

Payments: The Opportunity

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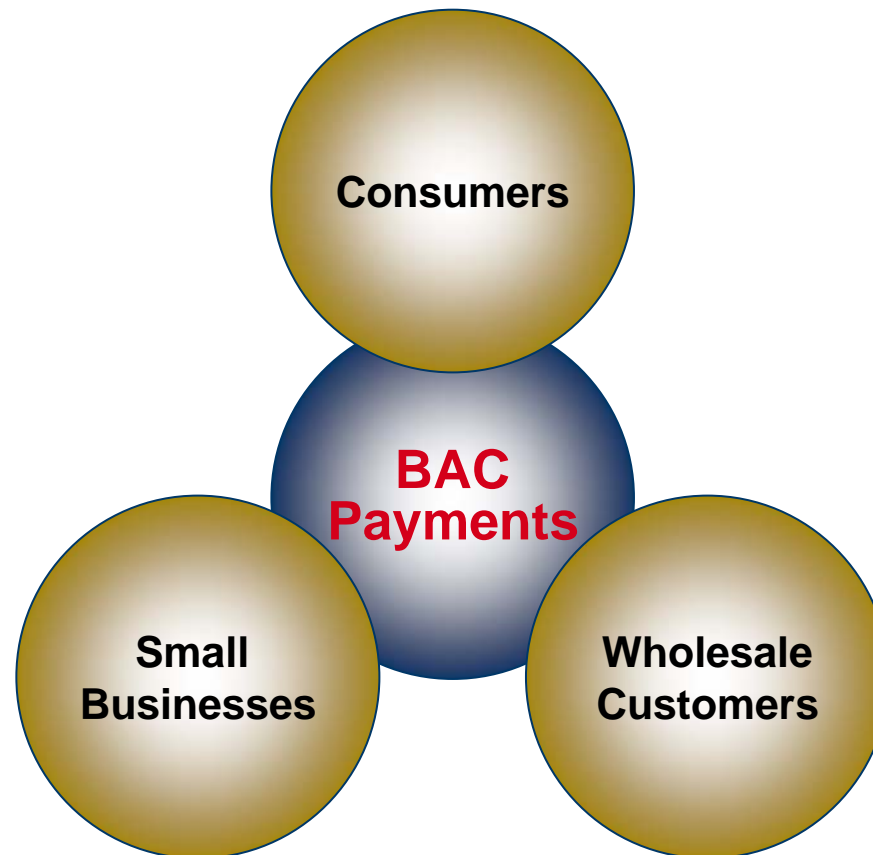
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Why Talk About Payments?

Payments

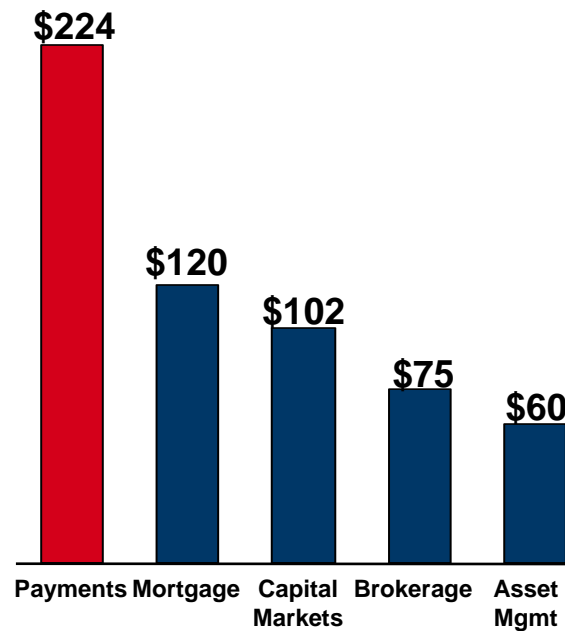
Any financial transaction used to transfer value between two parties in exchange for goods or services



