3,846**	**2.31**	595,281	3,520	2.38	532,621	4,545	3.39
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**465,511**	**3,223**	**2.76**	444,578	3,087	2.79	409,070	5,519	5.36
Trading account liabilities	**77,271**	**661**	**3.40**	70,546	749	4.27	86,118	906	4.17
Long-term debt	**264,934**	**2,824**	**4.26**	205,194	2,050	4.00	175,265	2,446	5.58
Total interest-bearing liabilities (6)	**1,469,720**	**10,554**	**2.86**	1,315,599	9,406	2.87	1,203,074	13,416	4.43
Noninterest-bearing sources:									
Noninterest-bearing deposits	**195,841**			190,721			169,860		
Other liabilities	**73,676**			86,865			73,144		
Shareholders' equity	**166,454**			161,428			134,487		
Total liabilities and shareholders' equity	**$ 1,905,691**			$ 1,754,613			$ 1,580,565		
Net interest spread			**2.66 %**			2.57 %			2.05 %
Impact of noninterest-bearing sources			**0.27**			0.35			0.56
Net interest income/yield on earning assets		**$ 11,920**	**2.93 %**		$ 10,937	2.92 %		$ 8,992	2.61 %

(1) *Yields on AFS debt securities are calculated based on fair value rather than historical cost balances. The use of fair value does not have a material impact on net interest yield.*

(2) *Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cash basis.*

(3) *Includes foreign consumer loans of $2.6 billion and $3.0 billion in the third and second quarters of 2008, and $3.8 billion in the third quarter of 2007.*

(4) *Includes consumer finance loans of $2.7 billion and $2.8 billion in the third and second quarters of 2008, and $3.2 billion in the third quarter of 2007; and other foreign consumer loans of $1.1 billion and $862 million in the third and second quarters of 2008, and $843 million in the third quarter of 2007.*

(5) Includes domestic commercial real estate loans of $62.2 billion and $61.6 billion in the third and second quarters of 2008, and $38.0 billion in the third quarter of 2007.

(6) Interest income includes the impact of interest rate risk management contracts, which decreased interest income on the underlying assets $12 million and $104 million in the third and second quarters of 2008, and $170 million in the third quarter of 2007. Interest expense includes the impact of interest rate risk management contracts, which increased interest expense on the underlying liabilities $86 million and $37 million in the third and second quarters of 2008, and $226 million in the third quarter of 2007.

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Quarterly Average Balances and Interest Rates - Fully Taxable-equivalent Basis - Isolating Hedge Income/Expense [(1)]

(Dollars in millions)

	Third Quarter 2008 Average Balance	Third Quarter 2008 Interest Income/ Expense	Third Quarter 2008 Yield/ Rate	Second Quarter 2008 Average Balance	Second Quarter 2008 Interest Income/ Expense	Second Quarter 2008 Yield/ Rate	Third Quarter 2007 Average Balance	Third Quarter 2007 Interest Income/ Expense	Third Quarter 2007 Yield/ Rate
Earning assets									
Time deposits placed and other short-term investments [(2)]	**$ 11,361**	**$ 105**	**3.68 %**	$ 10,310	$ 91	3.56 %	$ 11,879	$ 152	5.06 %
Federal funds sold and securities purchased under agreements to resell [(2)]	**136,322**	**948**	**2.78**	126,169	867	2.75	139,259	1,936	5.54
Trading account assets	**191,757**	**2,390**	**4.98**	184,547	2,282	4.95	194,661	2,604	5.33
Debt securities [(2)]	**266,013**	**3,675**	**5.52**	235,369	2,963	5.04	174,568	2,385	5.46
Loans and leases:									
Residential mortgage	**260,748**	**3,712**	**5.69**	256,164	3,541	5.54	274,385	3,928	5.72
Home equity	**151,142**	**2,124**	**5.59**	120,265	1,627	5.44	98,611	1,884	7.58
Discontinued real estate	**22,031**	**399**	**7.25**	—	—	—	—	—	—
Credit card - domestic	**63,414**	**1,682**	**10.55**	61,655	1,603	10.45	57,491	1,780	12.29
Credit card - foreign	**17,075**	**535**	**12.47**	16,566	512	12.43	11,995	371	12.25
Direct/Indirect consumer	**85,392**	**1,790**	**8.34**	82,593	1,731	8.43	72,978	1,600	8.70
Other consumer	**3,723**	**80**	**8.78**	3,953	84	8.36	4,322	96	8.90
Total consumer	**603,525**	**10,322**	**6.82**	541,196	9,098	6.75	519,782	9,659	7.39
Commercial - domestic [(2)]	**224,117**	**2,820**	**5.01**	219,537	2,795	5.12	176,554	3,220	7.24
Commercial real estate	**63,220**	**727**	**4.57**	62,810	737	4.72	38,977	733	7.47
Commercial lease financing	**22,585**	**53**	**0.93**	22,276	243	4.37	20,044	246	4.91
Commercial - foreign [(2)]	**33,467**	**377**	**4.48**	32,820	366	4.48	25,159	411	6.48
Total commercial	**343,389**	**3,977**	**4.61**	337,443	4,141	4.93	260,734	4,610	7.02
Total loans and leases	**946,914**	**14,299**	**6.02**	878,639	13,239	6.05	780,516	14,269	7.27
Other earning assets [(2)]	**70,099**	**1,069**	**6.07**	65,200	1,005	6.19	74,912	1,232	6.55
Total earning assets - excluding hedge impact	**1,622,466**	**22,486**	**5.53**	1,500,234	20,447	5.47	1,375,795	22,578	6.53
Net hedge income (expense) on assets		**(12)**			(104)			(170)	
Total earning assets - including hedge impact	**1,622,466**	**22,474**	**5.52**	1,500,234	20,343	5.44	1,375,795	22,408	6.48
Cash and cash equivalents	**36,030**			33,799			31,356		
Other assets, less allowance for loan and lease losses	**247,195**			220,580			173,414		
Total assets	**$ 1,905,691**			$ 1,754,613			$ 1,580,565		
Interest-bearing liabilities									
Domestic interest-bearing deposits:									
Savings	**$ 32,297**	**$ 58**	**0.72 %**	$ 33,164	$ 64	0.77 %	$ 31,510	$ 50	0.62 %
NOW and money market deposit accounts [(2)]	**278,520**	**973**	**1.39**	258,104	851	1.33	215,078	1,099	2.03
Consumer CDs and IRAs [(2)]	**218,862**	**1,765**	**3.21**	178,828	1,535	3.45	165,840	1,797	4.30
Negotiable CDs, public funds and other time deposits [(2)]	**36,039**	**288**	**3.18**	24,216	193	3.21	17,392	225	5.15
Total domestic interest-bearing deposits	**565,718**	**3,084**	**2.17**	494,312	2,643	2.15	429,820	3,171	2.93
Foreign interest-bearing deposits:									
Banks located in foreign countries [(2)]	**36,230**	**279**	**3.07**	33,777	272	3.25	43,727	566	5.14
Governments and official institutions	**11,847**	**72**	**2.43**	11,789	77	2.62	17,206	218	5.03
Time, savings and other	**48,209**	**334**	**2.76**	55,403	410	2.97	41,868	433	4.09
Total foreign interest-bearing deposits	**96,286**	**685**	**2.84**	100,969	759	3.02	102,801	1,217	4.70
Total interest-bearing deposits	**662,004**	**3,769**	**2.27**	595,281	3,402	2.30	532,621	4,388	3.27
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings [(2)]	**465,511**	**2,938**	**2.51**	444,578	2,980	2.70	409,070	5,560	5.40
Trading account liabilities	**77,271**	**661**	**3.40**	70,546	749	4.27	86,118	906	4.17
Long-term debt [(2)]	**264,934**	**3,100**	**4.68**	205,194	2,238	4.36	175,265	2,336	5.33
Total interest-bearing liabilities - excluding hedge impact	**1,469,720**	**10,468**	**2.84**	1,315,599	9,369	2.86	1,203,074	13,190	4.36
Net hedge (income) expense on liabilities		**86**			37			226	
Total interest-bearing liabilities - including hedge impact	**1,469,720**	**10,554**	**2.86**	1,315,599	9,406	2.87	1,203,074	13,416	4.43
Noninterest-bearing sources:									
Noninterest-bearing deposits	**195,841**			190,721			169,860		
Other liabilities	**73,676**			86,865			73,144		
Shareholders' equity	**166,454**			161,428			134,487		
Total liabilities and shareholders' equity	**$ 1,905,691**			$ 1,754,613			$ 1,580,565		
Net interest spread			**2.69**			2.61			2.17
Impact of noninterest-bearing sources			**0.27**			0.35			0.55
Net interest income/yield on earning assets - excluding hedge impact		**$ 12,018**	**2.96 %**		$ 11,078	2.96 %		$ 9,388	2.72 %
Net impact of hedge income (expense)		**(98)**	**(0.03)**		(141)	(0.04)		(396)	(0.11)
Net interest income/yield on earning assets		**$ 11,920**	**2.93 %**		$ 10,937	2.92 %		$ 8,992	2.61 %

(1) This table presents a non-GAAP financial measure. The impact of interest rate risk management derivatives is shown separately. Interest income and interest expense amounts, and the yields and rates have been adjusted. Management believes this presentation is useful to investors because it adjusts for the impact of our hedging decisions and provides a better understanding of our hedging activities. The impact of interest rate risk management derivatives is not material to the average balances presented above.

(2) The following presents the impact of interest rate risk management derivatives on interest income and interest expense.

