

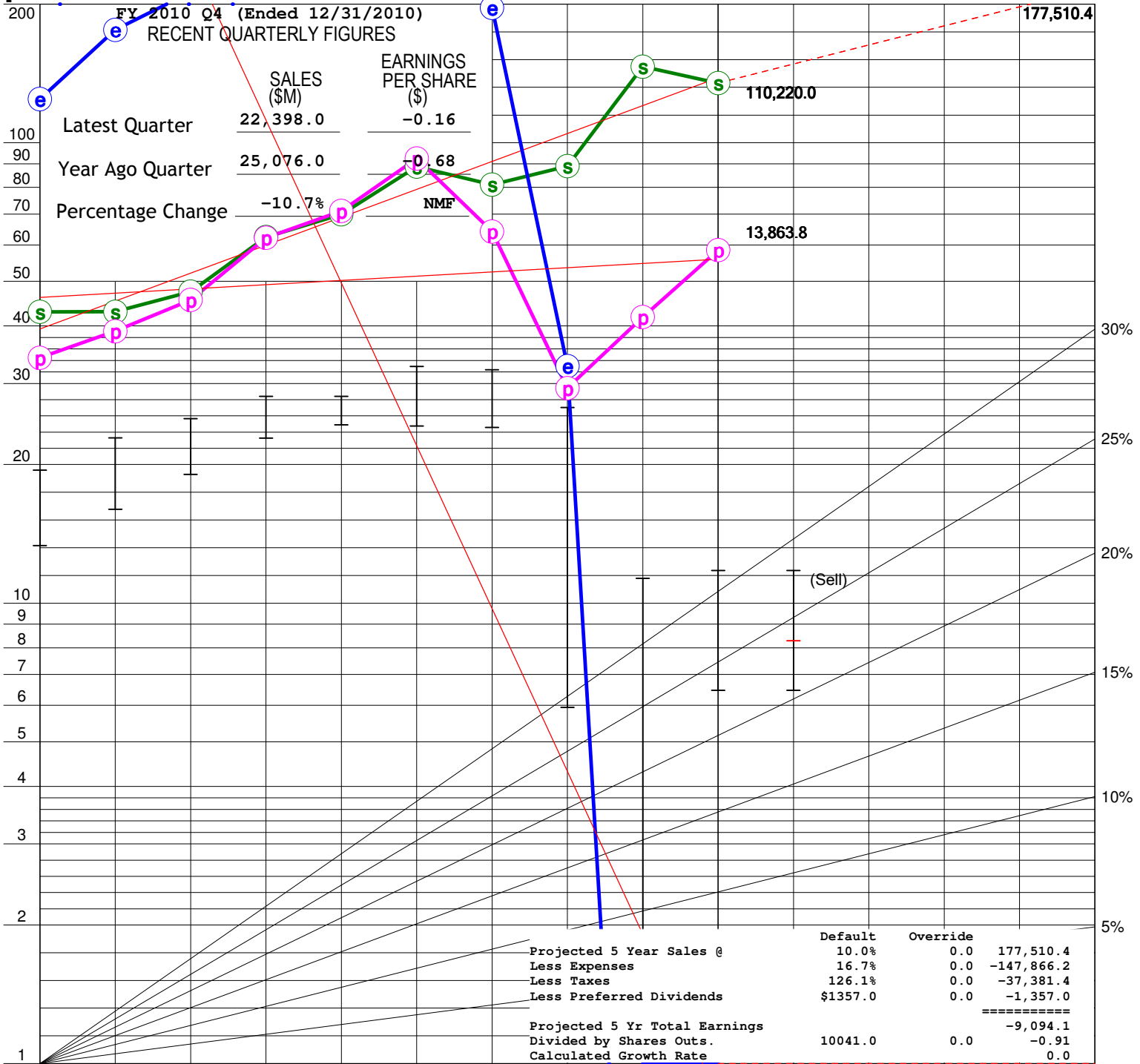


# Stock Study

Company	Bank of America	Price Date	02/24/11
Study by	S Patterso	Data Date	02/23/11
Sector	Financial Services	Data Source	BI
Industry	Banks - Regional - US	Reference	Morningsta
Preferred(\$M)	16,562.0		
Common(M Shares)	10,041.0	% Insiders	0.1
Debt(\$M)	508,393.0	% Institutions	61.8
% Debt to Tot.Cap.	69.0	Quality	

