As filed with the Securities and Exchange Commission on October 17, 2012

# UNITED STATES
# 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 17, 2012

# BANK OF AMERICA CORPORATION
**(Exact name of registrant as specified in its charter)**

| Delaware | 1-6523 | 56-0906609 |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (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 17, 2012, Bank of America Corporation (the "Corporation") announced financial results for thethird quarter ended September 30, 2012, reporting third quarter net income of $340 million, or $0.00 per diluted share. A copy of the press release announcing the Corporation's results for thethird quarter ended September 30, 2012 (the "Press Release") is attached hereto as Exhibit 99.1 and is incorporated by reference in this Item 2.02. The Press Release is available on the Corporation's website.

The information provided in Item 2.02 of this report, including Exhibit 99.1, shall be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**ITEM 7.01. REGULATION FD DISCLOSURE.**

On October 17, 2012, the Corporation will hold an investor conference call and webcast to discuss financial results for thethird quarter ended September 30, 2012, including the Press Release and other matters relating to the Corporation.

The Corporation has also made available on its website presentation materials containing certain historical and forward-looking information relating to the Corporation (the "Presentation Materials") and materials that contain additional information about the Corporation's financial results for the quarter ended September 30, 2012 (the "Supplemental Information"). The Presentation Materials and the Supplemental Information are furnished herewith as Exhibit 99.2 and Exhibit 99.3, respectively, and are incorporated by reference in this Item 7.01. All information in Exhibits 99.2 and 99.3 is presented as of the particular date or dates referenced therein, and the Corporation does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

The information provided in Item 7.01 of this report, including Exhibits 99.2 and 99.3, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall the information or Exhibits 99.2 or 99.3 be deemed incorporated by reference in any filings under the Securities Act of 1933, as amended.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

**(d) Exhibits.**

Exhibit 99.1 is filed herewith. Exhibits 99.2 and 99.3 are furnished herewith.

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|---|---|
| 99.1 | The Press Release |
| 99.2 | The Presentation Materials |
| 99.3 | The Supplemental Information |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Corporation 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 17, 2012

**INDEX TO EXHIBITS**

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|---|---|
| 99.1 | The Press Release |
| 99.2 | The Presentation Materials |
| 99.3 | The Supplemental Information |

October 17, 2012

Investors May Contact:
Kevin Stitt, Bank of America, 1.980.386.5667
Lee McEntire, Bank of America, 1.980.388.6780

Reporters May Contact:
Jerry Dubrowski, Bank of America, 1.980.388.2840
jerome.f.dubrowski@bankofamerica.com

**Bank of America Reports Third-Quarter 2012 Net Income of $340 Million, or $0.00 per Share**

*Previously Announced Items Negatively Impact Earnings*

- *Valuation Adjustments for Improvement in the Company's Credit Spreads, $1.9 Billion Pretax*
- *Total Litigation Expense of $1.6 Billion Pretax, Including Merrill Lynch Class Action Settlement*
- *Charge Related to Reduction in U.K. Tax Rate of $0.8 Billion*
- *Previously Announced Items Totaled ($0.28) per Share*

*Capital and Liquidity Continue to Strengthen*

- *Basel 1 Tier 1 Common Capital Ratio of11.41 Percent at September 30, 2012*
- *Estimated Basel 3 Tier 1 Common Capital Ratio of 8.97 Percent at September 30, 2012, up From 7.95 Percent at June 30, 2012 (Fully Phased-in Assuming U.S. Final Rules and U.S. Basel 3 NPRs)*[1]
- *Long-term Debt Down $112 Billion From September 30, 2011, Driven by Maturities and Liability Management Actions; Time-to-required Funding Remains Strong at 35 Months*

*Core Business Momentum Accelerates*

- *Total Average Deposit Balances up $17 Billion, or 6 Percent (Annualized), From Prior Quarter*
- *First-lien Mortgage Production Increased 13 Percent From Prior Quarter*
- *Global Wealth and Investment Management Had Solid Long-term AUM Flows of $5.7 Billion, up 39 Percent From the Prior Quarter and 27 Percent From the Year-ago Quarter*
- *Ending Commercial Loans in Global Banking Segment Including Real Estate Loans Grew 13 Percent (Annualized) From Prior Quarter to $236 Billion*
- *Investment Bank Ranked No. 2 in Global Investment Banking Fees; Revenue Up 17 Percent From Prior Quarter and 42 Percent From the Year-ago Quarter*

CHARLOTTE — Bank of America Corporation today reported net income of $340 million, or $0.00 per diluted share, for the third quarter of 2012, compared to $6.2 billion, or $0.56 per diluted share, in the third quarter of 2011.

As previously reported, the third quarter of 2012 was negatively impacted by $1.9 billion of debit valuation adjustments (DVA) and fair value option (FVO) adjustments related to the improvement in the company's credit spreads, $1.6 billion for total litigation expense, including a charge for the previously announced settlement of the Merrill Lynch class action litigation, and a charge of $0.8 billion related to the repricing of certain deferred tax assets due to a reduction in the U.K. corporate tax rate. Together, these three items totaled a negative $0.28 per share.

The year-ago quarter included $6.2 billion in positive DVA and FVO adjustments, $0.6 billion in total litigation expense and $0.8 billion related to the repricing of certain deferred tax assets due to a reduction in the U.K. corporate tax rate. Together, these three items totaled a positive $0.27 per share in the third quarter of 2011. In addition, the year-ago quarter included, among other significant items, a $3.6 billion pretax gain on the sale of a portion of the company's investment in China Construction Bank (CCB), partially offset by $2.2 billion of net losses related to equity and strategic investments other than CCB.

Relative to the year-ago quarter, the results for the third quarter of 2012 were driven by improved credit quality across most major portfolios, increased sales and trading revenue (excluding impact of DVA), higher mortgage banking income and increased investment banking income.

"We are doing more business with our customers and clients: Deposits are up; mortgage originations are up; we surpassed 11 million in mobile customers; small business lending is up 27 percent year over year; loans to our commercial clients rose for the seventh consecutive quarter; and our corporate clients made us the second-ranked global investment banking firm," said Brian Moynihan, chief executive officer. "Our strategy is taking hold even as we work through a challenging economy and continue to clean up legacy issues."

"Our focus on strengthening the balance sheet continued this quarter," said Chief Financial Officer Bruce Thompson. "We ended the quarter with record Tier 1 common capital ratio of 11.41 percent and an estimated Basel 3 Tier 1 common capital ratio of 8.97 percent, up from 7.95 percent as of the second quarter of 2012[1]. With these gains, we have turned our attention to driving core earnings."

**Selected Financial Highlights**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions, except per share data)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| Net interest income, FTE basis [1] | **$ 10,167** | $ 9,782 | $ 10,739 |
| Noninterest income | **10,490** | 12,420 | 17,963 |
| **Total revenue, net of interest expense, FTE basis [1]** | **20,657** | 22,202 | 28,702 |
| **Total revenue, net of interest expense, FTE basis, excluding DVA and FVO[2]** | **22,529** | 22,422 | 22,486 |
| Provision for credit losses | **1,774** | 1,773 | 3,407 |
| Noninterest expense | **17,544** | 17,048 | 17,613 |
| **Net income** | **340** | 2,463 | 6,232 |
| Diluted earnings (loss) per common share | **$ 0.00** | $ 0.19 | $ 0.56 |

[1] Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release. Net interest income on a GAAP basis was $9.9 billion, $9.5 billion and $10.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011. Total revenue, net of interest expense, on a GAAP basis was $20.4 billion, $22.0 billion and $28.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011.

[2] Total revenue, net of interest expense, on an FTE basis excluding DVA and FVO adjustments is a non-GAAP financial measure. DVA gains(losses) were $(583) million, $(158) million and $1.7 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011. Valuation gains (losses) related to FVO were $(1.3) billion, $(62) million and $4.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011.

## Key Business Highlights

The company made significant progress in thethird quarter of 2012 in line with its operating principles, including the following developments:

### Be customer-driven

- Bank of America extended approximately $117 billion in credit in thethird quarter of 2012. This included $73.7 billion in commercial non-real estate loans, $20.3 billion in residential first mortgages, $10.6 billion in commercial real estate loans, $4.5 billion in U.S. consumer and small business card, $933 million in home equity products and $6.8 billion in other consumer credit.

- The $20.3 billion in residential first mortgages funded in the third quarter helped more than 80,000 homeowners either purchase a home or refinance an existing mortgage. This included more than 4,400 first-time homebuyer mortgages originated by retail channels, and more than 25,000 mortgages to low- and moderate-income borrowers. Approximately 17 percent of funded first mortgages were for home purchases and 83 percent were refinances.

- The company originated approximately $6.2 billion in small business loans and commitments in the first nine months of 2012, up 27 percent from the year-ago period, reflecting its continued focus on supporting small businesses.

- Total client balances in Global Wealth and Investment Management increased 3 percent from the prior quarter to $2.3 trillion, led primarily by market gains, as well as gains in deposit balances, long-term assets under management (AUM) flows and loan balances.

- The company continued to deepen relationships with customers. The number of mobile banking customers rose 30 percent from the year-ago quarter to 11.1 million customers, and the number of new U.S. credit card accounts opened year-to-date grew 8 percent from 2011.

- Merrill Edge brokerage assets increased $13.9 billion from the year-ago quarter to $75.9 billion, driven by market improvement and asset growth from new accounts.

- The company continued to increase the number of Financial Solutions Advisors, mortgage loan officers and small business bankers during the quarter to approximately 5,800 at the end of the third quarter of 2012, approximately 3,200 of whom were deployed in banking centers.

- The company continued to support the economy by:

  - Helping clients raise $145 billion in capital in the third quarter of 2012, up from $125 billion in the prior quarter.

  - Providing incremental credit to businesses with ending loans in the Global Banking business rising 2.5 percent from the prior quarter to $272.1 billion.

- Bank of America Merrill Lynch (BofA Merrill) continued to rank No. 2 globally in net investment banking fees during the first nine months of 2012, as reported by Dealogic.

**Continue to build a fortress balance sheet**

- Regulatory capital ratios increased with the Tier 1 common capital ratio under Basel 1 increasing to 11.41 percent in the third quarter of 2012, up 17 bps from the second quarter of 2012 and 276 bps higher than the third quarter of 2011.

- The Tier 1 common capital ratio under Basel 3 on a fully phased-in basis was estimated at 8.97 percent as of September 30, 2012, up from 7.95 percent at June 30, 2012.[1]

- The company continued to maintain strong liquidity while significantly reducing long-term debt. Global Excess Liquidity Sources totaled $380 billion at the end of the third quarter of 2012, compared to $378 billion at the end of the prior quarter and $363 billion at September 30, 2011. Long-term debt declined to $287 billion at the end of the third quarter of 2012 from $302 billion at the end of the prior quarter and $399 billion at September 30, 2011.