Interest income excludes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

	Third Quarter 2008	Second Quarter 2008	Third Quarter 2007
Time deposits placed and other short-term investments	**$ (4)**	$ (4)	$ (4)
Federal funds sold and securities purchased under agreements to resell	**(36)**	(67)	(97)
Debt securities	**(3)**	—	(5)
Commercial - domestic	**32**	(33)	(13)
Commercial - foreign	**—**	—	(34)
Other earning assets	**(1)**	—	(17)
Net hedge income (expense) on assets	**$ (12)**	$(104)	$(170)

Interest expense excludes the impact of interest rate risk management contracts, which increased (decreased) interest expense on:

	Third Quarter 2008	Second Quarter 2008	Third Quarter 2007
NOW and money market deposit accounts	**$ —**	$ 5	$ 5
Consumer CDs and IRAs	**87**	111	152
Negotiable CDs, public funds and other time deposits	**3**	2	2
Banks located in foreign countries	**(13)**	—	(2)
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**285**	107	(41)
Long-term debt	**(276)**	(188)	110
Net hedge (income) expense on liabilities	**$ 86**	$ 37	$ 226

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis

(Dollars in millions)

	Nine Months Ended September 30					
	2008			2007		
	Average Balance	**Interest Income/ Expense**	**Yield/ Rate**	Average Balance	Interest Income/ Expense	Yield/ Rate
Earning assets						
Time deposits placed and other short-term investments	**$ 10,758**	**$ 282**	**3.50 %**	$ 14,059	$ 505	4.80%
Federal funds sold and securities purchased under agreements to resell	**135,846**	**2,920**	**2.87**	157,139	5,974	5.07
Trading account assets	**189,579**	**7,089**	**4.99**	186,137	7,325	5.25
Debt securities (1)	**240,347**	**9,470**	**5.25**	179,589	7,225	5.37
Loans and leases (2):						
Residential mortgage	**262,478**	**11,090**	**5.63**	260,469	11,140	5.70
Home equity	**129,402**	**5,623**	**5.80**	94,179	5,342	7.58
Discontinued real estate	**7,397**	**399**	**7.19**	—	—	—
Credit card - domestic	**62,784**	**5,059**	**10.76**	57,148	5,444	12.74
Credit card - foreign	**16,297**	**1,521**	**12.47**	11,694	1,038	11.86
Direct/Indirect consumer (3)	**82,242**	**5,220**	**8.48**	68,281	4,344	8.51
Other consumer (4)	**3,908**	**251**	**8.58**	4,614	318	9.21
Total consumer	**564,508**	**29,163**	**6.90**	496,385	27,626	7.43
Commercial - domestic	**218,702**	**8,812**	**5.38**	168,948	9,180	7.26
Commercial real estate (5)	**62,746**	**2,351**	**5.00**	37,305	2,092	7.50
Commercial lease financing	**22,364**	**557**	**3.32**	19,828	638	4.29
Commercial - foreign	**32,254**	**1,130**	**4.68**	22,696	1,026	6.05
Total commercial	**336,066**	**12,850**	**5.11**	248,777	12,936	6.95
Total loans and leases	**900,574**	**42,013**	**6.23**	745,162	40,562	7.27
Other earning assets	**67,513**	**3,202**	**6.33**	70,091	3,333	6.35
Total earning assets (6)	**1,544,617**	**64,976**	**5.61**	1,352,177	64,924	6.41
Cash and cash equivalents	**34,598**			32,881		
Other assets, less allowance for loan and lease losses	**229,550**			169,702		
Total assets	**$1,808,765**			$1,554,760		
Interest-bearing liabilities						
Domestic interest-bearing deposits:						
Savings	**$ 32,419**	**$ 172**	**0.71 %**	$ 32,436	$ 138	0.57%
NOW and money market deposit accounts	**261,918**	**2,968**	**1.51**	213,230	3,027	1.90
Consumer CDs and IRAs	**195,318**	**5,569**	**3.81**	162,372	5,638	4.64
Negotiable CDs, public funds and other time deposits	**30,838**	**806**	**3.49**	15,690	554	4.72
Total domestic interest-bearing deposits	**520,493**	**9,515**	**2.44**	423,728	9,357	2.95
Foreign interest-bearing deposits:						
Banks located in foreign countries	**36,401**	**938**	**3.44**	42,025	1,617	5.14
Governments and official institutions	**12,758**	**281**	**2.94**	16,529	620	5.01
Time, savings and other	**52,211**	**1,220**	**3.12**	40,587	1,246	4.10
Total foreign interest-bearing deposits	**101,370**	**2,439**	**3.21**	99,141	3,483	4.70
Total interest-bearing deposits	**621,863**	**11,954**	**2.57**	522,869	12,840	3.28
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**454,355**	**10,452**	**3.07**	414,126	16,369	5.28
Trading account liabilities	**76,752**	**2,250**	**3.92**	83,132	2,619	4.21
Long-term debt	**223,017**	**7,172**	**4.29**	160,895	6,721	5.57
Total interest-bearing liabilities (6)	**1,375,987**	**31,828**	**3.09**	1,181,022	38,549	4.36
Noninterest-bearing sources:						
Noninterest-bearing deposits	**188,800**			172,596		
Other liabilities	**83,088**			67,264		
Shareholders' equity	**160,890**			133,878		
Total liabilities and shareholders' equity	**$1,808,765**			$1,554,760		
Net interest spread			**2.52 %**			2.05%
Impact of noninterest-bearing sources			**0.34**			0.55
Net interest income/yield on earning assets		**$33,148**	**2.86 %**		$26,375	2.60%

(1) Yields on AFS debt securities are calculated based on fair value rather than historical cost balances. The use of fair value does not have a material impact on net interest yield.
(2) Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cash basis.
(3) Includes foreign consumer loans of $3.0 billion and $3.9 billion for the nine months ended September 30, 2008 and 2007.
(4) Includes consumer finance loans of $2.8 billion and $3.2 billion, and other foreign consumer loans of $947 million and $1.2 billion for the nine months ended September 30, 2008 and 2007.
(5) Includes domestic commercial real estate loans of $61.6 billion and $36.6 billion for the nine months ended September 30, 2008 and 2007.
(6) Interest income includes the impact of interest rate risk management contracts, which decreased interest income on the underlying assets $219 million and $408 million for the nine months ended September 30, 2008 and 2007. Interest expense includes the impact of interest rate risk management contracts, which increased interest expense on the underlying liabilities $172 million and $612 million for the nine months ended September 30, 2008 and 2007.

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis - Isolating Hedge Income/Expense [(1)]

(Dollars in millions)

	Nine Months Ended September 30					
	2008			2007		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Earning assets						
Time deposits placed and other short-term investments [(2)]	**$ 10,758**	**$ 294**	**3.65 %**	$ 14,059	$ 546	5.19 %
Federal funds sold and securities purchased under agreements to resell [(2)]	**135,846**	**3,093**	**3.04**	157,139	6,277	5.33
Trading account assets	**189,579**	**7,089**	**4.99**	186,137	7,325	5.25
Debt securities [(2)]	**240,347**	**9,474**	**5.26**	179,589	7,241	5.38
Loans and leases:						
Residential mortgage	**262,478**	**11,090**	**5.63**	260,469	11,140	5.70
Home equity	**129,402**	**5,623**	**5.80**	94,179	5,342	7.58
Discontinued real estate	**7,397**	**399**	**7.19**	—	—	—
Credit card - domestic	**62,784**	**5,059**	**10.76**	57,148	5,444	12.74
Credit card - foreign	**16,297**	**1,521**	**12.47**	11,694	1,038	11.86
Direct/Indirect consumer	**82,242**	**5,220**	**8.48**	68,281	4,344	8.51
Other consumer	**3,908**	**251**	**8.58**	4,614	318	9.21
Total consumer	**564,508**	**29,163**	**6.90**	496,385	27,626	7.43
Commercial - domestic [(2)]	**218,702**	**8,840**	**5.40**	168,948	9,201	7.28
Commercial real estate	**62,746**	**2,351**	**5.00**	37,305	2,092	7.50
Commercial lease financing	**22,364**	**557**	**3.32**	19,828	638	4.29
Commercial - foreign [(2)]	**32,254**	**1,130**	**4.68**	22,696	1,025	6.04
Total commercial	**336,066**	**12,878**	**5.12**	248,777	12,956	6.96
Total loans and leases	**900,574**	**42,041**	**6.21**	745,162	40,582	7.28
Other earning assets [(2)]	**67,513**	**3,204**	**6.33**	70,091	3,361	6.41
Total earning assets - excluding hedge impact	**1,544,617**	**65,195**	**5.62**	1,352,177	65,332	6.45
Net hedge income (expense) on assets		**(219)**			(408)	
Total earning assets - including hedge impact	**1,544,617**	**64,976**	**5.61**	1,352,177	64,924	6.41
Cash and cash equivalents	**34,598**			32,881		
Other assets, less allowance for loan and lease losses	**229,550**			169,702		
Total assets	**$1,808,765**			$1,554,760		
Interest-bearing liabilities						
Domestic interest-bearing deposits:						
Savings	**$ 32,419**	**$ 172**	**0.71 %**	$ 32,436	$ 138	0.57 %
NOW and money market deposit accounts [(2)]	**261,918**	**2,958**	**1.51**	213,230	3,013	1.89
Consumer CDs and IRAs [(2)]	**195,318**	**5,250**	**3.59**	162,372	5,134	4.23
Negotiable CDs, public funds and other time deposits [(2)]	**30,838**	**799**	**3.46**	15,690	547	4.67
Total domestic interest-bearing deposits	**520,493**	**9,179**	**2.36**	423,728	8,832	2.79
Foreign interest-bearing deposits:						
Banks located in foreign countries [(2)]	**36,401**	**949**	**3.48**	42,025	1,615	5.14
Governments and official institutions	**12,758**	**281**	**2.94**	16,529	620	5.01
Time, savings and other	**52,211**	**1,220**	**3.12**	40,587	1,246	4.10
Total foreign interest-bearing deposits	**101,370**	**2,450**	**3.23**	99,141	3,481	4.69
Total interest-bearing deposits	**621,863**	**11,629**	**2.50**	522,869	12,313	3.15
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings [(2)]	**454,355**	**10,052**	**2.95**	414,126	16,671	5.38
Trading account liabilities	**76,752**	**2,250**	**3.92**	83,132	2,619	4.21
Long-term debt [(2)]	**223,017**	**7,725**	**4.62**	160,895	6,334	5.25
Total interest-bearing liabilities - excluding hedge impact	**1,375,987**	**31,656**	**3.07**	1,181,022	37,937	4.29
Net hedge (income) expense on liabilities		**172**			612	
Total interest-bearing liabilities - including hedge impact	**1,375,987**	**31,828**	**3.09**	1,181,022	38,549	4.36
Noninterest-bearing sources:						
Noninterest-bearing deposits	**188,800**			172,596		
Other liabilities	**83,088**			67,264		
Shareholders' equity	**160,890**			133,878		
Total liabilities and shareholders' equity	**$1,808,765**			$1,554,760		
Net interest spread			**2.55**			2.16
Impact of noninterest-bearing sources			**0.34**			0.54
Net interest income/yield on earning assets - excluding hedge impact		**$33,539**	**2.89 %**		$27,395	2.70 %
Net impact of hedge income (expense)		**(391)**	**(0.03)**		(1,020)	(0.10)
Net interest income/yield on earning assets		**$33,148**	**2.86 %**		$26,375	2.60 %