## 1 Growth Analysis

NYSE: BAC



(1) Historical Sales Growth	15.0 %	(3) Historical Earnings Per Share Growth	-55.7 %	www.iclub.com
(2) Estimated Future Sales Growth	10.0 %	(4) Estimated Future Earnings Per Share Growth	0.0 %	
(5) Sales Growth R <sup>2</sup>	0.93	(6) Earnings Per Share Growth R <sup>2</sup>	0.53	

## 2 QUALITY ANALYSIS

Company **Bank of America (BAC)**

02/24/11

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	23.0	26.3	27.8	28.9	29.5	30.2	22.9	9.6	8.3	12.6	16.7	DOWN
<b>B</b> % ROE (Beginning Yr)	<del>23.0</del>	19.2	21.2	22.9	16.5	18.2	11.2	1.7	-1.0	-1.6	5.7	DOWN
<b>C</b> % Debt to Equity	138.5	131.6	157.1	106.4	99.8	109.4	139.3	210.4	252.7	217.5	185.8	UP

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE 13.970 52-WEEK HIGH 19.860 52-WEEK LOW 10.910

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield	
1 2006	55.1	40.9	4.59	12.0	8.9	2.120	46.2	5.2	
2 2007	54.2	40.6	3.30	16.4	12.3	2.400	72.7	5.9	
3 2008	44.8	10.0	0.55	81.5	18.2	2.240	407.3	22.4	
4 2009	19.1	2.5	-0.29	NMF	NMF	0.040	-13.8	1.6	
5 2010	19.9	10.9	-0.37	NMF	NMF	0.040	-10.8	0.4	
6 AVERAGE		21.0		14.2	10.6		100.3		
AVERAGE P/E RATIO	<del>24.8</del>	12.4	PROJECTED P/E RATIO		-36.8	TTM EPS		-0.38	
CURRENT P/E RATIO	-36.8		PEG RATIO		0.0	FTM EPS		-0.38	
RELATIVE VALUE	<del>-148.4%</del>	-296.8%	PROJ. RELATIVE VALUE		<del>-148.2%</del>	-296.5%	AVG TTM + FTM EPS		-0.38

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS - NEXT 5 YEARS

Selected High P/E 14.2 X Estimated High Earnings/Share 0.00 = Forecast High Price \$ 0.0

### B FUTURE LOW PRICE ANALYSIS - NEXT 5 YEARS

(a) Sel. Low P/E 10.6 X Estimated Low Earnings/Share -0.38 = \$ -4.0  
(as adj.)

(b) Average 5-Year Low Price = 21.0

(c) Recent Severe Low Price = 2.5

(d) Price Dividend Will Support = Present Divd. + High Yield = 0.040 + 0.224 = 0.2

Selected Estimated Low Price = \$ 11.2

### C PRICE RANGES

Forecast High Price 0.0 - Estimated Low Price 11.2 = Range -11.2 25% of Range = -2.8

BUY (Lower 25% of Range) = 11.2 to 8.4

MAYBE (Middle 50% of Range) = 8.4 to 2.8

SELL (Upper 25% of Range) = 2.8 to 0.0

Current Price 13.970 is in the Sell Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 0.0 - Current Price 13.970) + (Current Price 13.970 - Estimated Low Price 11.2) = 0.0 - To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 0.040 ÷ Current Price of Stock \$ 13.970 = 0.3 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 100.3 ÷ Forecast High P/E 14.2 = Avg. Yield 7.1

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 100.3 ÷ Forecast Avg P/E 12.4 = Avg. Yield 8.1

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 7.1 % + Annual Appreciation 0.0 % = Compound Annual Total Return 7.1 %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 8.1 % + Annual Appreciation 0.0 % = Projected Average Total Return 8.1 %