**Manage risk well**

- The provision for credit losses was flat compared to the second quarter of 2012 but down 48 percent from the year-ago quarter, reflecting improved credit quality across most major consumer and commercial portfolios and the impact of underwriting changes implemented over the past several years.

- Excluding the impact of charge-offs related to the previously disclosed settlement reached in March 2012 with the Department of Justice (DOJ) and 49 state attorneys general regarding mortgage servicing issues (National Mortgage Settlement) and new regulatory guidance for loans discharged in bankruptcies, consumer loan loss rates in the third quarter of 2012 were at their lowest level since the fourth quarter of 2007[3].
- Commercial loan loss rates were at their lowest level since the third quarter of 2007.

**Deliver for our shareholders**

- Tangible book value per share[2] increased to $13.48 at September 30, 2012, compared to $13.22 at both June 30, 2012 and September 30, 2011. Book value per share was $20.40 at September 30, 2012, compared to $20.16 at June 30, 2012 and $20.80 at September 30, 2011.

**Manage efficiency well**

- Noninterest expense was relatively flat compared to the year-ago quarter due to an increase in other general operating expenses primarily related to costs associated with the previously announced Merrill Lynch class action settlement and other litigation, and higher mortgage-related and default-related servicing costs. This was partially offset by a decrease in personnel expense as the company continued to streamline processes and achieve cost savings.
- At September 30, 2012, the company had 272,594 full-time employees, down 2,866 from the end of the prior quarter, and 16,145 fewer than September 30, 2011. Excluding full-time equivalent employee increases in Legacy Assets and Servicing to handle increasing government and private programs for housing, the number of full-time equivalent employees was down nearly 21,000 from the year-ago quarter to 230,900.

## Business Segment Results

The company reports results through five business segments: Consumer and Business Banking (CBB), Consumer Real Estate Services (CRES), Global Wealth and Investment Management (GWIM), Global Banking and Global Markets, with the remaining operations recorded in All Other.

### Consumer and Business Banking

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| **Total revenue, net of interest expense, FTE basis** | **$ 7,070** | $ 7,326 | $ 8,127 |
| Provision for credit losses | **970** | 1,131 | 1,132 |
| Noninterest expense | **4,061** | 4,360 | 4,347 |
| **Net income** | **1,285** | 1,155 | 1,664 |
| Return on average equity | **9.47 %** | 8.69 % | 12.60 % |
| Return on average economic capital [1] | **21.77** | 20.29 | 30.42 |
| Average loans | **$ 133,881** | $ 136,872 | $ 151,492 |
| Average deposits | **480,342** | 476,580 | 464,256 |

| | **At September 30 2012** | At June 30 2012 | At September 30 2011 |
|---|---|---|---|
| Client brokerage assets | **$ 75,852** | $ 72,226 | $ 61,918 |

[1] Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

### Business Highlights

- Average deposit balances increased 3 percent from the year-ago quarter, driven by growth in liquid products in a low-rate environment. The average rate paid on deposits declined 5 basis points in the third quarter of 2012 from the year-ago quarter due to pricing discipline and a shift in the mix of deposits.
- In the nine months ended September 30, 2012, the company extended approximately $6.2 billion in small business loans and commitments, reflecting the company's continued focus on supporting small businesses.
- During the third quarter of 2012, the number of BankAmericard Cash Rewards cards increased by nearly 400,000 to a total of 1.7 million cards since the product launched in the third quarter of 2011.

### Financial Overview

Consumer and Business Banking reported net income of $1.3 billion, down $379 million from the year-ago quarter, due to lower revenue partially offset by lower noninterest expense and credit costs.

Revenue decreased by $1.1 billion from the year-ago quarter to $7.1 billion, primarily from the implementation of debit card interchange fee rules in October 2011 as a result of the Durbin Amendment, lower average loan balances, the continued low-rate environment and the negative impact of the company's consumer protection products.

Provision for credit losses decreased $162 million, primarily within the Card Services business, from the year-ago quarter to $970 million due to improvement in delinquencies and bankruptcies. Noninterest expense decreased $286 million to $4.1 billion compared to the third quarter of 2011 as a result of lower FDIC expense and lower operating expenses.

### Consumer Real Estate Services

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| **Total revenue, net of interest expense, FTE basis** | **$ 3,096** | $ 2,521 | $ 2,822 |
| Provision for credit losses | **264** | 186 | 918 |
| Noninterest expense | **4,224** | 3,552 | 3,826 |
| **Net loss** | **(877)** | (766) | (1,121) |
| Average loans | **103,708** | 106,725 | 120,079 |
| | **At September 30 2012** | At June 30 2012 | At September 30 2011 |
| Period-end loans | **$ 99,890** | $ 105,304 | $ 119,823 |

### Business Highlights

- Bank of America funded $21.2 billion in residential home loans and home equity loans during the third quarter of 2012, up 12 percent from the second quarter of 2012, and 18 percent higher than the third quarter of 2011, excluding correspondent originations of $15.9 billion in the year-ago quarter. The company exited the correspondent business in late 2011.

- The number of 60+ days delinquent first mortgage loans serviced by Legacy Assets and Servicing declined by 126,000 loans, or 12 percent, during the third quarter of 2012 to 936,000 loans from 1.06 million at the end of the second quarter of 2012, and 1.23 million loans at the end of the third quarter of 2011.

### Financial Overview

Consumer Real Estate Services reported a net loss of $877 million for the third quarter of 2012, compared to a net loss of $1.1 billion for the same period in 2011. The improvement was due primarily to higher mortgage banking income and lower provision for credit losses, partially offset by higher expenses.

While the Home Loans business was profitable in the quarter, the continued high costs of managing delinquent and defaulted loans in the servicing portfolio combined with the costs associated with managing other legacy mortgage exposures resulted in the overall net loss for CRES for the quarter.

Revenue increased $274 million from the third quarter of 2011 to $3.1 billion in the third quarter of 2012, driven by higher mortgage banking income and other noninterest income, partially offset by lower net interest income. Mortgage banking income increased from the year-ago quarter due to more favorable MSR results, net of hedges, and higher production income.

While loan fundings declined by $12.6 billion compared to the same period in 2011, largely due to the exit from the correspondent channel in late 2011, core production revenue increased by $139 million from the year-ago quarter primarily due to higher margins on a increased volume of direct originations.

Representations and warranties provision was $307 million in the third quarter of 2012, compared to $395 million in the second quarter of 2012 and $278 million in the third quarter of 2011.

The provision for credit losses in the third quarter of 2012 decreased $654 million from the year-ago quarter to $264 million, driven by improved portfolio trends in the non-purchased credit-impaired (PCI) portfolio and reserve reductions in the PCI home equity portfolio partially offset by the impact of new regulatory guidance for loans discharged in bankruptcies.

Noninterest expense increased from the third quarter of 2011 to $4.2 billion, primarily due to higher default-related servicing expenses and litigation expense. This was partially offset by lower production expenses and a reduction in mortgage-related assessments, waivers and other similar costs associated with foreclosure delays.

## Global Wealth and Investment Management

| (Dollars in millions) | Three Months Ended September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| **Total revenue, net of interest expense, FTE basis** | **$ 4,278** | $ 4,317 | $ 4,238 |
| Provision for credit losses | **61** | 47 | 162 |
| Noninterest expense | **3,355** | 3,402 | 3,500 |
| **Net income** | **542** | 547 | 362 |
| Return on average equity | **11.42%** | 12.24% | 8.06% |
| Return on average economic capital [1] | **26.31** | 30.25 | 20.55 |
| Average loans and leases | **$ 106,092** | $ 104,102 | $ 102,786 |
| Average deposits | **253,942** | 251,121 | 255,882 |

| (Dollars in billions) | At September 30 2012 | At June 30 2012 | At September 30 2011 |
|---|---|---|---|
| Assets under management | **$ 707.8** | $ 682.2 | $ 616.9 |
| Total client balances[2] | **2,260.9** | 2,192.1 | 2,066.8 |

[1] Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

[2] Total client balances are defined as assets under management, assets in custody, client brokerage assets, client deposits and loans (including margin receivables).

### Business Highlights

- Period-end loan balances for Global Wealth and Investment Management grew $5.1 billion, or 5 percent, from the third quarter of 2011 to a record $107.5 billion due to higher securities-based lending and residential mortgage production.
- Period-end deposit balances grew $4.9 billion, or 2 percent, from the third quarter of 2011 to $256.1 billion.
- Long-term AUM flows of $5.7 billion, up 27 percent from the third quarter of 2011, marking the 13th consecutive quarter of positive flows.
- The third quarter of 2012 pretax margin was 20 percent, up from 14 percent in the third quarter of 2011.

### Financial Overview

Net income for GWIM rose 50 percent from the third quarter of 2011 to $542 million due to lower expenses and credit costs and higher revenue. Revenue increased 1 percent to $4.3 billion largely as a result of higher net interest income.

Noninterest expense decreased 4 percent from the third quarter of 2011 to $3.4 billion due to lower FDIC expense and lower support and personnel costs. The provision for credit losses decreased $101 million from the third quarter of 2011 to $61 million due to lower delinquencies and improving portfolio trends within the residential mortgage portfolio.

Assets under management rose $90.9 billion from the third quarter of 2011 to $707.8 billion, driven by higher market levels and long-term AUM flows.

## Global Banking

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| **Total revenue, net of interest expense, FTE basis** | **$ 4,147** | $ 4,286 | $ 3,951 |
| Provision for credit losses | **68** | (113) | (182) |
| Noninterest expense | **2,023** | 2,165 | 2,217 |
| **Net income** | **1,295** | 1,407 | 1,206 |
| Return on average equity | **11.15%** | 12.31% | 10.03% |
| Return on average economic capital [1] | **24.14** | 26.83 | 20.87 |
| Average loans and leases | **$ 267,390** | $ 267,813 | $ 268,174 |
| Average deposits | **252,226** | 239,161 | 246,395 |

[1] Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

### Business Highlights

- Period-end loan balances were $272.1 billion at the end of the third quarter of 2012, compared to $265.4 billion at the end of the second quarter of 2012 and $273.5 billion at the end of the third quarter of 2011.

- Period-end deposits rose to $260.0 billion at the end of the third quarter of 2012 from $241.5 billion at the end of the second quarter of 2012 and $236.6 billion at the end of the third quarter of 2011.