(1) *This table presents a non-GAAP financial measure. The impact of interest rate risk management derivatives is shown separately. Interest income and interest expense amounts, and the yields and rates have been adjusted. Management believes this presentation is useful to investors because it adjusts for the impact of our hedging decisions and provides a better understanding of our hedging activities. The impact of interest rate risk management derivatives is not material to the average balances presented above.*

(2) *The following presents the impact of interest rate risk management derivatives on interest income and interest expense.*

Interest income excludes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

	Nine Months Ended September 30	
	2008	2007
Time deposits placed and other short-term investments	**$ (12)**	$ (41)
Federal funds sold and securities purchased under agreements to resell	**(173)**	(303)
Debt securities	**(4)**	(16)
Commercial - domestic	**(28)**	(21)
Commercial - foreign	—	1
Other earning assets	**(2)**	(28)
Net hedge income (expense) on assets	**$(219)**	$(408)

Interest expense excludes the impact of interest rate risk management contracts, which increased (decreased) interest expense on:

	2008	2007
NOW and money market deposit accounts	**$ 10**	$ 14
Consumer CDs and IRAs	**319**	504
Negotiable CDs, public funds and other time deposits	**7**	7
Banks located in foreign countries	**(11)**	2
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**400**	(302)
Long-term debt	**(553)**	387
Net hedge (income) expense on liabilities	**$ 172**	$ 612

Certain prior period amounts have been reclassified to conform to current period presentation.

Global Consumer and Small Business Banking - Key Indicators

(Dollars in millions; except as noted)

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Deposits and Student Lending Key Indicators							
Average retail deposit balances							
Checking	**$181,337**	$173,593	**$180,678**	$183,920	$179,426	$176,189	$171,380
Savings	**32,039**	32,020	**31,959**	32,765	31,393	31,534	31,081
MMS	**127,559**	107,295	**140,660**	130,718	120,563	115,122	109,754
CD's & IRA's	**185,263**	157,372	**218,711**	178,394	187,678	183,640	162,072
Foreign and other	**3,331**	2,847	**4,039**	3,689	2,718	3,546	3,173
Total average retail deposit balances	**$529,529**	$473,127	**$576,047**	$529,486	$521,778	$510,031	$477,460
Retail deposit spreads (excludes noninterest costs)							
Checking	**4.10%**	4.25%	**4.09%**	4.03%	4.16%	4.26%	4.26%
Savings	**3.83**	3.75	**3.79**	3.74	3.91	3.79	3.74
MMS	**1.04**	2.98	**1.07**	1.11	1.20	2.40	2.95
CD's & IRA's	**0.13**	1.01	**0.18**	0.32	0.44	0.80	0.97
Foreign and other	**3.98**	4.35	**2.94**	3.84	4.43	4.37	4.32
Total retail deposit spreads	**1.90**	2.83	**1.86**	2.02	2.10	2.55	2.79
Net new retail checking (units in thousands)	**2,043**	1,961	**812**	674	557	343	757
Online banking (end of period)							
Active accounts (units in thousands)	**27,929**	23,057	**27,929**	25,299	24,949	23,791	23,057
Active billpay accounts (units in thousands)	**15,433**	11,928	**15,433**	13,269	13,081	12,552	11,928
Card Services Key Indicators							
Managed credit card data [1]							
Gross interest yield	**11.63%**	12.73%	**11.52%**	11.44%	11.94%	12.48%	12.74%
Loss rates	**5.85**	4.81	**6.40**	5.96	5.19	4.75	4.67
Average outstandings	**$185,258**	$169,005	**$186,408**	$185,659	$183,694	$178,411	$172,002
Ending outstandings	**183,398**	173,770	**183,398**	187,162	183,758	183,691	173,770
New account growth (in thousands)	**7,051**	8,260	**1,766**	2,670	2,615	3,509	2,895
Purchase volumes	**$186,940**	$183,965	**$ 62,662**	$ 64,457	$ 59,821	$ 68,380	$ 63,494
Delinquencies:							
30 Day	**5.89%**	5.24%	**5.89%**	5.53%	5.61%	5.45%	5.24%
90 Day	**2.88**	2.48	**2.88**	2.82	2.83	2.66	2.48
Mortgage, Home Equity and Insurance Services Key Indicators							
Mortgage servicing rights at fair value period end balance	**$ 20,811**	$ 3,179	**$ 20,811**	$ 4,250	$ 3,163	$ 3,053	$ 3,179
Capitalized mortgage servicing rights (% of loans serviced)	**126bps**	130 bps	**126bps**	145bps	118bps	118bps	130bps
Mortgage loans serviced for investors (in billions)	**$ 1,654**	$ 245	**$ 1,654**	$ 292	$ 268	$ 259	$ 245
Global Consumer and Small Business Banking							
Mortgage production	**$ 86,184**	$ 70,934	**$ 49,625**	$ 18,515	$ 18,044	$ 22,370	$ 24,533
Home equity production	**27,487**	53,135	**4,669**	8,997	13,821	16,001	17,352
Total Corporation							
Mortgage production	**95,899**	79,551	**51,539**	22,438	21,922	24,834	26,930
Home equity production	**34,573**	64,884	**6,432**	11,500	16,641	19,299	21,105

(1) Credit Card includes U.S. Consumer Card and foreign credit card. Does not include Business Credit Card.

Certain prior period amounts have been reclassified among the segments to conform to the current period presentation.

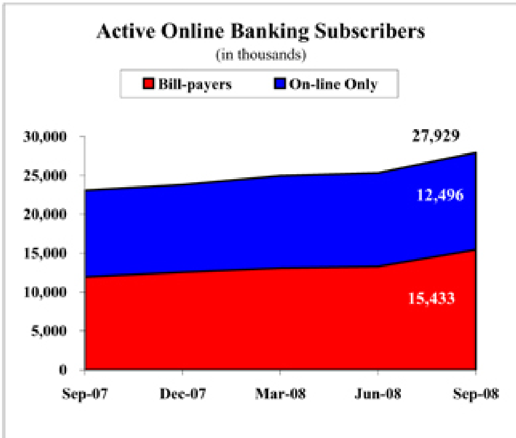
E-Commerce & BankofAmerica.com

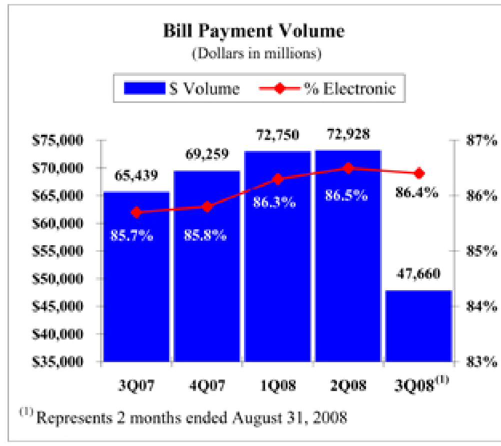
Bank of America has the largest active online banking customer base with 27.9 million subscribers.

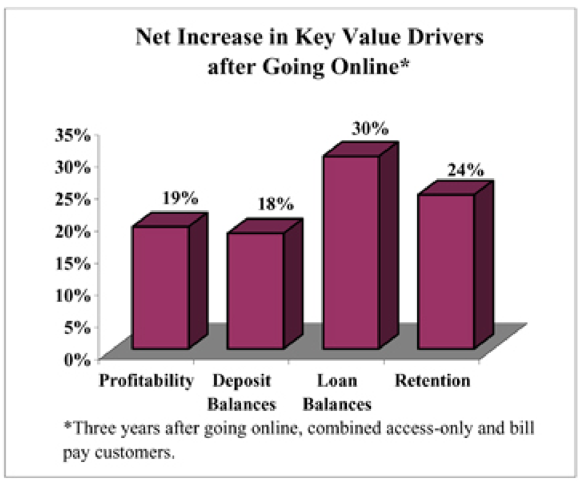
Bank of America uses a strict Active User standard—customers must have used our online services within the last 90 days.

15.4 million **active** bill pay users paid $47.7 billion worth of bills this quarter (through August 31, 2008). The number of customers who sign up and use Bank of America's Bill Pay Service continues to far surpass that of any other financial institution.

Approximately 37.6 million e-bills were presented in the 3rd quarter.