Payments are Big Business for Banks

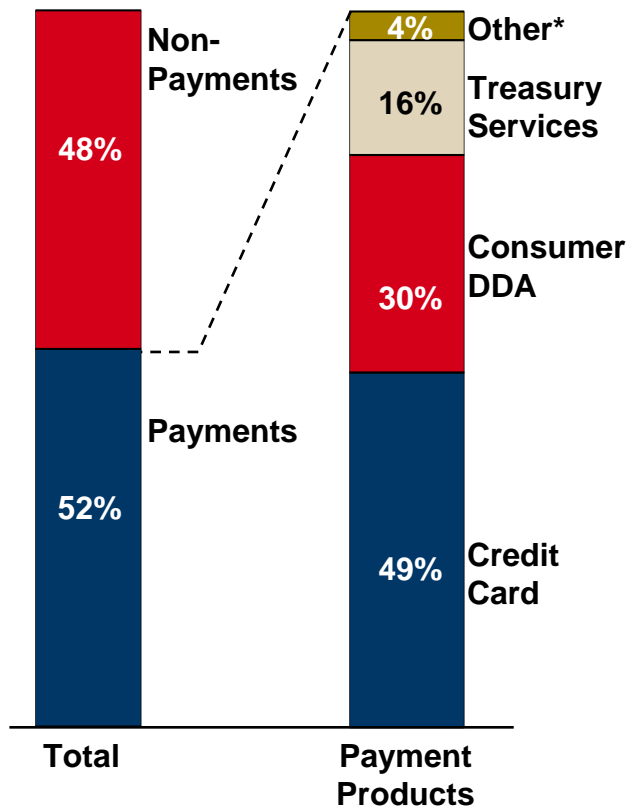
Payments drive more revenue for banks than any other business

U.S. Banking Market Revenue Pools
2005 Estimates (\$B)

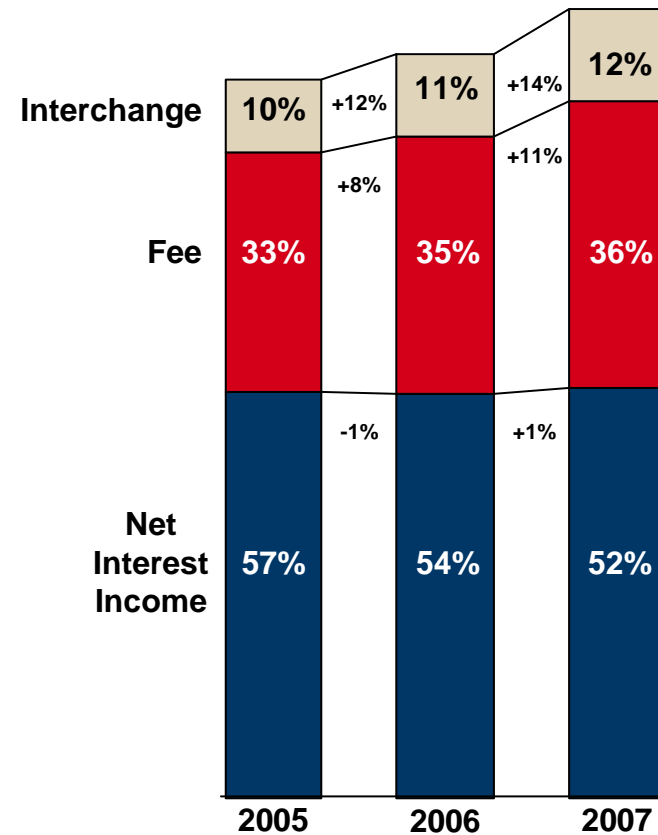


Payments Activity at Bank of America

2006 Revenue from Payments Businesses (\$B)



Payments Revenue by Activity (\$B)