- BofA Merrill was ranked No. 2 globally in investment banking fees, for the first nine months of 2012 according to Dealogic. Based on deal volume, BofA Merrill was ranked among the top three banks in high-yield corporate debt, leveraged loans, investment-grade corporate debt, asset-backed securities and syndicated loans for the same period.

- Nonperforming assets declined by $2.7 billion, or 51 percent, and total reservable criticized loans declined by $10.5 billion, or 46 percent, compared to a year ago.

### Financial Overview

Global Banking reported net income of $1.3 billion, up $89 million from the year-ago quarter, as higher revenue and a decline in noninterest expense were partially offset by an increase in provision expense. Revenue of $4.1 billion was up 5 percent from the year-ago quarter, primarily due to gains on the fair value option loan book in the most recent quarter.

In the third quarter of 2012, Global Corporate Banking revenue was $1.4 billion and Global Commercial Banking revenue was $2.0 billion, both relatively unchanged compared to the year-ago quarter. In the third quarter of 2012, Business Lending revenue was $1.9 billion and Treasury Services revenue was $1.5 billion, both also relatively unchanged compared to the third quarter of 2011. Firmwide investment banking fees, excluding self-led deals, increased 42 percent to $1.3 billion in the third quarter of 2012 from $942 million in the year-ago quarter, mainly due to a strong performance in capital markets underwriting activity.

The provision for credit losses was $68 million in the third quarter of 2012, compared to a benefit of $182 million in the prior-year quarter, primarily driven by lower reserve releases as asset quality stabilizes in the portfolio. Noninterest expense was $2.0 billion, down 9 percent from the year-ago quarter, primarily from lower personnel expense and operational costs.

## Global Markets

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| **Total revenue, net of interest expense, FTE basis** | **$ 3,106** | $ 3,365 | $ 3,294 |
| **Total revenue, net of interest expense, FTE basis, excluding DVA [1]** | **3,688** | 3,521 | 1,585 |
| Provision for credit losses | **21** | (14) | 3 |
| Noninterest expense | **2,545** | 2,712 | 2,966 |
| **Net income (loss)** | **(359)** | 461 | (553) |
| **Net income (loss), excluding DVA and U.K. tax [1]** | **789** | 560 | (856) |
| Return on average equity, excluding DVA and U.K. tax [2] | **18.38%** | 13.14% | n/m |
| Return on average economic capital, excluding DVA and U.K. tax [2, 3] | **25.34** | 18.06 | n/m |
| Total average assets | **$ 584,332** | $ 581,952 | $ 604,333 |

1 Total revenue, net of interest expense, on an FTE basis excluding DVA is a non-GAAP financial measure. DVA gains(losses) were $(582) million, $(156) million and $1.7 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011. U.K. corporate tax rate adjustments were $781 million, $0 and $774 million for thethree months ended September 30, 2012, June 30, 2012 and September 30, 2011.

2 Return on average equity and return on average economic capital, excluding DVA and U.K. corporate tax rate adjustments are non-GAAP financial measures. Return on average equity was 10.83% for the three months ended June 30, 2012 and not meaningful for the other periods presented. Return on average economic capital was 14.90% for the three months ended June 30, 2012 and not meaningful for the other periods presented.

3 Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

n/m = not meaningful

## Business Highlights

- Total revenue, excluding the impact of DVA, increased 5 percent in the third quarter of 2012 to $3.7 billion from $3.5 billion in the prior quarter and was more than double the $1.6 billion reported in the third quarter of 2011. Sales and trading revenue, excluding the impact of DVA[4], was $3.2 billion in the third quarter of 2012, compared to $3.3 billion in the second quarter of 2012 and $1.3 billion in the third quarter of 2011.

- Sales and trading revenue for the core Fixed Income, Currency and Commodities (FICC) business of Credit, Mortgages, and Rates and Currencies grew 4 percent from the prior quarter as market conditions improved.

**Financial Overview**

Global Markets reported a net loss in thethird quarter of 2012 of $359 million, compared to a net loss of$553 million in the year-ago quarter. Excluding DVA losses and the impact of the U.K. tax change, net income was $789 million in the third quarter of 2012, compared to net income of $560 million in the second quarter of 2012 and a net loss of $856 million in the year-ago quarter. The improvement from the third quarter of 2011 was driven by higher sales and trading revenue and an increase in new issuance activity.

Global Markets revenue declined $188 million from the year-ago quarter to $3.1 billion. However, excluding DVA, revenue increased $2.1 billion to $3.7 billion, reflecting solid performance as credit markets improved and volatility declined compared to the difficult market environment in the year-ago period. The current quarter included DVA losses of $582 million, compared to DVA gains of $1.7 billion in the year-ago quarter.

Noninterest expense declined to $2.5 billion from $3.0 billion in the year-ago quarter, primarily driven by a decrease in personnel-related expense and operational costs. Income tax expense for the most recent period included a $0.8 billion charge related to the repricing of certain deferred tax assets due to a reduction in the U.K. corporate tax rate. This compares to a $0.8 billion charge in the year-ago quarter.

Fixed Income, Currency and Commodities sales and trading revenue, excluding DVA[5], was $2.5 billion in the third quarter of 2012, an increase of $2.0 billion from the year-ago quarter. Quantitative easing, spread tightening and improved mortgage markets contributed to a solid quarter. Equities sales and trading revenue, excluding DVA, was $712 million, a decline of $41 million from the year-ago quarter as volumes remained at low levels impacting commission revenue.

**All Other [1]**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| **Total revenue, net of interest expense, FTE basis** | **$ (1,040)** | $ 387 | $ 6,270 |
| Provision for credit losses | **390** | 536 | 1,374 |
| Noninterest expense | **1,336** | 857 | 757 |
| **Net income (loss)** | **(1,546)** | (341) | 4,674 |
| Total average loans | **249,831** | 257,340 | 286,753 |

1 All Other consists of two broad groupings, Equity Investments and Other. Equity Investments includes Global Principal Investments, Strategic and other investments. Other includes liquidating businesses, merger and restructuring charges, ALM activities such as the residential mortgage portfolio and investment securities, and activities including economic hedges, gains/losses on structured liabilities, the impact of certain allocation methodologies and accounting hedge ineffectiveness. Other also includes certain residential mortgage and discontinued real estate loans that are managed by Legacy Assets and Servicing within Consumer Real Estate Services.

All Other reported a net loss of $1.5 billion in the third quarter of 2012, compared to net income of $4.7 billion for the same period a year ago, primarily due to $1.3 billion in negative FVO adjustments on structured liabilities related to the improvement in the company's credit spreads, compared to positive FVO adjustments of $4.5 billion in the third quarter of 2011. Equity investment income was $165 million in the third quarter of 2012, compared to $1.4 billion in the year-ago quarter, which included a $3.6 billion gain on the sale of a portion of the company's investment in CCB partially offset by $2.2 billion of net losses related to equity and strategic investments other than CCB. Gains on the sale of debt securities totaled $327 million in the third quarter of 2012, down from $697 million in the same period a year ago.

The decrease in the provision for credit losses was driven primarily by continued improvement in credit quality in the residential mortgage portfolio as well as the sale of the Canadian consumer credit card portfolio in 2011 and improvement in remaining non-U.S. credit card delinquencies. Noninterest expense increased compared to the third quarter of 2011 as a result of higher litigation expense primarily related to the costs associated with the previously announced Merrill Lynch class action settlement and other litigation. Excluding litigation, noninterest expense decreased compared to the third quarter of 2011.

**Corporate Overview**

**Revenue and Expense**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| Net interest income, FTE basis [1] | **$ 10,167** | $ 9,782 | $ 10,739 |
| Noninterest income | **10,490** | 12,420 | 17,963 |
| **Total revenue, net of interest expense, FTE basis [1]** | **20,657** | 22,202 | 28,702 |
| **Total revenue, net of interest expense, FTE basis, excluding DVA and FVO [2]** | **22,529** | 22,422 | 22,486 |
| Provision for credit losses | **1,774** | 1,773 | 3,407 |
| Noninterest expense | **17,544** | 17,048 | 17,613 |
| **Net income** | **340** | 2,463 | 6,232 |

[1] Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release. Net interest income on a GAAP basis was $9.9 billion, $9.5 billion and $10.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011. Total revenue, net of interest expense on a GAAP basis, was $20.4 billion, $22.0 billion and $28.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011 respectively.

[2] Total revenue, net of interest expense, on an FTE basis excluding DVA and FVO adjustments is a non-GAAP financial measure. DVA gains(losses) were $(583) million, $(158) million and $1.7 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011. Valuation gains (losses) related to FVO were $(1.3) billion, $(62) million and $4.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011.

Revenue, net of interest expense, on an FTE basis, fell $8.0 billion, or 28 percent, from the third quarter of 2011, driven largely by negative FVO adjustments and net DVA losses. Excluding the impact of DVA and FVO adjustments, revenue, net of interest expense, on an FTE basis, was $22.5 billion in the third quarter of 2012, $22.4 billion in the second quarter of 2012 and $22.5 billion in the third quarter of 2011.

Net interest income, on an FTE basis decreased 5 percent from the year-ago quarter, as lower consumer loan balances were partially offset by ongoing reductions in long-term debt balances and lower rates paid on deposits. Net interest income for the third quarter of 2012 also included unfavorable market-related impacts of premium amortization of $269 million and hedge ineffectiveness of $55 million down from $319 million and $182 million in the second quarter of 2012. Relative to the second quarter of 2012, net interest income increased 4 percent.

Noninterest income decreased $7.5 billion from the year-ago quarter, driven largely by negative DVA and FVO adjustments and lower equity investment income. FVO adjustments were a negative $1.3 billion in the third quarter of 2012, compared to a positive $4.5 billion in the third quarter of 2011, and net DVA losses were $583 million, compared to net DVA gains of $1.7 billion in the year-ago period. Equity income was down $1.2 billion from the third quarter of 2011 as the year-ago period included net gains related to equity and strategic investments.

Noninterest expense was relatively flat compared to the year-ago quarter, as an increase in other general operating expense primarily related to the costs associated with the previously announced Merrill Lynch class action settlement and other litigation were offset by a decrease in personnel expense as the company continued to streamline processes and achieve cost savings. Litigation expense was $1.6 billion in the third quarter of 2012, compared to $963 million in the second quarter of 2012 and $566 million in the third quarter of 2011.

Income tax expense for the third quarter of 2012 was $770 million, resulting in a 69 percent effective tax rate. This compares to income tax expense of $1.2 billion on $7.4 billion of pretax income resulting in a 16 percent effective tax rate in the year-ago quarter. The three months ended September 30, 2012 included a $0.8 billion charge to income tax expense for the remeasurement of certain U.K. deferred tax assets.