Bank of America Corporation and Subsidiaries
Credit Card Data [1]

(Dollars in millions)

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Loans							
Period end							
Held credit card outstandings	**$ 81,350**	$ 71,702	**$ 81,350**	$ 78,642	$ 75,911	$ 80,724	$ 71,702
Securitization impact	**102,048**	102,068	**102,048**	108,520	107,847	102,967	102,068
Managed credit card outstandings	**$183,398**	$173,770	**$183,398**	$187,162	$183,758	$183,691	$173,770
Average							
Held credit card outstandings	**$ 79,081**	$ 68,842	**$ 80,489**	$ 78,221	$ 78,518	$ 74,392	$ 69,486
Securitization impact	**106,177**	100,163	**105,919**	107,438	105,176	104,019	102,516
Managed credit card outstandings	**$185,258**	$169,005	**$186,408**	$185,659	$183,694	$178,411	$172,002
Credit Quality							
Charge-Offs $							
Held net charge-offs	**$ 3,306**	$ 2,595	**$ 1,242**	$ 1,108	$ 956	$ 846	$ 808
Securitization impact	**4,813**	3,481	**1,754**	1,643	1,416	1,292	1,216
Managed credit card net losses	**$ 8,119**	$ 6,076	**$ 2,996**	$ 2,751	$ 2,372	$ 2,138	$ 2,024
Charge-Offs %							
Held net charge-offs	**5.58 %**	5.04 %	**6.14 %**	5.69 %	4.90 %	4.51 %	4.61 %
Securitization impact	**0.27**	(0.23)	**0.26**	0.27	0.29	0.24	0.06
Managed credit card net losses	**5.85 %**	4.81 %	**6.40 %**	5.96 %	5.19 %	4.75 %	4.67 %
30+ Delinquency $							
Held delinquency	**$ 4,675**	$ 3,727	**$ 4,675**	$ 4,121	$ 4,017	$ 4,298	$ 3,727
Securitization impact	**6,126**	5,381	**6,126**	6,226	6,288	5,710	5,381
Managed delinquency	**$ 10,801**	$ 9,108	**$ 10,801**	$ 10,347	$ 10,305	$ 10,008	$ 9,108
30+ Delinquency %							
Held delinquency	**5.75 %**	5.20 %	**5.75 %**	5.24 %	5.29 %	5.32 %	5.20 %
Securitization impact	**0.14**	0.04	**0.14**	0.29	0.32	0.13	0.04
Managed delinquency	**5.89 %**	5.24 %	**5.89 %**	5.53 %	5.61 %	5.45 %	5.24 %
90+ Delinquency $							
Held delinquency	**$ 2,330**	$ 1,788	**$ 2,330**	$ 2,109	$ 2,055	$ 2,127	$ 1,788
Securitization impact	**2,958**	2,514	**2,958**	3,169	3,137	2,757	2,514
Managed delinquency	**$ 5,288**	$ 4,302	**$ 5,288**	$ 5,278	$ 5,192	$ 4,884	$ 4,302
90+ Delinquency %							
Held delinquency	**2.87 %**	2.49 %	**2.87 %**	2.68 %	2.71 %	2.63 %	2.49 %
Securitization impact	**0.01**	(0.01)	**0.01**	0.14	0.12	0.03	(0.01)
Managed delinquency	**2.88 %**	2.48 %	**2.88 %**	2.82 %	2.83 %	2.66 %	2.48 %

(1) Credit Card includes U.S. Consumer Card and foreign credit card. Does not include Business Credit Card.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Bank of America Corporation and Subsidiaries

Global Corporate and Investment Banking - Business Lending Key Indicators

(Dollars in millions)

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Provision for credit losses							
Corporate lending	**$ 64**	$ 68	**$ 84**	$ (31)	$ 11	$ (26)	$ 66
Commercial lending	**1,033**	48	**416**	294	323	144	70
Consumer indirect lending	**604**	257	**280**	135	189	162	102
Total provision for credit losses	**$ 1,701**	$ 373	**$ 780**	$ 398	$ 523	$ 280	$ 238
Credit quality [1, 2, 3]							
Utilized criticized exposure							
Corporate lending	**$ 6,378**	$ 1,535	**$ 6,378**	$ 4,947	$ 3,235	$ 2,098	$ 1,535
	5.83%	1.99%	**5.83%**	4.93%	3.24%	2.44%	1.99%
Commercial lending	**$ 24,677**	$ 8,006	**$ 24,677**	$ 21,168	$ 17,351	$ 13,926	$ 8,006
	9.13%	4.23%	**9.13%**	7.98%	6.73%	5.40%	4.23%
Total utilized criticized exposure	**$ 31,055**	$ 9,541	**$ 31,055**	$ 26,115	$ 20,586	$ 16,024	$ 9,541
	8.18%	3.58%	**8.18%**	7.15%	5.76%	4.79%	3.58%
Nonperforming assets							
Corporate lending	**$ 407**	$ 269	**$ 407**	$ 150	$ 150	$ 115	$ 269
	0.65%	0.61%	**0.65%**	0.27%	0.30%	0.24%	0.61%
Commercial lending	**$ 4,370**	$ 777	**$ 4,370**	$ 3,680	$ 2,603	$ 1,923	$ 777
	1.69%	0.39%	**1.69%**	1.42%	1.02%	0.77%	0.39%
Total nonperforming assets	**$ 4,777**	$ 1,046	**$ 4,777**	$ 3,830	$ 2,753	$ 2,038	$ 1,046
	1.49%	0.43%	**1.49%**	1.22%	0.90%	0.69%	0.43%
Average loans and leases by product							
Commercial	**$157,149**	$117,855	**$160,648**	$157,850	$152,914	$150,192	$120,357
Leases	**24,376**	21,745	**24,574**	24,287	24,264	24,246	22,051
Foreign	**24,405**	15,948	**25,256**	25,132	22,818	22,930	17,952
Real estate	**58,650**	34,867	**59,169**	58,656	58,118	55,814	36,120
Consumer	**40,445**	40,418	**42,205**	40,345	38,765	39,613	40,956
Other	**1,740**	2,026	**1,515**	1,822	1,885	1,991	1,940
Total average loans and leases	**$306,765**	$232,859	**$313,367**	$308,092	$298,764	$294,786	$239,376

(1) Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The criticized exposure is on an end-of-period basis and is also shown as a percentage of total commercial utilized credit exposure, including loans and leases, standby letters of credit, and financial guarantees, derivative assets, and commercial letters of credit.

(2) Nonperforming assets are on an end-of-period basis and defined as nonperforming loans and leases plus foreclosed properties. The nonperforming ratio is nonperforming assets divided by commercial loans and leases plus commercial foreclosed properties.

(3) Criticized exposure related to the fair value option portfolio is not included. There are no nonperforming assets in the fair value portfolio.

Certain prior period amounts have been reclassified among the segments to conform to the current period presentation.

Global Corporate and Investment Banking - Capital Markets and Advisory Services Key Indicators

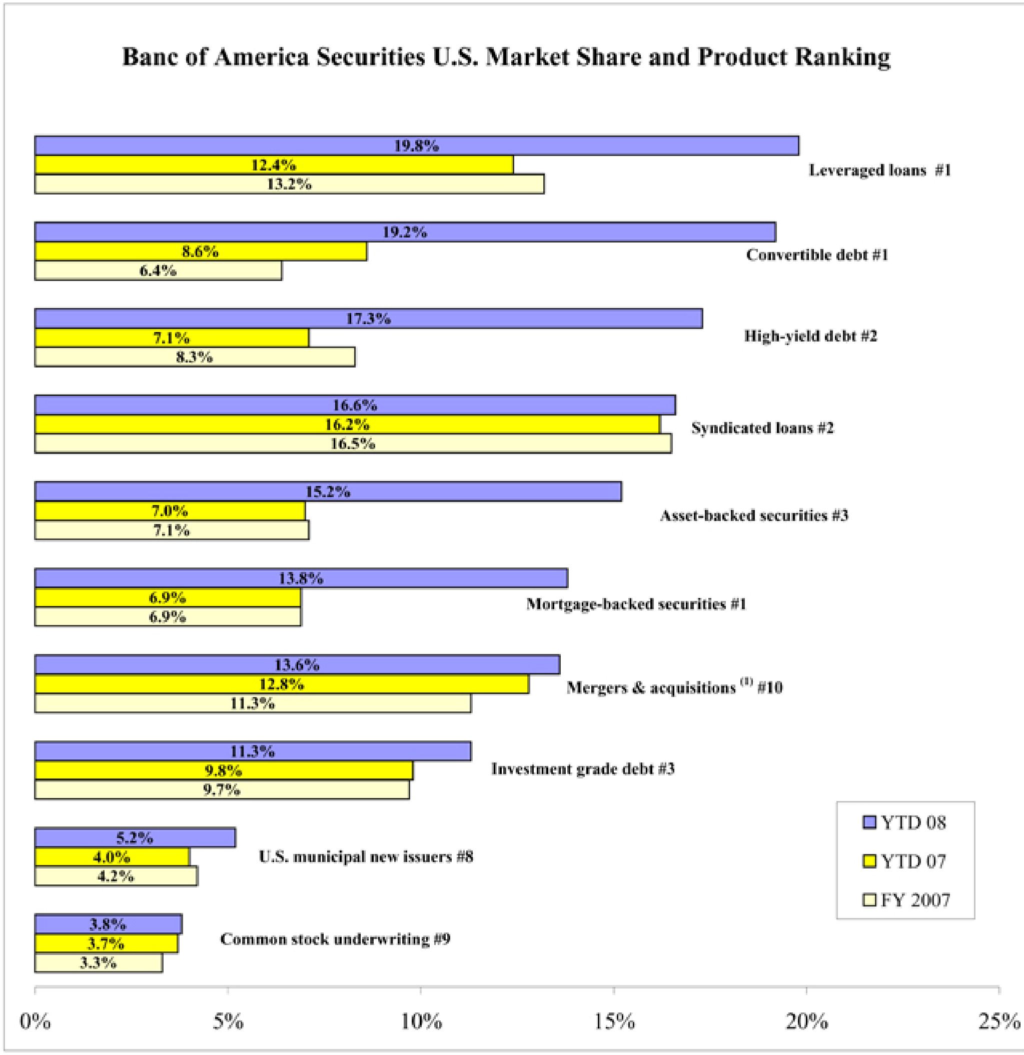
(Dollars in millions)