Source: Payments revenue data is managed revenue

-2005, 2006 data are Actuals

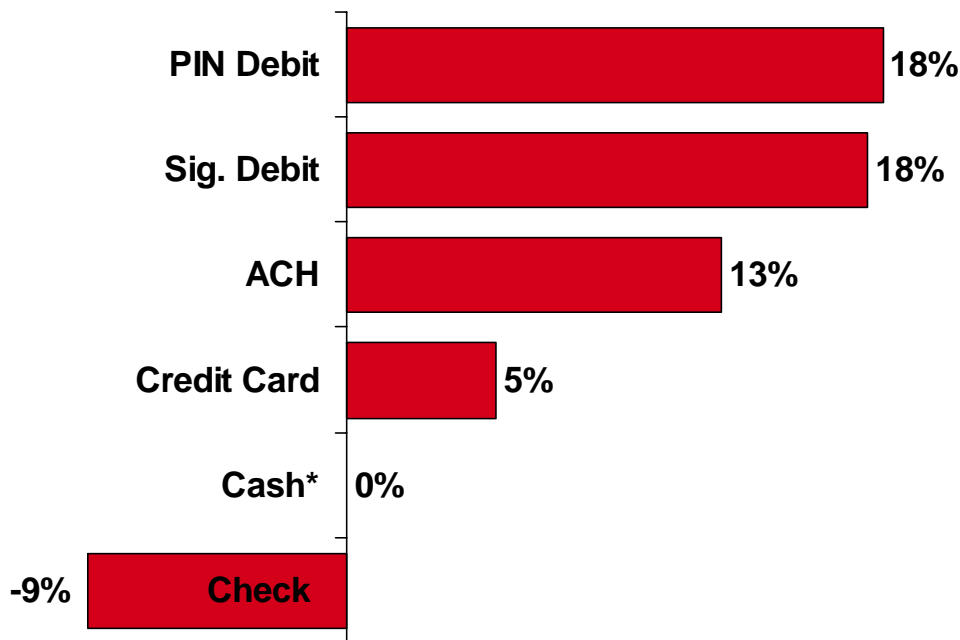
-2007 Forecast data are as of 11/1/06

* Other: Includes ATM and Merchant Acquiring



Bank of America is the Payments Leader

Industry Consumer Transaction Volumes
2005 - 2007 CAGR



- Leads in the fastest growing payment businesses
 - #1 debit card (signature & PIN)
 - #1 Online banking
 - #1 ACH receipts
 - #1 Credit card
 - #2 Merchant card acceptance
- Leverages scale to drive low cost position
- Targets strategic initiatives to address slow growth pay types
 - #1 Check Image Exchange
 - #1 Remote Deposit Capture
 - Investments in Enterprise Cash Logistics

Source: McKinsey Global Concepts Payments Map
* Cash estimates from BAC, McKinsey estimates at -3%
Total payment transaction trends are expected to be similar to the Consumer trends above



How did we get Here?

- **Payments growth through mergers and acquisitions**
 - A number of our acquisitions fill gaps in our capability
 - Fleet – Northeast distribution
 - National Processing Company – mid-market & larger corporation merchant services
 - MBNA – card scale and affinity products
- **Strong understanding of the mechanics of the payments business**
 - Robust, end-to-end view of payments
 - Use of Six Sigma tools to exploit opportunities for cost savings and revenue enhancement
- **Established Payments Leadership Council – driving integration, innovation and execution across the enterprise**

Result: We're the number one retail and wholesale payments franchise in the world, with more scale than our competitors – and we're focused on leveraging our assets to drive even more value.

What Differentiates Bank of America's Approach?