**Credit Quality**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **September 30 2012** | June 30 2012 | September 30 2011 |
| Provision for credit losses | **$ 1,774** | $ 1,773 | $ 3,407 |
| Net charge-offs[1] | **4,122** | 3,626 | 5,086 |
| Net charge-off ratio[1, 2] | **1.86%** | 1.64% | 2.17% |

| | **At September 30 2012** | At June 30 2012 | At September 30 2011 |
|---|---|---|---|
| Nonperforming loans, leases and foreclosed properties | **$ 24,558** | $ 25,377 | $ 29,059 |
| Nonperforming loans, leases and foreclosed properties ratio [3] | **2.77%** | 2.87% | 3.15% |
| Allowance for loan and lease losses | **$ 26,233** | $ 30,288 | $ 35,082 |
| Allowance for loan and lease losses ratio [4] | **2.96%** | 3.43% | 3.81% |

1 Net charge-offs and net charge-off ratio exclude write-offs of consumer purchased credit-impaired loans of $1.7 billion.

2 Net charge-off ratios are calculated as net charge-offs divided by average outstanding loans and leases during the period; quarterly results are annualized.

3 Nonperforming loans, leases and foreclosed properties ratios are calculated as nonperforming loans, leases and foreclosed properties divided by outstanding loans, leases and foreclosed properties at the end of the period.

4 Allowance for loan and lease losses ratios are calculated as allowance for loan and lease losses divided by loans and leases outstanding at the end of the period.

Note: Ratios do not include loans measured under the fair value option.

Credit quality continued to improve in the third quarter of 2012, with net charge-offs declining across nearly all major portfolios and the provision for credit losses decreasing significantly compared to the third quarter of 2011. Additionally, 30+ days performing delinquent loans, excluding fully-insured loans, declined across all major portfolios, and reservable criticized balances also continued to decline, down 44 percent from the year-ago period.

Net charge-offs of $4.1 billion in the third quarter of 2012 increased $496 million from the second quarter of 2012 and declined $964 million from the third quarter of 2011. Included in the current period results were charge-offs of $435 million related to extinguishment of loans in connection with the National Mortgage Settlement and $478 million due to a change in treatment of loans discharged in bankruptcy, as a result of new regulatory guidance stating that such loans should be written down to collateral value irrespective of borrower payment status. Excluding these items, charge-offs improved from both prior periods, driven by fewer delinquent loans and bankruptcy filings in the Card Services portfolios. In addition, net charge-offs declined in the consumer real estate portfolios, driven by fewer delinquent loans and lower refreshed valuation losses on loans greater than 180 days past due. The improvement from a year ago was also impacted by lower net charge-offs in the core commercial portfolio.

The provision for credit losses was $1.8 billion in both the third and second quarters of 2012 and $3.4 billion in the third quarter of 2011. The provision for credit losses in the third quarter of 2012 was $2.3 billion lower than net charge-offs, resulting in a reduction in the allowance for credit losses. This included the utilization of $435 million of reserves on the loans extinguished as a part of the National Mortgage Settlement and a $166 million benefit in the PCI portfolio due to an improved home price outlook. The remaining reduction in the allowance was driven by the consumer real estate portfolios primarily due to improved home prices and continued portfolio stabilization, as well as improvement in bankruptcies and delinquencies across the Card Services portfolio.

The allowance for loan and lease losses to annualized net charge-off coverage ratio was 1.60 times in the third quarter of 2012, compared with 2.08 times in the second quarter of 2012 and 1.74 times in the third quarter of 2011. The decline in coverage was due to increased current-period charge-offs in connection with the National Mortgage Settlement and the change in the treatment of loans discharged in bankruptcy noted above, as well as a $1.7 billion reduction in the PCI allowance due primarily to the extinguishment of home equity loans in connection with the National Mortgage Settlement that were already fully reserved.

The following shows the allowance to annualized net charge-off coverage ratios for the third quarter of 2012 and the effect of the National Mortgage Settlement and the change in the treatment of loans discharged in bankruptcy as noted above, compared to the second quarter of 2012 and the third quarter of 2011.

| | Three Months Ended | | |
|---|---|---|---|
| | **September 30 2012** | **June 30 2012** | **September 30 2011** |
| Allowance for loan and lease losses/Annualized net charge-offs | **1.60x** | 2.08x | 1.74x |
| Allowance for loan and lease losses/Annualized net charge-offs (excluding National Mortgage Settlement and regulatory guidance)[1] | **2.22x** | 2.08x | 1.74x |
| Allowance for loan and lease losses/Annualized net charge-offs (excluding PCI)[2] | **1.17x** | 1.46x | 1.33x |
| Allowance for loan and lease losses/Annualized net charge-offs (excluding PCI, National Mortgage Settlement and regulatory guidance)[1] | **1.55x** | 1.46x | 1.33x |

1 Allowance for loan and lease losses/Annualized net charge-offs (excluding National Mortgage Settlement and new regulatory guidance) is a non-GAAP financial measure. Excluding the impact of the National Mortgage Settlement the allowance for loan and lease losses at September 30, 2012 would have increased $2.0 billion including the PCI allowance and $435 million excluding the PCI allowance. Excluding the impact of the new regulatory guidance the allowance for loan and lease losses would have increased $139 million including and excluding the PCI allowance. The impact on net charge-offs for the three months ended September 30, 2012 was an increase of $435 million and $478 million for the National Mortgage Settlement and new regulatory guidance.

2 Allowance for loan and lease losses/Annualized net charge-offs (excluding PCI) is a non-GAAP financial measure. Excludes valuation allowance on purchased credit-impaired loans of $7.1 billion, $9.0 billion and $8.2 billion at September 30, 2012, June 30, 2012 and September 30, 2011, respectively.

Nonperforming loans, leases and foreclosed properties were $24.6 billion at September 30, 2012, a decrease from $25.4 billion at June 30, 2012 and $29.1 billion at September 30, 2011. The September 30, 2012 balance included $1.1 billion related to the change in treatment of loans discharged in bankruptcies in accordance with new regulatory guidance, which states that such loans must be classified as nonperforming, irrespective of the delinquency status or payment history.

### Capital and Liquidity Management

| *(Dollars in millions, except per share information)* | **At September 30 2012** | At June 30 2012 | At September 30 2011 |
|---|---|---|---|
| Total shareholders' equity | **$ 238,606** | $ 235,975 | $ 230,252 |
| Tier 1 common equity (Basel 1) | **136,406** | 134,082 | 117,658 |
| Tier 1 common capital ratio (Basel 1) | **11.41 %** | 11.24 % | 8.65 % |
| Tier 1 capital ratio | **13.64** | 13.80 | 11.48 |
| Common equity ratio | **10.15** | 10.05 | 9.50 |
| Tangible book value per share[1] | **$ 13.48** | $ 13.22 | $ 13.22 |
| Book value per share | **20.40** | 20.16 | 20.80 |

1 Tangible book value per share is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

The Tier 1 common capital ratio under Basel 1 increased during the third quarter to 11.41 percent from 11.24 percent at June 30, 2012 and 8.65 percent at September 30, 2011. The Tier 1 capital ratio was 13.64 percent at September 30, 2012. This compares with 13.80 percent at June 30, 2012 and 11.48 percent at September 30, 2011.

As of September 30, 2012, the company's Tier 1 common capital ratio on a Basel 3 fully phased-in basis was estimated at 8.97 percent, up from 7.95 percent at June 30, 2012[1].

Basel 3 estimates are based on the company's current understanding of both the final U.S. market risk rules and the U.S. Basel 3 NPRs, assuming all regulatory model approvals.

At September 30, 2012, the company's total Global Excess Liquidity Sources were $380 billion, up $2 billion from thesecond quarter of 2012 and $17 billion from the third quarter of 2011, despite the continued reduction in long-term debt. Long-term debt declined by $15 billion from the prior period and $112 billion from the year-ago period. Time-to-required funding was 35 months at September 30, 2012 compared to 37 months atJune 30, 2012 and 27 months at September 30, 2011.

During the third quarter of 2012, a cash dividend of $0.01 per common share was paid and the company recorded$373 million in preferred dividends. Period-end common shares issued and outstanding were 10.78 billion and 10.13 billion for the third quarter of 2012 and 2011, respectively.

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[1] Basel 3 Tier 1 common capital ratio and common capital ratio are non-GAAP financial measures. For reconciliation to GAAP financial measures, refer to page21 of this press release. Basel 3 estimates reflect the company's current understanding of the U.S. Basel 3 NPRs and assumes all necessary regulatory model approvals.

[2] Tangible book value per share of common stock is a non-GAAP measure. Other companies may define or calculate this measure differently. For reconciliation to GAAP measures, refer to pages 25-28 of this press release.

[3] 2007 amounts are on a managed basis.

[4] Sales and trading revenue, excluding the impact of DVA, is a non-GAAP financial measure. DVA gains (losses) were $(582) million, $(156) million and $1.7 billion for thethree months ended September 30, 2012, June 30, 2012 and September 30, 2011.

[5] Fixed Income, Currency and Commodities sales and trading revenue, excluding DVA, is a non-GAAP financial measure. DVA gains(losses) were $(534) million, $(137) million and $1.5 billion for the three months ended September 30, 2012, June 30, 2012 and September 30, 2011.