	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007	Third Quarter 2008	Second Quarter 2008	First Quarter 2008	Fourth Quarter 2007	Third Quarter 2007
Investment banking income							
Advisory fees	**$ 180**	$ 334	**$ 63**	$ 51	$ 66	$ 112	$ 94
Debt underwriting	**1,342**	1,395	**378**	605	359	377	281
Equity underwriting	**400**	231	**50**	110	240	88	61
Total investment banking income	**1,922**	1,960	**491**	766	665	577	436
Sales and trading revenue							
Fixed income:							
Liquid products	**3,027**	1,559	**1,063**	1,102	862	596	634
Credit products	**(123)**	171	**(151)**	683	(655)	(383)	(844)
Structured products	**(4,101)**	185	**(1,329)**	(922)	(1,850)	(5,511)	(618)
Total fixed income	**(1,197)**	1,915	**(417)**	863	(1,643)	(5,298)	(828)
Equity income	**807**	1,119	**175**	298	334	206	252
Total sales and trading revenue	**(390)**	3,034	**(242)**	1,161	(1,309)	(5,092)	(576)
Total Capital Markets and Advisory Services market-based revenue (1)	**$ 1,532**	$ 4,994	**$ 249**	$ 1,927	$ (644)	$ (4,515)	$ (140)
Balance sheet (average)							
Trading account securities	**$187,399**	$183,705	**$188,218**	$183,119	$190,849	$188,925	$192,844
Reverse repurchases	**57,094**	63,193	**63,375**	51,655	56,184	51,266	52,436
Securities borrowed	**69,165**	90,358	**62,982**	65,742	78,839	84,399	81,404
Derivative assets	**35,043**	25,796	**34,643**	35,537	34,953	28,282	28,611
Total trading-related assets	**$348,701**	$363,052	**$349,218**	$336,053	$360,825	$352,872	$355,295
Sales credits from secondary trading							
Liquid products	**1,511**	1,327	**510**	479	522	467	507
Credit products	**1,033**	1,198	**295**	384	354	346	422
Structured products	**558**	628	**190**	202	166	133	161
Equities	**733**	864	**192**	259	282	262	277
Total sales credits	**3,835**	4,017	**1,187**	1,324	1,324	1,208	1,367
Volatility of product revenues - 1 std dev							
Liquid products	**$ 22.9**	$ 11.5	**$ 27.1**	$ 22.4	$ 17.8	$ 10.4	$ 16.3
Credit products	**23.1**	11.4	**24.7**	8.8	26.5	12.0	21.8
Structured products	**11.1**	16.1	**7.6**	10.2	14.3	408.1	33.5
Equities	**13.7**	9.2	**10.1**	14.1	15.8	7.3	16.3
Total volatility	**57.5**	28.6	**58.4**	40.6	64.4	405.5	54.9

(1) Excludes $75 million and $44 million for the nine months ended September 30, 2008 and 2007, and $23 million, $25 million, $27 million, $26 million and $22 million, respectively, for the three months ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, of net interest income on loans for which the fair value option has been elected and is not considered market-based income.

Certain prior period amounts have been reclassified among the segments to conform to the current period presentation.

Global Corporate and Investment Banking Strategic Progress



Source: Thomson Financial except Syndicated Loans and Leveraged Loans from Loan Pricing Corporation. Ranked based on deal size.

(1) M&A Announced Advisor Rankings

Highlights

- Top 5 rankings in:

Leveraged loans	Asset-backed securities
Convertible debt	Mortgage-backed securities
High-yield debt	Investment grade debt
Syndicated loans	

- Market share for convertible debt, asset-backed securities and investment grade debt for YTD 08 includes self-funded deals, market share without these deals was 11.7%, 9.1% and 10.1%, respectively.

Bank of America Corporation and Subsidiaries

Super Senior Collateralized Debt Obligation Exposure Rollforward

(Dollars in millions)

	June 30, 2008 Net Exposure	Paydowns /Liquidations / Other	Third Quarter 2008 Net Writedowns [1]	September 30, 2008 Net Exposure
Super senior liquidity commitments				
High grade	$ 714	$ (26)	$ —	$ 688
Mezzanine	358	—	(21)	337
CDO-squared	—	—	—	—
Total super senior liquidity commitments	**1,072**	**(26)**	**(21)**	**1,025**
Other super senior exposure				
High grade	3,608	(13)	(257)	3,338
Mezzanine	277	(14)	(84)	179
CDO-squared	1,804	(9)	(363)	1,432
Total other super senior	**5,689**	**(36)**	**(704)**	**4,949**
Total super senior	**$6,761**	**$ (62)**	**$(725)**	**$5,974**
Purchased securities from liquidated CDOs	**1,667**	**(57)**	**(152)**	**1,458**
Total	**$8,428**	**$(119)**	**$(877)**	**$7,432**

(1) Net of insurance.

Super Senior Collateralized Debt Obligation Exposure

(Dollars in millions)

	Total CDO Exposure at September 30, 2008										Total CDO Net Exposure	
	Subprime Exposure [1]					Non-Subprime Exposure [2]						
	Gross	**Insured**	**Net of Insured Amount**	**Cumulative Writedowns [3]**	**Net Exposure**	**Gross**	**Insured**	**Net of Insured Amount**	**Cumulative Writedowns [3]**	**Net Exposure**	**September 30 2008**	June 30 2008
Super senior liquidity commitments												
High grade	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 688**	**$ —**	**$ 688**	**$ —**	**$ 688**	**$ 688**	$ 714
Mezzanine	**363**	**—**	**363**	**(26)**	**337**	**—**	**—**	**—**	**—**	**—**	**337**	358
CDO-squared	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	—
Total super senior liquidity commitments	**363**	**—**	**363**	**(26)**	**337**	**688**	**—**	**688**	**—**	**688**	**1,025**	1,072
Other super senior exposure												
High grade	**5,142**	**(3,723)**	**1,419**	**(477)**	**942**	**3,459**	**(735)**	**2,724**	**(328)**	**2,396**	**3,338**	3,608
Mezzanine	**1,006**	**—**	**1,006**	**(827)**	**179**	**—**	**—**	**—**	**—**	**—**	**179**	277
CDO-squared	**5,098**	**—**	**5,098**	**(3,666)**	**1,432**	**349**	**(349)**	**—**	**—**	**—**	**1,432**	1,804
Total other super senior	**11,246**	**(3,723)**	**7,523**	**(4,970)**	**2,553**	**3,808**	**(1,084)**	**2,724**	**(328)**	**2,396**	**4,949**	5,689
Total super senior	**$11,609**	**$(3,723)**	**$7,886**	**$(4,996)**	**$2,890**	**4,496**	**(1,084)**	**$3,412**	**$(328)**	**$3,084**	**$5,974**	$6,761
Purchased securities from liquidated CDOs	**1,750**	**—**	**1,750**	**(292)**	**1,458**	**—**	**—**	**—**	**—**	**—**	**1,458**	1,667
Total	**$13,359**	**$(3,723)**	**$9,636**	**$(5,288)**	**$4,348**	**$4,496**	**$(1,084)**	**$3,412**	**$(328)**	**$3,084**	**$7,432**	$8,428

(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) Includes highly-rated collateralized loan obligations and commercial mortgage-backed securities super senior exposure.
(3) Net of insurance excluding losses taken on liquidated CDOs.

Certainprior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Subprime Super Senior Collateralized Debt Obligation Carrying Values (1)

(Dollars in millions)

	September 30, 2008				
				Vintage of Subprime Collateral	
	Subprime Net Exposure	Carrying Value as a Percent of Original Net Exposure	Subprime Content of Collateral (2)	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.

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Outstanding Loans and Leases

(Dollars in millions)

	September 30 2008	June 30 2008	Increase (Decrease)
Consumer			
Residential mortgage	**$256,989**	$235,472	$21,517
Home equity	**151,938**	121,409	30,529
Discontinued real estate (1)	**22,081**	—	22,081
Credit card - domestic	**63,012**	62,081	931
Credit card - foreign	**18,338**	16,561	1,777
Direct/Indirect consumer (2)	**82,849**	84,907	(2,058)
Other consumer (3)	**3,680**	3,859	(179)
Total consumer	**598,887**	524,289	74,598
Commercial			
Commercial - domestic (4)	**219,303**	220,610	(1,307)
Commercial real estate (5)	**63,736**	62,897	839
Commercial lease financing	**22,416**	22,815	(399)
Commercial - foreign	**32,951**	34,839	(1,888)
Total commercial loans measured at historical cost	**338,406**	341,161	(2,755)
Commercial loans measured at fair value (6)	**5,383**	5,014	369
Total commercial	**343,789**	346,175	(2,386)
Total loans and leases	**$942,676**	$870,464	$72,212

(1) At September 30, 2008, includes $20.1 billion of pay option loans and $1.9 billion of subprime mortgage and home equity loans acquired in connection with the acquisition of Countrywide Financial Corporation which the Corporation will no longer originate.

(2) Includes foreign consumer loans of $2.4 billion and $2.9 billion at September 30, 2008 and June 30, 2008.

(3) Includes consumer finance loans of $2.7 billion and $2.8 billion, and other foreign consumer loans of $736 million and $839 million at September 30, 2008 and June 30, 2008.

(4) Includes small business commercial - domestic loans, primarily card related, of $19.4 billion and $19.9 billion at September 30, 2008 and June 30, 2008.

(5) Includes domestic commercial real estate loans of $62.7 billion and $61.8 billion, and foreign commercial real estate loans of $1.0 billion and $1.1 billion at September 30, 2008 and June 30, 2008.