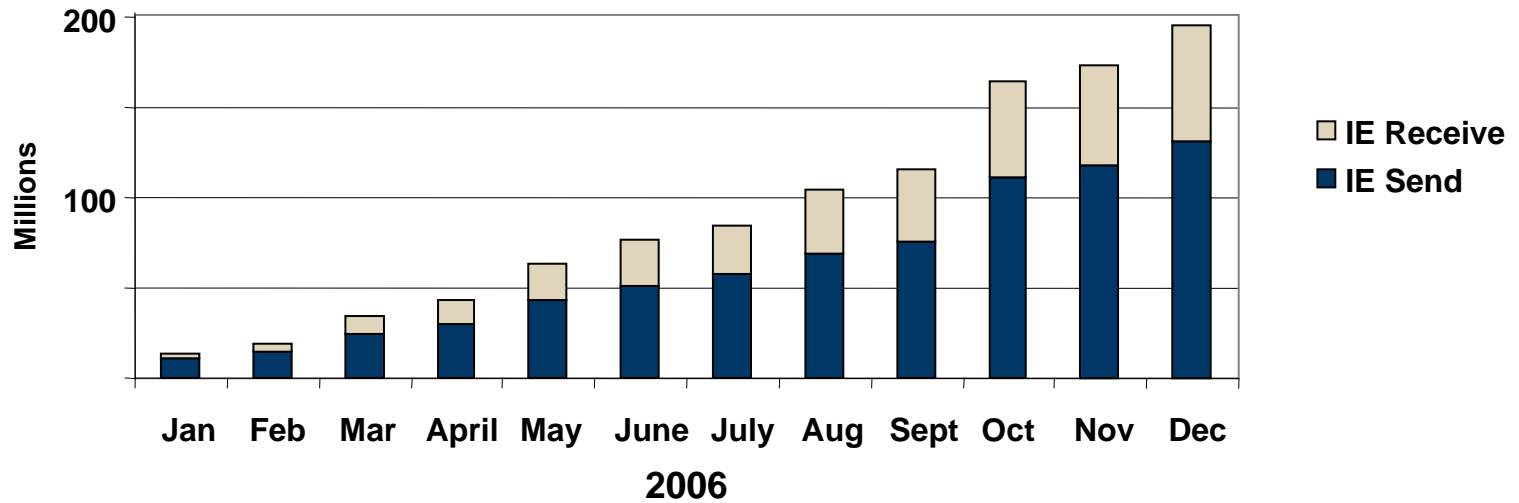
Enterprise view of payments provides insight that focuses on the highest impact cost opportunities, revenue opportunities, and product and service innovation