*Note: Chief Executive Officer Brian Moynihan and Chief Financial Officer Bruce Thompson will discuss third-quarter 2012 results in a conference call at 8:30 a.m. ET today. The presentation and supporting materials can be accessed on the Bank of America Investor Relations Web site at [http://investor.bankofamerica.com](http://investor.bankofamerica.com). For a listen-only connection to the conference call, dial 1.877.200.4456 (U.S.) or 1.785.424.1734 (international) and the conference ID: 79795.*

Bank of America

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*Bank of America and its management may make certain statements that constitute“forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “estimates,” “intends,” “plans,” “goals,” “believes” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” The forward-looking statements made represent Bank of America's current expectations, plans or forecasts of its future results and revenues, including the goal of continuing to build momentum in online and mobile banking, consumer lending, business banking, wealth management and global banking and markets capabilities; the company's position for long-term growth; the company anticipates that it will be in compliance with any final capital rules by the proposed effective dates; Basel 3 Tier 1 common ratio estimates are expected to evolve over time along with the Basel 3 rules, and changes in businesses and economic conditions will impact these estimates; the company's liability management actions announced in 2012 that are expected to benefit quarterly net interest income by approximately $240 million; the estimates of liability and range of possible loss for various representations and warranties claims; and other similar matters. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements.*

*You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks, as well as those more fully discussed under Item 1A. “Risk Factors” of Bank of America's 2011 Annual Report on Form 10-K, and in any of Bank of America's subsequent SEC filings; the company's resolution of differences with the government-sponsored enterprises (GSEs) regarding representations and warranties repurchase claims, including with respect to mortgage insurance rescissions and foreclosure delays; the company's ability to resolve representations and warranties claims made by monolines and private-label and other investors, including as a result of any adverse court rulings, and the chance that the company could face related servicing, securities, fraud, indemnity or other claims from one or more of the monolines or private-label and other investors; if future representations and warranties losses occur in excess of the company's recorded liability and estimated range of possible loss for GSE and non-GSE exposures; uncertainties about the financial stability of several countries in the European Union (EU), the increasing risk that those countries may default on their sovereign debt or exit the EU and related stresses on financial markets, the Euro and the EU and the company's direct and indirect exposures to such risks; the uncertainty regarding the timing and final substance of any capital or liquidity standards, including the final Basel 3 requirements and their implementation for U.S. banks through rulemaking by the Federal Reserve, including anticipated requirements to hold higher levels of regulatory capital, liquidity and meet higher regulatory capital ratios as a result of final Basel 3 or other capital or liquidity standards; the negative impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the company's businesses and earnings, including as a result of additional regulatory interpretation and rulemaking and the success of the company's actions to mitigate such impacts; the company's satisfaction of its borrower assistance programs under the global settlement agreement with federal agencies and state attorneys general; adverse changes to the company's credit ratings from the major credit rating* *agencies; estimates of the fair value of certain of the company's assets and liabilities; unexpected claims, damages and fines resulting from pending or future litigation and regulatory proceedings; the company's ability to fully realize the cost savings and other anticipated benefits from Project New BAC, including in accordance with currently anticipated timeframes; and other similar matters.*

*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.*

*BofA Global Capital Management Group, LLC ("BofA Global Capital Management") is an asset management division of Bank of America Corporation. BofA Global Capital Management entities furnish investment management services and products for institutional and individual investors.*



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## Bank of America Corporation and Subsidiaries
# Selected Financial Data

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

| Summary Income Statement | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| Net interest income | $ 30,332 | $ 33,915 | $ 9,938 | $ 9,548 | $ 10,490 |
| Noninterest income | 34,342 | 34,651 | 10,490 | 12,420 | 17,963 |
| Total revenue, net of interest expense | 64,674 | 68,566 | 20,428 | 21,968 | 28,453 |
| Provision for credit losses | 5,965 | 10,476 | 1,774 | 1,773 | 3,407 |
| Goodwill impairment | — | 2,603 | — | — | — |
| Merger and restructuring charges | — | 537 | — | — | 176 |
| All other noninterest expense(1) | 53,733 | 57,612 | 17,544 | 17,048 | 17,437 |
| Income (loss) before income taxes | 4,976 | (2,662) | 1,110 | 3,147 | 7,433 |
| Income tax expense (benefit) | 1,520 | (2,117) | 770 | 684 | 1,201 |
| Net income (loss) | $ 3,456 | $ (545) | $ 340 | $ 2,463 | $ 6,232 |
| Preferred stock dividends | 1,063 | 954 | 373 | 365 | 343 |
| Net income (loss) applicable to common shareholders | $ 2,393 | $ (1,499) | $ (33) | $ 2,098 | $ 5,889 |
| | | | | | |
| Earnings (loss) per common share | $ 0.22 | $ (0.15) | $ 0.00 | $ 0.19 | $ 0.58 |
| Diluted earnings (loss) per common share | 0.22 | (0.15) | 0.00 | 0.19 | 0.56 |

| Summary Average Balance Sheet | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| Total loans and leases | $ 900,650 | $ 939,848 | $ 888,859 | $ 899,498 | $ 942,032 |
| Debt securities | 336,939 | 338,512 | 340,773 | 342,244 | 344,327 |
| Total earning assets | 1,763,600 | 1,851,736 | 1,750,275 | 1,772,568 | 1,841,135 |
| Total assets | 2,184,974 | 2,326,232 | 2,173,312 | 2,194,563 | 2,301,454 |
| Total deposits | 1,037,610 | 1,036,905 | 1,049,697 | 1,032,888 | 1,051,320 |
| Common shareholders' equity | 216,073 | 212,512 | 217,273 | 216,782 | 204,928 |
| Total shareholders' equity | 234,726 | 229,385 | 236,039 | 235,558 | 222,410 |

| Performance Ratios | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| Return on average assets | 0.21 % | n/m | 0.06 % | 0.45 % | 1.07 % |
| Return on average tangible shareholders' equity (2) | 2.89 | n/m | 0.84 | 6.16 | 17.03 |

| Credit Quality | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| Total net charge-offs | $ 11,804 | $ 16,779 | $ 4,122 | $ 3,626 | $ 5,086 |
| Net charge-offs as a % of average loans and leases outstanding(3) | 1.77 % | 2.41 % | 1.86 % | 1.64 % | 2.17 % |
| Provision for credit losses | $ 5,965 | $ 10,476 | $ 1,774 | $ 1,773 | $ 3,407 |

| | September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| Total nonperforming loans, leases and foreclosed properties(4) | $ 24,558 | $ 25,377 | $ 29,059 |
| Nonperforming loans, leases and foreclosed properties as a % of total loans, leases and foreclosed properties(3) | 2.77 % | 2.87 % | 3.15 % |
| Allowance for loan and lease losses | $ 26,233 | $ 30,288 | $ 35,082 |
| Allowance for loan and lease losses as a % of total loans and leases outstanding(3) | 2.96 % | 3.43 % | 3.81 % |

For footnotes see page 21.

**Bank of America Corporation and Subsidiaries**

## Selected Financial Data (continued)

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

**Capital Management**

| | September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| Risk-based capital [5]: | | | |
| Tier 1 common capital [6] | $ 136,406 | $ 134,082 | $ 117,658 |
| Tier 1 common capital ratio [6] | 11.41% | 11.24% | 8.65% |
| Tier 1 leverage ratio | 7.84 | 7.84 | 7.11 |
| Tangible equity ratio [7] | 7.85 | 7.73 | 7.16 |
| Tangible common equity ratio [7] | 6.95 | 6.83 | 6.25 |
| Period-end common shares issued and outstanding | 10,777,267 | 10,776,869 | 10,134,432 |

**Basel 1 to Basel 3 Reconciliation [8]**

| | September 30 2012 | June 30 2012 |
|---|---|---|
| **Regulatory capital Basel 1 to Basel 3 (fully phased-in):** | | |
| Basel 1 Tier 1 capital | $ 163,063 | $ 164,665 |
| Deduction of preferred stock, non-qualifying preferred stock and minority interest in equity accounts of consolidated subsidiaries | (26,657) | (30,583) |
| Basel 1 Tier 1 common capital | 136,406 | 134,082 |
| Deduction of defined benefit pension assets | (1,709) | (3,057) |
| Change in deferred tax asset and other threshold deductions (MSRs and significant investments) | (1,102) | (3,745) |
| Change in all other deductions, net | 1,040 | (2,459) |
| Basel 3 Tier 1 common capital | $ 134,635 | $ 124,821 |
| **Risk-weighted assets Basel 1 to Basel 3 (fully phased-in):** | | |
| Basel 1 | $ 1,195,720 | $ 1,193,422 |
| Net change in credit and other risk-weighted assets | 216,246 | 298,003 |
| Increase due to market risk amendment | 88,881 | 79,553 |
| Basel 3 | $ 1,500,847 | $ 1,570,978 |
| **Tier 1 common capital ratio:** | | |
| Basel 1 | 11.41% | 11.24% |
| Basel 3 | 8.97 | 7.95 |

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| Common shares issued | 241,329 | 49,277 | 398 | 1,265 | 1,242 |
| Average common shares issued and outstanding | 10,735,461 | 10,095,859 | 10,776,173 | 10,775,695 | 10,116,284 |
| Average diluted common shares issued and outstanding | 10,826,503 | 10,095,859 | 10,776,173 | 11,556,011 | 10,464,395 |
| Dividends paid per common share | $ 0.03 | $ 0.03 | $ 0.01 | $ 0.01 | $ 0.01 |

**Summary Period-End Balance Sheet**

| | September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| Total loans and leases | $ 893,035 | $ 892,315 | $ 932,531 |
| Total debt securities | 345,847 | 335,217 | 350,725 |
| Total earning assets | 1,756,257 | 1,737,809 | 1,797,600 |
| Total assets | 2,166,162 | 2,160,854 | 2,219,628 |
| Total deposits | 1,063,307 | 1,035,225 | 1,041,353 |
| Total shareholders' equity | 238,606 | 235,975 | 230,252 |
| Common shareholders' equity | 219,838 | 217,213 | 210,772 |
| Book value per share of common stock | $ 20.40 | $ 20.16 | $ 20.80 |
| Tangible book value per share of common stock [2] | 13.48 | 13.22 | 13.22 |

(1) Excludes merger and restructuring charges and goodwill impairment charges.
(2) Return on average tangible shareholders' equity and tangible book value per share of common stock are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate non-GAAP financial measures differently. See Reconciliations to GAAP Financial Measureson pages 25-28.
(3) Ratios do not include loans accounted for under the fair value option during the period. Charge-off ratios are annualized for the quarterly presentation.
(4) Balances do not include past due consumer credit card, consumer loans secured by real estate where repayments are insured by the Federal Housing Administration and individually insured long-term stand-by agreements (fully-insured home loans), and in general, other consumer and commercial loans not secured by real estate; purchased credit-impaired loans even though the customer may be contractually past due; nonperforming loans held-for-sale; nonperforming loans accounted for under the fair value option; and nonaccruing troubled debt restructured loans removed from the purchased credit-impaired portfolio prior to January 1, 2010.
(5) Reflects preliminary data for current period risk-based capital.
(6) Tier 1 common capital ratio equals Tier 1 capital excluding preferred stock, trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.
(7) Tangible equity ratio equals period-end tangible shareholders' equity divided by period-end tangible assets. Tangible common equity equals period-end tangible common shareholders' equity divided by period-end tangible assets. Tangible shareholders' equity and tangible assets are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate non-GAAP financial measures differently. See Reconciliations to GAAP Financial Measureson pages 25-28.
(8) As of September 30, 2012, Basel 3 estimates are based on the final U.S. market risk rules and U.S. Basel 3 NPRs.

