
Press Release

Bank of America Agrees to Sale of Balboa Insurance Business

CHARLOTTE, N.C., Feb 03, 2011 (BUSINESS WIRE) --

Bank of America Corporation today announced that it has entered into a definitive agreement with QBE Insurance Group to sell the lender-placed and voluntary property and casualty insurance assets and liabilities of Balboa Insurance Company and affiliated entities to QBE.

Under terms of the agreement, QBE will assume substantially all of the insurance liabilities of Balboa in exchange for QBE's acquisition of an equivalent amount of cash and other assets through a reinsurance transaction with Balboa. In addition, QBE will acquire certain other assets of the Balboa business and will extend ongoing employment to those associates supporting these businesses. QBE and Bank of America agreed to enter into long-term distribution agreements for lender-placed insurance and real estate owned programs and certain voluntary consumer insurance products.

The sale is consistent with Bank of America's strategy to focus on businesses that directly serve customers and clients around the world while continuing to strengthen its balance sheet.

Bank of America and its affiliates are expected to receive an upfront cash payment of approximately \$700 million, subject to certain closing and other adjustments, as well as additional future payments. The transaction is expected to result in a one-time after-tax gain and benefit Bank of America's Tier 1 common capital, including a reduction in goodwill and other intangibles. The remaining net tangible equity of approximately \$1.7 billion of Balboa will be retained by Bank of America and is expected to be available for redeployment over the next two years as the Balboa insurance liabilities expire.

Balboa Insurance was acquired by the former Countrywide Financial Corporation in 1999. The transaction is subject to regulatory approvals and expected to be completed in mid-2011.

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 approximately 57 million consumer and small business relationships with more than 5,800 retail banking offices and approximately 18,000 ATMs and award-winning online banking with 29 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 4 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. 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

Certain statements in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to future events, including the amount of the consideration to be received for the sale involving Balboa, the closing of the sale and the amount of the gain resulting from the sale. These statements are not guarantees and involve certain risks, uncertainties and assumptions that are difficult to predict and often are beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in, or implied by, the forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider the following uncertainties and risks, as well as the risks and uncertainties more fully discussed under Part 1, Item 1A. "Risk Factors" of Bank of America's 2009 Annual Report on Form 10-K, and under Part II, Item 1A. "Risk Factors" of Bank of America's Quarterly Reports on Form 10-Q for the quarters ended June 30, 2010 and September 30, 2010 and in any of Bank of America's other subsequent Securities and Exchange

Commission (SEC) filings: the closing of the sale involving Balboa and the terms and conditions of the sale agreement, including any provisions that could reduce the amount of the consideration ultimately received from the sale. Forward-looking statements speak only as of the date they are made, and Bank of America undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

www.bankofamerica.com

SOURCE: Bank of America

Investors May Contact:

Kevin Stitt, Bank of America, 1.980.386.5667

Lee McEntire, Bank of America, 1.980.388.6780

or

Reporters May Contact:

Jerry Dubrowski, Bank of America, 1.980.388.2840

jerome.f.dubrowski@bankofamerica.com

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Bank of America Corporation's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.