(6) Certain commercial loans are measured at fair value in accordance with SFAS 159 and include commercial - domestic loans of $4.0 billion and $3.5 billion, commercial - foreign loans of $1.2 billion and $1.3 billion, and commercial real estate loans of $213 million and $176 million at September 30, 2008 and June 30, 2008.

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Nonperforming Assets

(Dollars in millions)

	September 30 2008	June 30 2008	March 31 2008	December 31 2007	September 30 2007
Residential mortgage	**$ 4,477**	$ 3,269	$ 2,576	$ 1,999	$ 1,176
Home equity	**2,022**	1,851	1,786	1,340	764
Discontinued real estate	**2**	—	—	—	—
Direct/Indirect consumer	**13**	11	6	8	6
Other consumer	**89**	89	91	95	94
Total consumer	**6,603**	5,220	4,459	3,442	2,040
Commercial - domestic [1]	**1,566**	1,079	980	852	638
Commercial real estate	**3,090**	2,616	1,627	1,099	352
Commercial lease financing	**35**	40	44	33	29
Commercial - foreign	**48**	48	54	19	16
	4,739	3,783	2,705	2,003	1,035
Small business commercial - domestic	**183**	153	169	152	105
Total commercial	**4,922**	3,936	2,874	2,155	1,140
Total nonperforming loans and leases	**11,525**	9,156	7,333	5,597	3,180
Foreclosed properties	**1,832**	593	494	351	192
Total nonperforming assets [2, 3]	**$13,357**	$ 9,749	$ 7,827	$ 5,948	$ 3,372
Loans past due 90 days or more and still accruing [3, 4]	**$11,600**	$ 4,548	$ 4,160	$ 3,736	$ 2,955
Nonperforming assets/Total assets [5]	**0.73%**	0.57%	0.45%	0.35%	0.21%
Nonperforming assets/Total loans, leases and foreclosed properties [5]	**1.42**	1.13	0.90	0.68	0.43
Nonperforming loans and leases/Total loans and leases outstanding measured at historical cost [5]	**1.23**	1.06	0.84	0.64	0.40
Allowance for credit losses:					
Allowance for loan and lease losses	**$20,346**	$17,130	$14,891	$11,588	$ 9,535
Reserve for unfunded lending commitments	**427**	507	507	518	392
Total allowance for credit losses	**$20,773**	$17,637	$15,398	$12,106	$ 9,927
Allowance for loan and lease losses/Total loans and leases outstanding measured at historical cost [5]	**2.17%**	1.98%	1.71%	1.33%	1.21%
Allowance for loan and lease losses/Total nonperforming loans and leases measured at historical cost	**177**	187	203	207	300
Commercial utilized criticized exposure [6]	**$33,837**	$28,322	$22,720	$17,544	$10,803
Commercial utilized criticized exposure/Commercial utilized exposure [6]	**7.32%**	6.16%	5.16%	4.18%	3.06%

(1) Excludes small business commercial - domestic loans.

(2) Balances do not include nonperforming loans held-for-sale included in other assets of $848 million, $388 million, $327 million, $188 million and $93 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, respectively.

(3) Balances do not include loans measured at fair value in accordance with SFAS 159. At September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, there were no nonperforming loans measured at fair value in accordance with SFAS 159. At June 30, 2008, there were $81 million of loans past due 90 days or more and still accruing interest measured at fair value in accordance with SFAS 159. At September 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, there were no loans past due 90 days or more and still accruing interest measured at fair value in accordance with SFAS 159.

(4) Balances do not include loans held-for-sale past due 90 days or more and still accruing interest included in other assets of $138 million, $32 million, $69 million, $79 million and $8 million at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, respectively.

(5) Ratios do not include loans measured at fair value in accordance with SFAS 159 of $5.4 billion, $5.0 billion, $5.1 billion, $4.6 billion and $4.5 billion at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, respectively.

(6) Criticized exposure and ratios exclude assets held-for-sale and exposure measured at fair value in accordance with SFAS 159. Including assets held-for-sale and commercial loans measured at fair value, the ratios would have been 7.94 percent, 6.62 percent, 6.12 percent, 4.77 percent and 3.66 percent at September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007, respectively.

Loans are classified as domestic or foreign based upon the domicile of the borrower.

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Quarterly Net Charge-offs/Losses and Net Charge-off/Loss Ratios [1, 2]

(Dollars in millions)

Held Basis	Third Quarter 2008 Amount	Third Quarter 2008 Percent	Second Quarter 2008 Amount	Second Quarter 2008 Percent	First Quarter 2008 Amount	First Quarter 2008 Percent	Fourth Quarter 2007 Amount	Fourth Quarter 2007 Percent	Third Quarter 2007 Amount	Third Quarter 2007 Percent
Residential mortgage	**$ 242**	**0.37%**	$ 151	0.24%	$ 66	0.10%	$ 27	0.04%	$ 13	0.02%
Home equity	**964**	**2.53**	923	3.09	496	1.71	179	0.63	50	0.20
Discontinued real estate	**(3)**	**(0.05)**	—	—	—	—	—	—	—	—
Credit card - domestic	**1,094**	**6.86**	976	6.36	847	5.39	738	4.87	712	4.91
Credit card - foreign	**148**	**3.46**	132	3.21	109	2.87	108	2.99	96	3.19
Direct/Indirect consumer	**845**	**3.94**	660	3.22	555	2.84	456	2.41	353	1.92
Other consumer	**106**	**11.36**	83	8.47	86	8.61	96	9.08	78	7.18
Total consumer	**3,396**	**2.24**	2,925	2.17	2,159	1.58	1,604	1.17	1,302	0.99
Commercial - domestic [3]	**117**	**0.23**	70	0.14	77	0.16	64	0.13	11	0.03
Commercial real estate	**262**	**1.65**	136	0.88	107	0.70	17	0.12	28	0.28
Commercial lease financing	**8**	**0.13**	6	0.11	15	0.27	17	0.31	(3)	(0.07)
Commercial - foreign	**46**	**0.56**	5	0.06	(7)	(0.10)	2	0.03	(4)	(0.06)
	433	**0.54**	217	0.28	192	0.25	100	0.13	32	0.05
Small business commercial - domestic	**527**	**10.64**	477	9.59	364	7.44	281	5.92	239	5.38
Total commercial	**960**	**1.13**	694	0.84	556	0.69	381	0.47	271	0.42
Total net charge-offs	**$4,356**	**1.84**	$3,619	1.67	$2,715	1.25	$1,985	0.91	$1,573	0.80
Supplemental managed basis data										
Credit card - domestic	**$2,643**	**6.87%**	$2,414	6.36%	$2,068	5.48%	$1,816	4.90%	$1,707	4.76%
Credit card - foreign	**353**	**4.21**	337	4.11	304	3.84	322	4.06	317	4.24
Total credit card managed net losses	**$2,996**	**6.40**	$2,751	5.96	$2,372	5.19	$2,138	4.75	$2,024	4.67

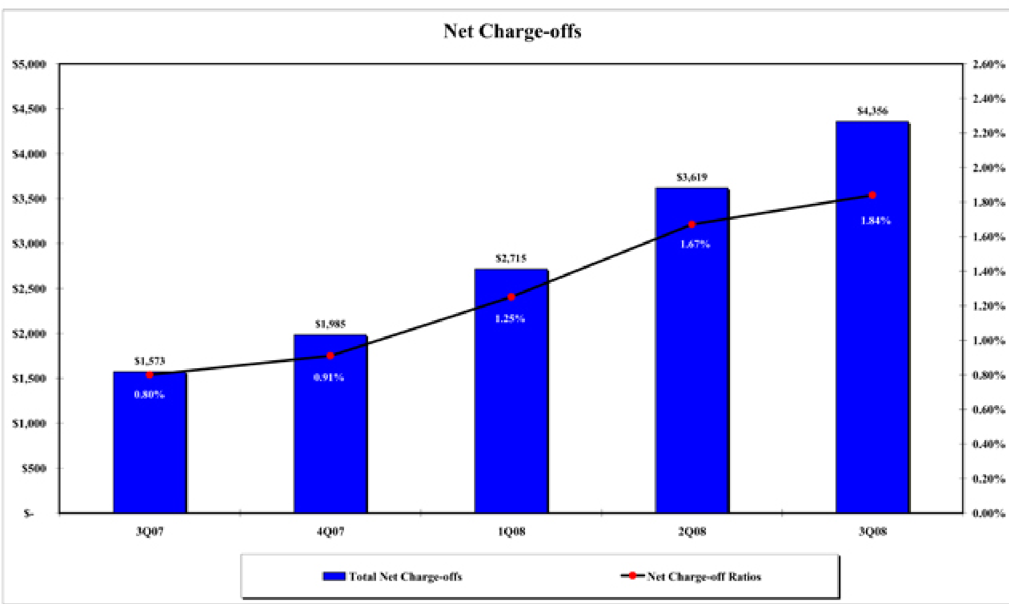
(1) Net charge-off/loss ratios are calculated as annualized held net charge-offs or managed net losses divided by average outstanding held or managed loans and leases measured at historical cost during the period for each loan and lease category.

(2) Net charge-offs include the impact of SOP 03-3 which decreased net charge-offs on residential mortgage $283 million, home equity $768 million, discontinued real-estate $943, commercial - domestic $14 million, commercial real estate $17 million and small business commercial - domestic $3 million for the three months ended September 30, 2008; on residential mortgage $3 million, home equity $4 million, commercial - domestic $3 million, commercial real estate $8 million and small business commercial - domestic $2 million for the three months ended June 30, 2008; on residential mortgage $2 million, home equity $3 million, commercial - domestic $3 million, commercial real estate $8 million and small business commercial - domestic $3 million for the three months ended March 31, 2008; and on residential mortgage $2 million, home equity $8 million, direct/indirect consumer $2 million, commercial - domestic $29 million, commercial real estate $27 million, commercial lease financing $2 million and small business commercial - domestic $5 million for the three months ended December 31, 2007. The impact of SOP 03-3 was not material for the three months ended September 30, 2007. Refer to Exhibit A on page 24 for a reconciliation of net charge-offs and net charge-off ratios to the net charge-offs and net charge-off ratios excluding the impact of SOP 03-3.