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

More

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

**Bank of America Corporation and Subsidiaries**

## Quarterly Results by Business Segment

(Dollars in millions)

| | Third Quarter 2012 | | | | | |
|---|---|---|---|---|---|---|
| | **Consumer & Business Banking** | **Consumer Real Estate Services** | **Global Banking** | **Global Markets** | **GWIM** | **All Other** |
| Total revenue, net of interest expense (FTE basis)(1) | **$ 7,070** | **$ 3,096** | **$ 4,147** | **$ 3,106** | **$ 4,278** | **$ (1,040)** |
| Provision for credit losses | **970** | **264** | **68** | **21** | **61** | **390** |
| Noninterest expense | **4,061** | **4,224** | **2,023** | **2,545** | **3,355** | **1,336** |
| Net income (loss) | **1,285** | **(877)** | **1,295** | **(359)** | **542** | **(1,546)** |
| Return on average allocated equity | **9.47%** | **n/m** | **11.15%** | **n/m** | **11.42%** | **n/m** |
| Return on average economic capital (2) | **21.77** | **n/m** | **24.14** | **n/m** | **26.31** | **n/m** |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | **$ 133,881** | **$ 103,708** | **$ 267,390** | **n/m** | **$ 106,092** | **$ 249,831** |
| Total deposits | **480,342** | **n/m** | **252,226** | **n/m** | **253,942** | **26,742** |
| Allocated equity | **53,982** | **13,332** | **46,223** | **$ 17,068** | **18,871** | **86,563** |
| Economic capital (2) | **23,535** | **13,332** | **21,371** | **12,417** | **8,271** | **n/m** |
| **Period end** | | | | | | |
| Total loans and leases | **$ 133,308** | **$ 99,890** | **$ 272,052** | **n/m** | **$ 107,500** | **$ 246,255** |
| Total deposits | **486,857** | **n/m** | **260,030** | **n/m** | **256,114** | **24,960** |

| | Second Quarter 2012 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Total revenue, net of interest expense (FTE basis)(1) | $ 7,326 | $ 2,521 | $ 4,286 | $ 3,365 | $ 4,317 | $ 387 |
| Provision for credit losses | 1,131 | 186 | (113) | (14) | 47 | 536 |
| Noninterest expense | 4,360 | 3,552 | 2,165 | 2,712 | 3,402 | 857 |
| Net income (loss) | 1,155 | (766) | 1,407 | 461 | 547 | (341) |
| Return on average allocated equity | 8.69% | n/m | 12.31% | 10.83% | 12.24% | n/m |
| Return on average economic capital(2) | 20.29 | n/m | 26.83 | 14.90 | 30.25 | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 136,872 | $ 106,725 | $ 267,813 | n/m | $ 104,102 | $ 257,340 |
| Total deposits | 476,580 | n/m | 239,161 | n/m | 251,121 | 31,167 |
| Allocated equity | 53,452 | 14,116 | 45,958 | $ 17,132 | 17,974 | 86,926 |
| Economic capital (2) | 22,967 | 14,116 | 21,102 | 12,524 | 7,353 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 135,523 | $ 105,304 | $ 265,395 | n/m | $ 105,395 | $ 253,503 |
| Total deposits | 481,939 | n/m | 241,529 | n/m | 249,755 | 26,972 |

| | Third Quarter 2011 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Total revenue, net of interest expense (FTE basis)(1) | $ 8,127 | $ 2,822 | $ 3,951 | $ 3,294 | $ 4,238 | $ 6,270 |
| Provision for credit losses | 1,132 | 918 | (182) | 3 | 162 | 1,374 |
| Noninterest expense | 4,347 | 3,826 | 2,217 | 2,966 | 3,500 | 757 |
| Net income (loss) | 1,664 | (1,121) | 1,206 | (553) | 362 | 4,674 |
| Return on average allocated equity | 12.60% | n/m | 10.03% | n/m | 8.06% | n/m |
| Return on average economic capital(2) | 30.42 | n/m | 20.87 | n/m | 20.55 | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 151,492 | $ 120,079 | $ 268,174 | n/m | $ 102,786 | $ 286,753 |
| Total deposits | 464,256 | n/m | 246,395 | n/m | 255,882 | 52,742 |
| Allocated equity | 52,381 | 14,240 | 47,682 | $ 21,609 | 17,826 | 68,672 |
| Economic capital (2) | 21,781 | 14,240 | 22,958 | 16,954 | 7,135 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 149,739 | $ 119,823 | $ 273,547 | n/m | $ 102,362 | $ 274,270 |
| Total deposits | 465,774 | n/m | 236,565 | n/m | 251,251 | 52,946 |

(1) Fully taxable-equivalent basis is a performance measure used by management in operating the business that management believes provides investors with a more accurate picture of the interest margin for comparative purposes.

(2) Return on average economic capital is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. See Reconciliations to GAAP Financial Measures on pages 25-28.

n/m = not meaningful

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

More

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

**Bank of America Corporation and Subsidiaries**

## Year-to-Date Results by Business Segment

(Dollars in millions)

| | Nine Months Ended September 30, 2012 | | | | | |
|---|---|---|---|---|---|---|
| | **Consumer & Business Banking** | **Consumer Real Estate Services** | **Global Banking** | **Global Markets** | **GWIM** | **All Other** |
| Total revenue, net of interest expense (FTE basis)(1) | **$ 21,819** | **$ 8,291** | **$ 12,882** | **$ 10,664** | **$ 12,954** | **$ (1,266)** |
| Provision for credit losses | **2,978** | **957** | **(283)** | **(13)** | **154** | **2,172** |
| Noninterest expense | **12,672** | **11,678** | **6,364** | **8,333** | **10,201** | **4,485** |
| Net income (loss) | **3,893** | **(2,786)** | **4,292** | **900** | **1,639** | **(4,482)** |
| Return on average allocated equity | **9.73%** | **n/m** | **12.47%** | **6.87%** | **12.14%** | **n/m** |
| Return on average economic capital (2) | **22.69** | **n/m** | **27.18** | **9.42** | **29.88** | **n/m** |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | **$ 137,431** | **$ 107,051** | **$ 270,747** | **n/m** | **$ 104,416** | **$ 257,067** |
| Total deposits | **474,409** | **n/m** | **243,028** | **n/m** | **252,595** | **32,518** |
| Allocated equity | **53,462** | **14,077** | **45,967** | **$ 17,504** | **18,027** | **85,689** |
| Economic capital (2) | **22,977** | **14,077** | **21,111** | **12,868** | **7,407** | **n/m** |
| **Period end** | | | | | | |
| Total loans and leases | **$ 133,308** | **$ 99,890** | **$ 272,052** | **n/m** | **$ 107,500** | **$ 246,255** |
| Total deposits | **486,857** | **n/m** | **260,030** | **n/m** | **256,114** | **24,960** |

| | Nine Months Ended September 30, 2011 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Total revenue, net of interest expense (FTE basis)(1) | $ 25,274 | $ (6,430) | $ 13,311 | $ 12,980 | $ 13,229 | $ 10,916 |
| Provision for credit losses | 2,193 | 3,523 | (862) | (38) | 280 | 5,380 |
| Noninterest expense | 13,291 | 17,222 | 6,748 | 9,343 | 10,702 | 3,446 |
| Net income (loss) | 6,204 | (18,023) | 4,709 | 1,753 | 1,424 | 3,388 |
| Return on average allocated equity | 15.69% | n/m | 13.17% | 9.92% | 10.72% | n/m |
| Return on average economic capital(2) | 37.42 | n/m | 27.06 | 12.39 | 27.40 | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 155,829 | $ 120,772 | $ 261,766 | n/m | $ 101,953 | $ 287,625 |
| Total deposits | 462,851 | n/m | 236,151 | n/m | 256,667 | 50,201 |
| Allocated equity | 52,875 | 16,688 | 47,820 | $ 23,636 | 17,772 | 70,594 |
| Economic capital (2) | 22,225 | 14,884 | 23,291 | 19,020 | 7,064 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 149,739 | $ 119,823 | $ 273,547 | n/m | $ 102,362 | $ 274,270 |
| Total deposits | 465,774 | n/m | 236,565 | n/m | 251,251 | 52,946 |

(1) Fully taxable-equivalent basis is a performance measure used by management in operating the business that management believes provides investors with a more accurate picture of the interest margin for comparative purposes.

(2) Return on average economic capital is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. See Reconciliations to GAAP Financial Measures on pages 25-28.

n/m = not meaningful

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

**Bank of America Corporation and Subsidiaries**

## Supplemental Financial Data

(Dollars in millions)

| Fully taxable-equivalent (FTE) basis data (1) | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| Net interest income | **$ 31,002** | $ 34,629 | **$ 10,167** | $ 9,782 | $ 10,739 |
| Total revenue, net of interest expense | **65,344** | 69,280 | **20,657** | 22,202 | 28,702 |
| Net interest yield (2) | **2.35 %** | 2.50 % | **2.32 %** | 2.21 % | 2.32 % |
| Efficiency ratio | **82.23** | 87.69 | **84.93** | 76.79 | 61.37 |

| Other Data | September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| Number of banking centers - U.S. | **5,540** | 5,594 | 5,715 |
| Number of branded ATMs - U.S. | **16,253** | 16,220 | 17,752 |
| Ending full-time equivalent employees | **272,594** | 275,460 | 288,739 |

(1) FTE basis is a non-GAAP financial measure. FTE basis is a performance measure used by management in operating the business that management believes provides investors with a more accurate picture of the interest margin for comparative purposes. See Reconciliations to GAAP Financial Measures on pages 25-28.

(2) Calculation includes fees earned on primarily overnight deposits placed with the Federal Reserve and certain Foreign Central Banks of $147 million and $150 million for the nine months ended September 30, 2012 and 2011; $48 million and $52 million for the third and second quarters of 2012, and $38 million for the third quarter of 2011, respectively.

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

**Bank of America Corporation and Subsidiaries**

## Reconciliations to GAAP Financial Measures

(Dollars in millions)

The Corporation evaluates its business based on a fully taxable-equivalent basis, a non-GAAP financial measure. The Corporation believes managing the business with net interest income on a fully taxable-equivalent basis provides a more accurate picture of the interest margin for comparative purposes. Total revenue, net of interest expense, includes net interest income on a fully taxable-equivalent basis and noninterest income. The Corporation views related ratios and analyses (i.e., efficiency ratios and net interest yield) on a fully taxable-equivalent basis. To derive the fully taxable-equivalent basis, net interest income is adjusted to reflect tax exempt income on an equivalent before-tax basis with a corresponding increase in income tax expense. This measure ensures comparability of net interest income arising from taxable and tax-exempt sources. The efficiency ratio measures the costs expended to generate a dollar of revenue, and net interest yield evaluates the basis points the Corporation earns over the cost of funds.