Check 21 – Operational Excellence

Image Exchange Drives Operating Cost Saves

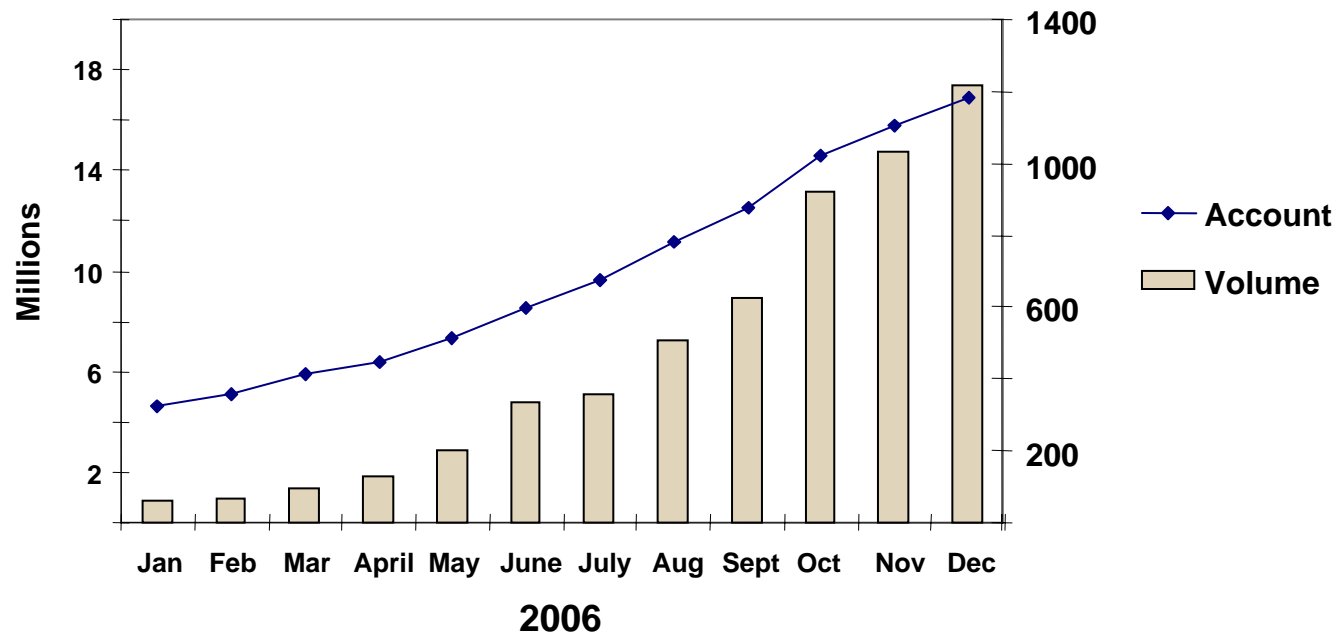
Image Exchange Volume



Check 21 – Service Excellence

Remote Deposit Product Drives Revenue and Client Delight

Client Side Capture Growth



Check 21 – Innovation

Image ATMs Provide Opportunities for Innovation

Image ATM Growth

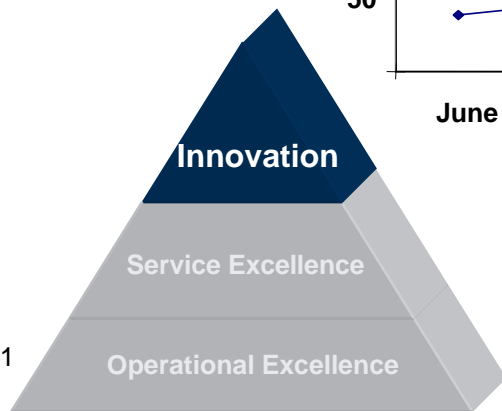
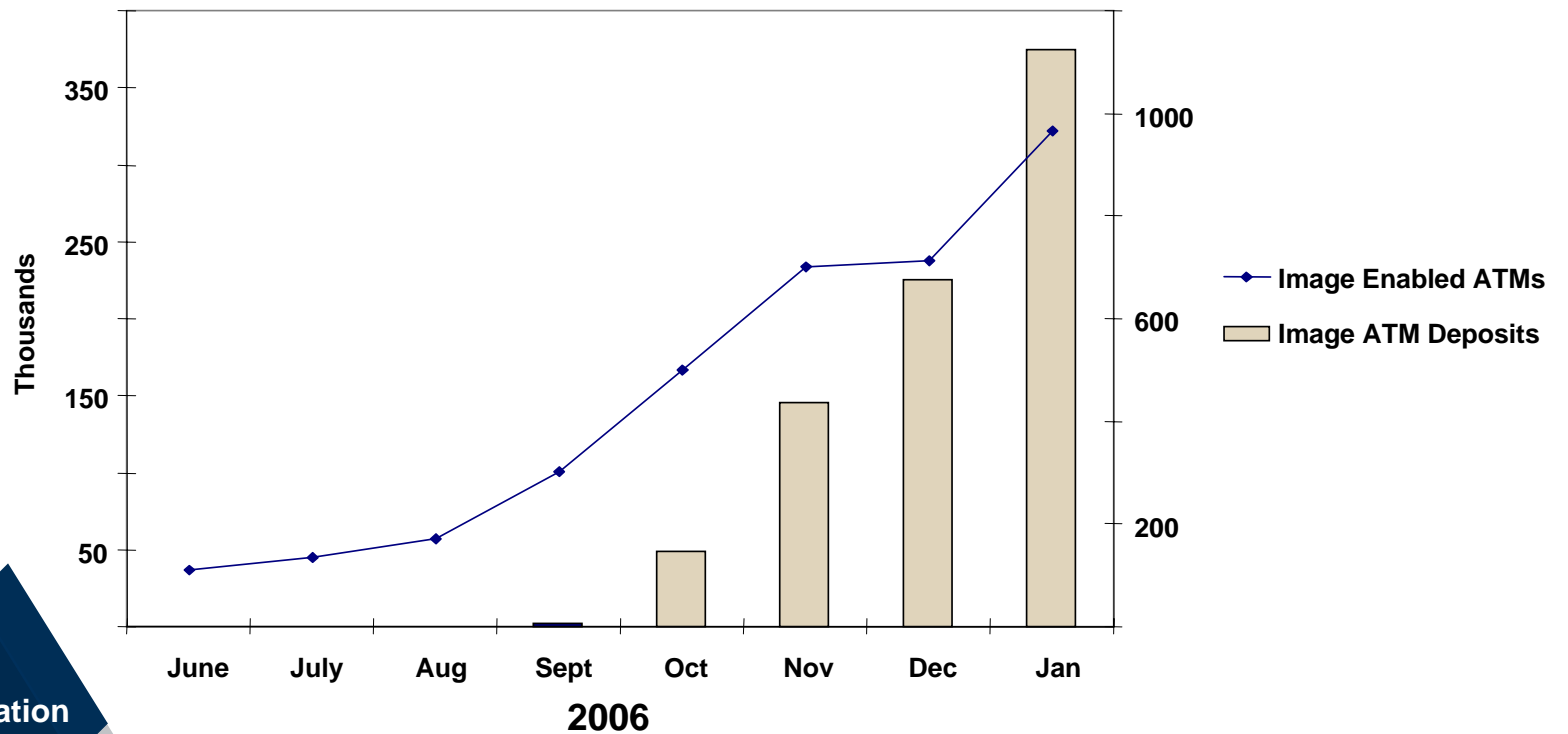
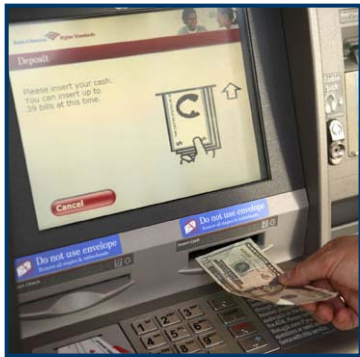
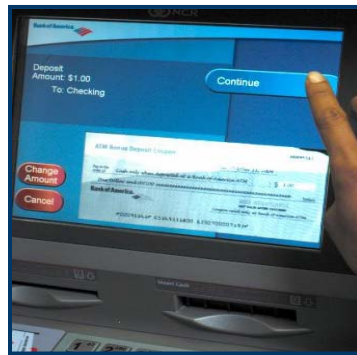