(3) Excludes small business commercial - domestic loans.

Loans are classified as domestic or foreign based upon the domicile of the borrower.

Certain prior period amounts have been reclassified to conform to current period presentation.



Year-to-Date Net Charge-offs/Losses and Net Charge-off/Loss Ratios (1, 2)

(Dollars in millions)

	Nine Months Ended September 30			
	2008		2007	
Held Basis	**Amount**	**Percent**	Amount	Percent
Residential mortgage	**$ 459**	**0.23 %**	$ 30	0.02 %
Home equity	**2,383**	**2.46**	95	0.13
Discontinued real estate	**(3)**	**(0.05)**	—	—
Credit card - domestic	**2,917**	**6.20**	2,325	5.44
Credit card - foreign	**389**	**3.19**	270	3.09
Direct/Indirect consumer	**2,060**	**3.35**	917	1.75
Other consumer	**275**	**9.45**	182	5.78
Total consumer	**8,480**	**2.01**	3,819	1.02
Commercial - domestic (3)	**264**	**0.18**	64	0.06
Commercial real estate	**505**	**1.08**	30	0.11
Commercial lease financing	**29**	**0.17**	(15)	(0.10)
Commercial - foreign	**44**	**0.18**	(1)	(0.01)
	842	**0.36**	78	0.04
Small business commercial - domestic	**1,368**	**9.23**	598	4.82
Total commercial	**2,210**	**0.89**	676	0.37
Total net charge-offs	**$10,690**	**1.59**	$4,495	0.80
Supplemental managed basis data				
Credit card - domestic	**$ 7,125**	**6.24 %**	$5,144	4.91 %
Credit card - foreign	**994**	**4.06**	932	4.31
Total credit card managed net losses	**$ 8,119**	**5.85**	$6,076	4.81

(1) Net charge-off/loss ratios are calculated as annualized held net charge-offs or managed net losses divided by average outstanding held or managed loans and leases measured at historical cost during the period for each loan and lease category.

(2) Net charge-offs include the impact of SOP 03-3 which decreased net charge-offs on residential mortgage $288 million, home equity $775 million, discontinued real estate $943 million, commercial - domestic $20 million, commercial real estate $33 million and small business commercial - domestic $8 million for the nine months ended September 30, 2008. The impact of SOP 03-3 was not material for the nine months ended September 30, 2007. Refer to Exhibit A on page 24 for a reconciliation of net charge-offs and net charge-off ratios to net charge-offs and net charge-off ratios excluding the impact of SOP 03-3.

(3) Excludes small business commercial - domestic loans.

Loans are classified as domestic or foreign based upon the domicile of the borrower.

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Allocation of the Allowance for Credit Losses by Product Type

(Dollars in millions)

	September 30 2008		June 30 2008		September 30 2007	
Allowance for loan and lease losses	**Amount**	**Percent of loans and leases outstanding (1)**	Amount	Percent of loans and leases outstanding (1)	Amount	Percent of loans and leases outstanding (1)
Residential mortgage	**$ 1,376**	**0.54 %**	$ 792	0.34 %	$ 201	0.07 %
Home equity	**4,744**	**3.12**	3,812	3.14	402	0.40
Discontinued real estate	**82**	**0.37**	—	—	—	—
Credit card - domestic	**3,624**	**5.75**	3,210	5.17	2,751	4.69
Credit card - foreign	**633**	**3.45**	474	2.86	345	2.66
Direct/Indirect consumer	**3,742**	**4.52**	2,964	3.49	1,743	2.36
Other consumer	**184**	**5.02**	185	4.81	157	3.64
Total consumer	**14,385**	**2.40**	11,437	2.18	5,599	1.07
Commercial - domestic (2)	**4,072**	**1.86**	3,844	1.74	2,764	1.56
Commercial real estate	**1,376**	**2.16**	1,333	2.12	644	1.60
Commercial lease financing	**210**	**0.94**	199	0.87	186	0.91
Commercial - foreign	**303**	**0.92**	317	0.91	342	1.21
Total commercial	**5,961**	**1.76**	5,693	1.67	3,936	1.48
Allowance for loan and lease losses	**20,346**	**2.17**	17,130	1.98	9,535	1.21
Reserve for unfunded lending commitments	**427**		507		392	
Allowance for credit losses	**$20,773**		$17,637		$9,927	

(1) Ratios are calculated as allowance for loan and lease losses as a percentage of loans and leases outstanding measured at historical cost for each loan and lease category. Ratios do not include certain commercial loans measured at fair value in accordance with SFAS 159. Loans measured at fair value include commercial - domestic loans of $4.0 billion, $3.5 billion and $3.6 billion, commercial - foreign loans of $1.2 billion, $1.3 billion and $672 million, and commercial real estate loans of $213 million, $176 million and $224 million at September 30, 2008, June 30, 2008 and September 30, 2007.

(2) Includes allowance for small business commercial - domestic loans of $2.2 billion, $2.1 billion and $1.2 billion at September 30, 2008, June 30, 2008 and September 30, 2007.

Certain prior period amounts have been reclassified to conform to current period presentation.

Exhibit A: Non-GAAP Reconciliation

Reconciliation of Net Charge-offs and Net Charge-off Ratios to Net Charge-offs and Net Charge-off Ratios Excluding the Impact of SOP 03-3 [1, 2]

Net Charge-offs and Net Charge-off Ratios As Reported

(Dollars in millions)	Nine Months Ended September 30, 2008			Third Quarter 2008			Second Quarter 2008			First Quarter 2008			Fourth Quarter 2007		
		Average Outstanding			Average Outstanding			Average Outstanding			Average Outstanding			Average Outstanding	
	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent
Residential mortgage	$ 459	$262,478	0.23%	$ 242	$260,748	0.37%	$ 151	$256,164	0.24%	$ 66	$270,541	0.10 %	$ 27	$277,058	0.04%
Home equity	2,383	129,402	2.46	964	151,142	2.53	923	120,265	3.09	496	116,562	1.71	179	112,369	0.63
Discontinued real estate	(3)	7,397	(0.05)	(3)	22,031	(0.05)	—	—	—	—	—	—	—	—	—
Credit card - domestic	2,917	62,784	6.20	1,094	63,414	6.86	976	61,655	6.36	847	63,277	5.39	738	60,063	4.87
Credit card - foreign	389	16,297	3.19	148	17,075	3.46	132	16,566	3.21	109	15,241	2.87	108	14,329	2.99
Direct/Indirect consumer	2,060	82,242	3.35	845	85,392	3.94	660	82,593	3.22	555	78,705	2.84	456	75,138	2.41
Other consumer	275	3,908	9.45	106	3,723	11.36	83	3,953	8.47	86	4,049	8.61	96	4,206	9.08
Total consumer	8,480	564,508	2.01	3,396	603,525	2.24	2,925	541,196	2.17	2,159	548,375	1.58	1,604	543,163	1.17
Commercial - domestic	264	198,903	0.18	117	204,402	0.23	70	199,529	0.14	77	192,721	0.16	64	190,902	0.13
Commercial real estate	505	62,746	1.08	262	63,220	1.65	136	62,810	0.88	107	62,202	0.70	17	59,702	0.12
Commercial lease financing	29	22,364	0.17	8	22,585	0.13	6	22,276	0.11	15	22,227	0.27	17	22,239	0.31
Commercial - foreign	44	32,254	0.18	46	33,467	0.56	5	32,820	0.06	(7)	30,463	(0.10)	2	29,815	0.03
	842	316,267	0.36	433	323,674	0.54	217	317,435	0.28	192	307,613	0.25	100	302,658	0.13
Small business commercial - domestic	1,368	19,799	9.23	527	19,715	10.64	477	20,008	9.59	364	19,673	7.44	281	22,298	5.92
Total commercial	2,210	336,066	0.89	960	343,389	1.13	694	337,443	0.84	556	327,286	0.69	381	324,956	0.47
Total net charge-offs	$10,690	$900,574	1.59	$4,356	$946,914	1.84	$3,619	$878,639	1.67	$2,715	$875,661	1.25	$1,985	$868,119	0.91

Impact of Purchase Accounting Adjustments[3]

	Nine Months Ended September 30, 2008 Amount	Nine Months Loans and Leases	Third Quarter 2008 Amount	Third Quarter Loans and Leases	Second Quarter 2008 Amount	First Quarter 2008 Amount	Fourth Quarter 2007 Amount
Residential mortgage	$ 288	$ 833	$ 283	$ 2,480	$ 3	$ 2	$ 2
Home equity	775	1,265	768	3,767	4	3	8
Discontinued real estate	943	1,873	943	5,579	—	—	—
Credit card - domestic	—	—	—	—	—	—	—
Credit card - foreign	—	—	—	—	—	—	—
Direct/Indirect consumer	—	—	—	—	—	—	2
Other consumer	—	—	—	—	—	—	—
Total consumer	2,006	3,971	1,994	$11,826	7	5	12
Commercial - domestic	20	—	14	—	3	3	29
Commercial real estate	33	—	17	—	8	8	27
Commercial lease financing	—	—	—	—	—	—	2
Commercial - foreign	—	—	—	—	—	—	—
	53	—	31	—	11	11	58
Small business commercial - domestic	8	—	3	—	2	3	5
Total commercial	61	—	34	—	13	14	63
Total net charge-offs	$2,067	$3,971	$2,028	$11,826	$20	$19	$75

Net Charge-offs and Net Charge-off Ratios Excluding the Impact of Purchase Accounting Adjustments[3]