The Corporation also evaluates its business based on the following ratios that utilize tangible equity, a non-GAAP financial measure. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of average common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible shareholders' equity measures the Corporation's earnings contribution as a percentage of average shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible common equity ratio represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible equity ratio represents total ending shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity (i.e., capital). In addition, profitability, relationship and investment models all use return on average tangible shareholders' equity as key measures to support our overall growth goals.

In addition, the Corporation evaluates its business segment results based on return on average economic capital, a non-GAAP financial measure. Return on average economic capital for the segments is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents average allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). It also believes the use of this non-GAAP financial measure provides additional clarity in assessing the segments.

In certain presentations, earnings and diluted earnings per common share, the efficiency ratio, return on average assets, return on common shareholders' equity, return on average tangible common shareholders' equity and return on average tangible shareholders' equity are calculated excluding the impact of a goodwill impairment charge of $2.6 billion recorded in the second quarter of 2011. Accordingly, these are non-GAAP financial measures.

See the tables below and on pages26-28 for reconciliations of these non-GAAP financial measures with financial measures defined by GAAP for the three months endedSeptember 30, 2012, June 30, 2012 and September 30, 2011 and the nine months ended September 30, 2012 and 2011. The Corporation believes the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate supplemental financial data differently.

| | Nine Months Ended September 30 | | Third Quarter | Second Quarter | Third Quarter |
|---|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2012 | 2011 |
| **Reconciliation of net interest income to net interest income on a fully taxable-equivalent basis** | | | | | |
| Net interest income | **$ 30,332** | $ 33,915 | **$ 9,938** | $ 9,548 | $ 10,490 |
| Fully taxable-equivalent adjustment | **670** | 714 | **229** | 234 | 249 |
| **Net interest income on a fully taxable-equivalent basis** | **$ 31,002** | $ 34,629 | **$ 10,167** | $ 9,782 | $ 10,739 |
| **Reconciliation of total revenue, net of interest expense to total revenue, net of interest expense on a fully taxable-equivalent basis** | | | | | |
| Total revenue, net of interest expense | **$ 64,674** | $ 68,566 | **$ 20,428** | $ 21,968 | $ 28,453 |
| Fully taxable-equivalent adjustment | **670** | 714 | **229** | 234 | 249 |
| **Total revenue, net of interest expense on a fully taxable-equivalent basis** | **$ 65,344** | $ 69,280 | **$ 20,657** | $ 22,202 | $ 28,702 |
| **Reconciliation of total noninterest expense to total noninterest expense, excluding goodwill impairment charge** | | | | | |
| Total noninterest expense | **$ 53,733** | $ 60,752 | **$ 17,544** | $ 17,048 | $ 17,613 |
| Goodwill impairment charge | **—** | (2,603) | **—** | — | — |
| **Total noninterest expense, excluding goodwill impairment charge** | **$ 53,733** | $ 58,149 | **$ 17,544** | $ 17,048 | $ 17,613 |
| **Reconciliation of income tax expense (benefit) to income tax expense (benefit) on a fully taxable-equivalent basis** | | | | | |
| Income tax expense (benefit) | **$ 1,520** | $ (2,117) | **$ 770** | $ 684 | $ 1,201 |
| Fully taxable-equivalent adjustment | **670** | 714 | **229** | 234 | 249 |
| **Income tax expense (benefit) on a fully taxable-equivalent basis** | **$ 2,190** | $ (1,403) | **$ 999** | $ 918 | $ 1,450 |
| **Reconciliation of net income (loss) to net income, excluding goodwill impairment charge** | | | | | |
| Net income (loss) | **$ 3,456** | $ (545) | **$ 340** | $ 2,463 | $ 6,232 |
| Goodwill impairment charge | **—** | 2,603 | **—** | — | — |
| **Net income, excluding goodwill impairment charge** | **$ 3,456** | $ 2,058 | **$ 340** | $ 2,463 | $ 6,232 |
| **Reconciliation of net income (loss) applicable to common shareholders to net income (loss) applicable to common shareholders, excluding goodwill impairment charge** | | | | | |
| Net income (loss) applicable to common shareholders | **$ 2,393** | $ (1,499) | **$ (33)** | $ 2,098 | $ 5,889 |
| Goodwill impairment charge | **—** | 2,603 | **—** | — | — |
| **Net income (loss) applicable to common shareholders, excluding goodwill impairment charge** | **$ 2,393** | $ 1,104 | **$ (33)** | $ 2,098 | $ 5,889 |

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

**Bank of America Corporation and Subsidiaries**

## Reconciliations to GAAP Financial Measures (continued)

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| **Reconciliation of average common shareholders' equity to average tangible common shareholders' equity** | | | | | |
| Common shareholders' equity | **$ 216,073** | $ 212,512 | **$ 217,273** | $ 216,782 | $ 204,928 |
| Goodwill | **(69,973)** | (72,903) | **(69,976)** | (69,976) | (71,070) |
| Intangible assets (excluding mortgage servicing rights) | **(7,531)** | (9,386) | **(7,194)** | (7,533) | (9,005) |
| Related deferred tax liabilities | **2,627** | 2,939 | **2,556** | 2,626 | 2,852 |
| **Tangible common shareholders' equity** | **$ 141,196** | $ 133,162 | **$ 142,659** | $ 141,899 | $ 127,705 |
| **Reconciliation of average shareholders' equity to average tangible shareholders' equity** | | | | | |
| Shareholders' equity | **$ 234,726** | $ 229,385 | **$ 236,039** | $ 235,558 | $ 222,410 |
| Goodwill | **(69,973)** | (72,903) | **(69,976)** | (69,976) | (71,070) |
| Intangible assets (excluding mortgage servicing rights) | **(7,531)** | (9,386) | **(7,194)** | (7,533) | (9,005) |
| Related deferred tax liabilities | **2,627** | 2,939 | **2,556** | 2,626 | 2,852 |
| **Tangible shareholders' equity** | **$ 159,849** | $ 150,035 | **$ 161,425** | $ 160,675 | $ 145,187 |
| **Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity** | | | | | |
| Common shareholders' equity | **$ 219,838** | $ 210,772 | **$ 219,838** | $ 217,213 | $ 210,772 |
| Goodwill | **(69,976)** | (70,832) | **(69,976)** | (69,976) | (70,832) |
| Intangible assets (excluding mortgage servicing rights) | **(7,030)** | (8,764) | **(7,030)** | (7,335) | (8,764) |
| Related deferred tax liabilities | **2,494** | 2,777 | **2,494** | 2,559 | 2,777 |
| **Tangible common shareholders' equity** | **$ 145,326** | $ 133,953 | **$ 145,326** | $ 142,461 | $ 133,953 |
| **Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity** | | | | | |
| Shareholders' equity | **$ 238,606** | $ 230,252 | **$ 238,606** | $ 235,975 | $ 230,252 |
| Goodwill | **(69,976)** | (70,832) | **(69,976)** | (69,976) | (70,832) |
| Intangible assets (excluding mortgage servicing rights) | **(7,030)** | (8,764) | **(7,030)** | (7,335) | (8,764) |
| Related deferred tax liabilities | **2,494** | 2,777 | **2,494** | 2,559 | 2,777 |
| **Tangible shareholders' equity** | **$ 164,094** | $ 153,433 | **$ 164,094** | $ 161,223 | $ 153,433 |
| **Reconciliation of period-end assets to period-end tangible assets** | | | | | |
| Assets | **$ 2,166,162** | $ 2,219,628 | **$ 2,166,162** | $ 2,160,854 | $ 2,219,628 |
| Goodwill | **(69,976)** | (70,832) | **(69,976)** | (69,976) | (70,832) |
| Intangible assets (excluding mortgage servicing rights) | **(7,030)** | (8,764) | **(7,030)** | (7,335) | (8,764) |
| Related deferred tax liabilities | **2,494** | 2,777 | **2,494** | 2,559 | 2,777 |
| **Tangible assets** | **$ 2,091,650** | $ 2,142,809 | **$ 2,091,650** | $ 2,086,102 | $ 2,142,809 |
| **Book value per share of common stock** | | | | | |
| Common shareholders' equity | **$ 219,838** | $ 210,772 | **$ 219,838** | $ 217,213 | $ 210,772 |
| Ending common shares issued and outstanding | **10,777,267** | 10,134,432 | **10,777,267** | 10,776,869 | 10,134,432 |
| **Book value per share of common stock** | **$ 20.40** | $ 20.80 | **$ 20.40** | $ 20.16 | $ 20.80 |
| **Tangible book value per share of common stock** | | | | | |
| Tangible common shareholders' equity | **$ 145,326** | $ 133,953 | **$ 145,326** | $ 142,461 | $ 133,953 |
| Ending common shares issued and outstanding | **10,777,267** | 10,134,432 | **10,777,267** | 10,776,869 | 10,134,432 |
| **Tangible book value per share of common stock** | **$ 13.48** | $ 13.22 | **$ 13.48** | $ 13.22 | $ 13.22 |