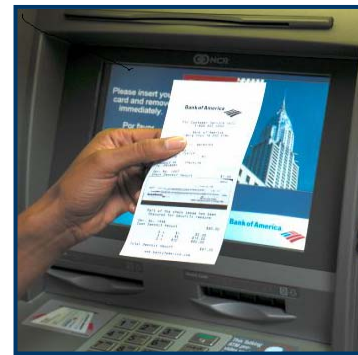
Image ATM – A Future of Possibilities



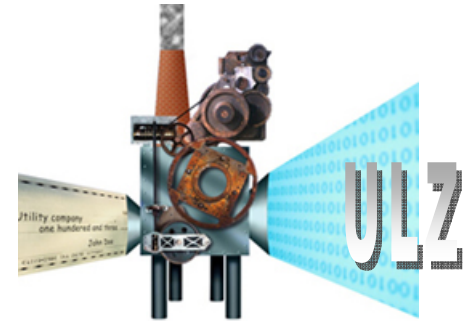
Cash deposits are validated and given immediate credit



Deposit displayed on screen



Receipts are printed with images of checks



Images sent to the Universal Landing Zone™

Enhancing Value Through Payments – Retail Fuel Example

Fuel Payment Business System



Bank of America 



- **Enterprise view helps us focus on critical industries with greatest value creation potential**
 - Retail fuel is one of those industries
- **Scale and scope in specific segments help us better serve all our customers**
 - Leader in merchant card acceptance in retail fuel sector
 - National footprint matches most major fuel retailers
 - Leadership in cash processing
 - 17,000 ATMs, with more than 1,000 at fuel retailers like ExxonMobil and Valero

Our leadership and integrated approach allow us to better meet the needs of all our customers

Bank of America – Positioned for Payments Growth

- Diversity and scale of payments channels, products and customers
- Track record of using efficiency as an advantage
- Intense focus on **integration, innovation, information, investment – and execution** – within our payments business
 - Innovation is critical to our success
 - Innovation drives value
- Giving customers **more choices** deepens relationships

Bank of America has all of the pieces in place to drive
unmatched growth in payments