	Nine Months Ended September 30, 2008			Third Quarter 2008			Second Quarter 2008			First Quarter 2008			Fourth Quarter 2007		
	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent	Amount	Loans and Leases	Percent
Residential mortgage	$ 747	$263,311	0.38%	$ 525	$263,228	0.79%	$ 154	$256,164	0.24%	$ 68	$270,541	0.10%	$ 29	$277,058	0.04%
Home equity	3,158	130,667	3.23	1,732	154,909	4.45	927	120,265	3.10	499	116,562	1.72	187	112,369	0.66
Discontinued real estate	940	9,270	13.54	940	27,610	13.55	—	—	—	—	—	—	—	—	—
Credit card - domestic	2,917	62,784	6.20	1,094	63,414	6.86	976	61,655	6.36	847	63,277	5.39	738	60,063	4.87
Credit card - foreign	389	16,297	3.19	148	17,075	3.46	132	16,566	3.21	109	15,241	2.87	108	14,329	2.99
Direct/Indirect consumer	2,060	82,242	3.35	845	85,392	3.94	660	82,593	3.22	555	78,705	2.84	458	75,138	2.41
Other consumer	275	3,908	9.45	106	3,723	11.36	83	3,953	8.47	86	4,049	8.61	96	4,206	9.08
Total consumer	10,486	568,479	2.46	5,390	615,351	3.48	2,932	541,196	2.18	2,164	548,375	1.59	1,616	543,163	1.18
Commercial - domestic	284	198,903	0.19	131	204,402	0.26	73	199,529	0.15	80	192,721	0.17	93	190,902	0.19
Commercial real estate	538	62,746	1.15	279	63,220	1.75	144	62,810	0.93	115	62,202	0.75	44	59,702	0.30
Commercial lease financing	29	22,364	0.17	8	22,585	0.13	6	22,276	0.11	15	22,227	0.27	19	22,239	0.34
Commercial - foreign	44	32,254	0.18	46	33,467	0.56	5	32,820	0.06	(7)	30,463	(0.10)	2	29,815	0.03
	895	316,267	0.38	464	323,674	0.58	228	317,435	0.29	203	307,613	0.27	158	302,658	0.21
Small business commercial - domestic	1,376	19,799	9.28	530	19,715	10.69	479	20,008	9.58	367	19,673	7.36	286	22,298	5.91
Total commercial	2,271	336,066	0.90	994	343,389	1.17	707	337,443	0.86	570	327,286	0.71	444	324,956	0.55
Total net charge-offs	$12,757	$904,545	1.88	$6,384	$958,740	2.66	$3,639	$878,639	1.67	$2,734	$875,661	1.26	$2,060	$868,119	0.95

(1) Net charge-off ratios are calculated as annualized net charge-offs divided by average outstanding loans and leases measured at historical cost during the period for each loan category. The impact of SOP 03-3 on average outstanding loans and leases for the three months ended June 30, 2008, March 31, 2008 and December 31, 2007 was not material.
(2) The impact of SOP 03-3 was not material for the three and nine months ended September 30, 2007.
(3) These adjustments include purchase accounting adjustments in accordance with SOP 03-3 as well as purchase accounting adjustments related to nonimpaired loans

Appendix: Selected Slides from the
Third Quarter 2008 Earnings Release Presentation

This information is preliminary and based on company data available at the time of the presentation.

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**
Net writedown	**(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
Net writedown	**(148)**	(79)
Other capital markets commercial mortgage writedowns	**(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
Net writedown	**(952)**	(645)

Bank of America

RISK FACTORS

Investing in our common stock involves risks, including the risks described below, that are specific to our shares of common stock and risks that could affect us, our business and our industry. Before purchasing any shares of our common stock, you should consider carefully the risks and other information set forth in a prospectus supplement and the attached prospectus pursuant to which we offer common stock, as well as the risks described in the documents incorporated by reference in the prospectus supplement and the attached prospectus, including those set forth under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2007.

There can be no assurance that recently enacted legislation authorizing the U.S. government to purchase large amounts of illiquid mortgages and mortgage-backed securities from financial institutions will help stabilize the U.S. financial system.

On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008 (the "EESA"). The legislation was the result of a proposal by Treasury Secretary Henry Paulson to the U.S. Congress on September 20, 2008 in response to the financial crises affecting the banking system and financial markets and going concern threats to investment banks and other financial institutions. Pursuant to the EESA, the U.S. Treasury will have the authority to, among other things, purchase up to $700 billion of mortgages, mortgage-backed securities and certain other financial instruments from financial institutions for the purpose of stabilizing and providing liquidity to the U.S. financial markets. There can be no assurance, however, as to the actual impact that the EESA will have on the financial markets, including the extreme levels of volatility and limited credit availability currently being experienced. The failure of the EESA to help stabilize the financial markets and a continuation or worsening of current financial market conditions could materially and adversely affect our business, financial condition, results of operations, access to credit or the trading price of our common stock.

Difficult market conditions have adversely affected our industry.

Given the significance of our business in the United States, we are particularly exposed to downturns in the U.S. economy. Dramatic declines in the housing market over the past year, with falling home prices and increasing foreclosures, unemployment and under-employment, have negatively impacted the credit performance of mortgage loans and resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities as well as major commercial and investment banks. These write-downs, initially of mortgage-backed securities but spreading to credit default swaps and other derivative and cash securities, in turn, have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and widespread reduction of business activity generally. The resulting economic pressure on consumers and lack of confidence in the financial markets has adversely affected our business, financial condition and results of operations. We do not expect that the difficult conditions in the financial markets are likely to improve in the near future. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on us and others in the financial institutions industry. In particular, we may face the following risks in connection with these events:

- We expect to face increased regulation of our industry, including as a result of the EESA. Compliance with such regulation may increase our costs and limit our ability to pursue business opportunities.
- Market developments may affect consumer confidence levels and may cause declines in credit card usage and adverse changes in payment patterns, causing increases in delinquencies and default rates, which we expect could impact our charge-offs and provision for credit losses.
- Our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage, and underwrite our customers become less predictive of future behaviors.

- The process we use to estimate losses inherent in our credit exposure requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of our borrowers to repay their loans, which may no longer be capable of accurate estimation which may, in turn, impact the reliability of the process.
- Our ability to borrow from other financial institutions or to engage in securitization funding transactions on favorable terms or at all could be adversely affected by further disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations.
- Competition in our industry could intensify as a result of the increasing consolidation of financial services companies in connection with current market conditions.
- We may be required to pay significantly higher Federal Deposit Insurance Corporation premiums because market developments have significantly depleted the insurance fund of the FDIC and reduced the ratio of reserves to insured deposits.

Current levels of market volatility are unprecedented.

The capital and credit markets have been experiencing volatility and disruption for more than 12 months. In recent weeks, the volatility and disruption has reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices and credit availability for certain issuers without regard to those issuers' underlying financial strength. If current levels of market disruption and volatility continue or worsen, there can be no assurance that we will not experience an adverse effect, which may be material, on our ability to access capital and on our business, financial condition and results of operations.

The soundness of other financial institutions could adversely affect us.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to many different industries and counterparties, and we routinely execute transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due us. There is no assurance that any such losses would not materially and adversely affect our results of operations.

Any reduction in our credit rating could increase the cost of our funding from the capital markets.

Although our long-term debt is currently rated investment grade by the major rating agencies, the ratings of that debt have been downgraded during 2008 by all of the major rating agencies. These rating agencies regularly evaluate us and their ratings of our long-term debt are based on a number of factors, including our financial strength as well as factors not entirely within our control, including conditions affecting the financial services industry generally. In light of the difficulties in the financial services industry and the financial markets, there can be no assurance that we will maintain our current ratings. Our failure to maintain those ratings could adversely affect the cost and other terms upon which we are able to obtain funding and increase our cost of capital.

We may fail to realize all of the anticipated benefits of a merger with Merrill Lynch & Co., Inc.

On September 15, 2008, we announced that we had entered into an Agreement and Plan of Merger, dated as of September 15, 2008, with Merrill Lynch & Co., Inc. ("Merrill Lynch"). Pursuant to the merger agreement, our newly-formed wholly-owned merger subsidiary will, subject to the terms and conditions of the merger agreement, merge into Merrill Lynch (the "Merrill Lynch merger"), with Merrill Lynch continuing as the surviving entity and our wholly-owned subsidiary. Completion of the Merrill Lynch merger is subject to certain customary conditions, including, among others, approval of the stockholders of both Bank of America and Merrill Lynch and receipt of regulatory approvals.

If the Merrill Lynch merger is completed, its success will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of Bank of America and Merrill Lynch. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of Bank of America and Merrill Lynch. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all or may take longer to realize than expected.

Bank of America and Merrill Lynch have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Merrill Lynch and Bank of America during such pre-merger transition period and for an undetermined period after consummation of the merger.

Many of the difficult market conditions that we face have adversely impacted Merrill Lynch as well.

Merrill Lynch and its business are subject to many of the same difficulties resulting from the market turmoil and tightening of credit as we are. Merrill Lynch has exposure to the mortgage market through securities, derivatives, loans and loan commitments, including CDOs and sub-prime mortgages or related securities, with respect to which Merrill Lynch has entered into credit derivatives with various counterparties, including financial guarantors. Like us, Merrill Lynch also faces counterparty risk. Valuation of these exposures will continue to be impacted by external market factors, including default rates, rating agency actions, and the prices at which observable market transactions occur and the continued availability of these transactions. Merrill Lynch's ability to mitigate its risk by selling or hedging its exposures is also limited by the market environment, and its future results may continue to be materially impacted by the valuation adjustments applied to these positions. Many of the risks discussed above relating to the financial institutions industry, the difficult market conditions that exist in our industry, the volatility of the capital and credit markets and our credit risks apply to Merrill Lynch as well. Certain of these risks may have a differing impact, which in certain cases may be, or may have been, more adverse with respect to Merrill Lynch than with respect to us. In addition, Merrill Lynch may face risks in addition to those that we face.