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

**Bank of America Corporation and Subsidiaries**

## Reconciliations to GAAP Financial Measures (continued)

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|---|---|
| **Reconciliation of return on average economic capital** | | | | | |
| **Consumer & Business Banking** | | | | | |
| Reported net income | $ 3,893 | $ 6,204 | $ 1,285 | $ 1,155 | $ 1,664 |
| Adjustment related to intangibles(1) | 10 | 15 | 3 | 4 | 6 |
| **Adjusted net income** | $ 3,903 | $ 6,219 | $ 1,288 | $ 1,159 | $ 1,670 |
| Average allocated equity | $ 53,462 | $ 52,875 | $ 53,982 | $ 53,452 | $ 52,381 |
| Adjustment related to goodwill and a percentage of intangibles | (30,485) | (30,650) | (30,447) | (30,485) | (30,600) |
| **Average economic capital** | $ 22,977 | $ 22,225 | $ 23,535 | $ 22,967 | $ 21,781 |
| **Consumer Real Estate Services** | | | | | |
| Reported net loss | $ (2,786) | $ (18,023) | $ (877) | $ (766) | $ (1,121) |
| Adjustment related to intangibles(1) | — | — | — | — | — |
| Goodwill impairment charge | — | 2,603 | — | — | — |
| **Adjusted net loss** | $ (2,786) | $ (15,420) | $ (877) | $ (766) | $ (1,121) |
| Average allocated equity | $ 14,077 | $ 16,688 | $ 13,332 | $ 14,116 | $ 14,240 |
| Adjustment related to goodwill and a percentage of intangibles (excluding mortgage servicing rights) | — | (1,804) | — | — | — |
| **Average economic capital** | $ 14,077 | $ 14,884 | $ 13,332 | $ 14,116 | $ 14,240 |
| **Global Banking** | | | | | |
| Reported net income | $ 4,292 | $ 4,709 | $ 1,295 | $ 1,407 | $ 1,206 |
| Adjustment related to intangibles(1) | 3 | 5 | 1 | 1 | 2 |
| **Adjusted net income** | $ 4,295 | $ 4,714 | $ 1,296 | $ 1,408 | $ 1,208 |
| Average allocated equity | $ 45,967 | $ 47,820 | $ 46,223 | $ 45,958 | $ 47,682 |
| Adjustment related to goodwill and a percentage of intangibles | (24,856) | (24,529) | (24,852) | (24,856) | (24,724) |
| **Average economic capital** | $ 21,111 | $ 23,291 | $ 21,371 | $ 21,102 | $ 22,958 |
| **Global Markets** | | | | | |
| Reported net income (loss) | $ 900 | $ 1,753 | $ (359) | $ 461 | $ (553) |
| Adjustment related to intangibles(1) | 7 | 9 | 2 | 3 | 3 |
| **Adjusted net income (loss)** | $ 907 | $ 1,762 | $ (357) | $ 464 | $ (550) |
| Average allocated equity | $ 17,504 | $ 23,636 | $ 17,068 | $ 17,132 | $ 21,609 |
| Adjustment related to goodwill and a percentage of intangibles | (4,636) | (4,616) | (4,651) | (4,608) | (4,655) |
| **Average economic capital** | $ 12,868 | $ 19,020 | $ 12,417 | $ 12,524 | $ 16,954 |
| **Global Wealth & Investment Management** | | | | | |
| Reported net income | $ 1,639 | $ 1,424 | $ 542 | $ 547 | $ 362 |
| Adjustment related to intangibles(1) | 18 | 23 | 6 | 6 | 7 |
| **Adjusted net income** | $ 1,657 | $ 1,447 | $ 548 | $ 553 | $ 369 |
| Average allocated equity | $ 18,027 | $ 17,772 | $ 18,871 | $ 17,974 | $ 17,826 |
| Adjustment related to goodwill and a percentage of intangibles | (10,620) | (10,708) | (10,600) | (10,621) | (10,691) |
| **Average economic capital** | $ 7,407 | $ 7,064 | $ 8,271 | $ 7,353 | $ 7,135 |

For footnote see page28.

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

**Bank of America Corporation and Subsidiaries**

## Reconciliations to GAAP Financial Measures (continued)

(Dollars in millions)

| | Nine Months Ended September 30 | | Third Quarter | Second Quarter | Third Quarter |
|---|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2012 | 2011 |
| **Consumer & Business Banking** | | | | | |
| Deposits | | | | | |
| Reported net income | **$ 702** | $ 1,063 | **$ 207** | $ 187 | $ 280 |
| Adjustment related to intangibles[1] | **1** | 2 | **—** | 1 | 1 |
| **Adjusted net income** | **$ 703** | $ 1,065 | **$ 207** | $ 188 | $ 281 |
| Average allocated equity | **$ 24,078** | $ 23,692 | **$ 25,047** | $ 23,982 | $ 23,819 |
| Adjustment related to goodwill and a percentage of intangibles | **(17,926)** | (17,952) | **(17,920)** | (17,926) | (17,947) |
| **Average economic capital** | **$ 6,152** | $ 5,740 | **$ 7,127** | $ 6,056 | $ 5,872 |
| Card Services | | | | | |
| Reported net income | **$ 2,962** | $ 4,783 | **$ 994** | $ 929 | $ 1,267 |
| Adjustment related to intangibles[1] | **9** | 13 | **3** | 3 | 5 |
| **Adjusted net income** | **$ 2,971** | $ 4,796 | **$ 997** | $ 932 | $ 1,272 |
| Average allocated equity | **$ 20,553** | $ 21,302 | **$ 20,463** | $ 20,525 | $ 20,755 |
| Adjustment related to goodwill and a percentage of intangibles | **(10,461)** | (10,603) | **(10,429)** | (10,460) | (10,561) |
| **Average economic capital** | **$ 10,092** | $ 10,699 | **$ 10,034** | $ 10,065 | $ 10,194 |
| Business Banking | | | | | |
| Reported net income | **$ 229** | $ 358 | **$ 84** | $ 39 | $ 117 |
| Adjustment related to intangibles[1] | **—** | — | **—** | — | — |
| **Adjusted net income** | **$ 229** | $ 358 | **$ 84** | $ 39 | $ 117 |
| Average allocated equity | **$ 8,831** | $ 7,881 | **$ 8,472** | $ 8,945 | $ 7,807 |
| Adjustment related to goodwill and a percentage of intangibles | **(2,098)** | (2,095) | **(2,098)** | (2,099) | (2,092) |
| **Average economic capital** | **$ 6,733** | $ 5,786 | **$ 6,374** | $ 6,846 | $ 5,715 |

(1) Represents cost of funds, earnings credits and certain expenses related to intangibles.

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

# Bank of America
# 3Q12 Financial Results

October 17, 2012

# Forward-Looking Statements

Bank of America and its management may make certain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipates," "targets," "expects," "hopes," "estimates," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." The forward-looking statements made in this presentation represent Bank of America's current expectations, plans or forecasts of its future results and revenues and include statements that the Tier 1 common capital ratio will increase in the event that U.S. regulators assess a countercyclical buffer requirement for any country and that any such assessment will generally be announced twelve months prior to the effective date of the assessment; Basel 1 and Basel 3 capital measures will be impacted by future changes in interest rates and earnings performance; the Company is well positioned for Basel 3; the Company expects net interest income savings due to additional liability management actions announced in early October of approximately \$50MM in 2012 and \$300MM in 2013, and a loss upon redemption of \$100MM in 4Q12; near term outlook for net interest income includes benefits from liability management actions; the Company expects to bring down long-term debt, both by maturities and liability management, consistent with the overall goal of continuing to optimize net interest income; the impact of additional liability management actions and long-term debt maturities are expected to help offset headwinds from continued pressure on consumer loan balances and investment security portfolio re-pricing; the Company is on track to meet its commitments related to extended credit of \$6.2B in small business lending; declines in 60+ days delinquent loan trends are expected to continue; total staffing will drop in 4Q12 and expenses will be down as the Company continues to decrease delinquent loans in the servicing portfolio as well as reduce overall servicing costs; 21 percent is estimated to be the tax rate for the rest of the year except for unusual items that may come up; going forward, the Company believes that most products will soon stabilize, overall reserve reductions are expected to continue throughout the remainder of 2012 although at significantly reduced levels, and consequently provision expense in 4Q12 will be higher but not as high as experienced in 1Q12; estimates of liability and range of possible loss for various representations and warranties claims; the Company expects to generate \$8B in cost savings via New BAC over the next few years; focus will shift from the fundamentals of capital build and expense reductions toward all areas of core growth; and other similar matters.

These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks, as well as those more fully discussed under Item 1A. "Risk Factors" of Bank of America's 2011 Annual Report on Form 10-K, and in any of Bank of America's subsequent SEC filings: the Company's resolution of differences with the GSEs regarding representations and warranties repurchase claims, including with respect to mortgage insurance rescissions, and foreclosure delays; the Company's ability to resolve representations and warranties claims made by monolines and private-label and other investors, including as a result of any adverse court rulings, and the chance that the Company could face related servicing, securities, fraud, indemnity or other claims from one or more of the monolines or private-label and other investors; if future representations and warranties losses occur in excess of the Company's recorded liability and estimated range of possible loss for GSE and non-GSE exposures; uncertainties about the financial stability of several countries in the European Union (EU), the increasing risk that those countries may default on their sovereign debt or exit the EU, and the related stresses on financial markets, the Euro and the EU and the Company's direct and indirect exposures to such risks; the uncertainty regarding the timing and final substance of any capital or liquidity standards, including the final Basel 3 requirements and their implementation for U.S. banks through rulemaking by the Federal Reserve, including anticipated requirements to hold higher levels of regulatory capital, liquidity and meet higher regulatory capital ratios as a result of final Basel 3 or other capital or liquidity standards; the negative impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the Company's businesses and earnings, including as a result of additional regulatory interpretation and rulemaking and the success of the Company's actions to mitigate such impacts; the Company's satisfaction of its borrower assistance programs under the global settlement agreement with federal agencies and state attorneys general (National Mortgage Settlement); adverse changes to the Company's credit ratings from the major credit rating agencies; estimates of the fair value of certain of the Company's assets and liabilities; unexpected claims, damages and fines resulting from pending or future litigation and regulatory proceedings; the Company's ability to fully realize the cost savings and other anticipated benefits from Project New BAC, including in accordance with currently anticipated timeframes; and other similar matters.

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.

# Important Presentation Information

- The information contained herein is preliminary and based on company data available at the time of the earnings presentation. It speaks only as of the particular date or dates included in the accompanying slides. Bank of America does not undertake an obligation to, and disclaims any duty to, update any of the information provided
- Certain prior period amounts have been reclassified to conform to current period presentation
- The Company's estimates under Basel 3 are based on its current understanding of both the final U.S. market risk rules and the U.S. Basel 3 Advanced NPR, assuming all relevant regulatory model approvals. These estimates under Basel 3 will evolve over time as the Company's businesses change and as a result of further rulemaking or clarification by U.S. regulatory agencies. The final U.S. market risk rules and U.S. Basel 3 Advanced NPR require approval by banking regulators of certain models used as part of risk-weighted asset calculations. If these models are not approved, the Company's capital ratio would likely be adversely impacted, which in some cases could be significant. In addition to Basel 1 requirements and capital ratios, these estimates assist management, investors and analysts in assessing capital adequacy and comparability under Basel 3 capital standards to other financial services companies. The Company continues to evaluate the potential impact of proposed rules and anticipates it will be in compliance with any final rules by the proposed effective dates
- Certain financial measures contained herein represent non-GAAP financial measures. For more information about the non-GAAP financial measures contained herein, please see the presentation of the most directly comparable financial measures calculated in accordance with GAAP and accompanying reconciliations in the earnings press release for the quarter ended September 30, 2012 and other earnings-related information available through the Bank of America Investor Relations web site at: http://investor.bankofamerica.com

# 3Q12 Earnings Results

## 3Q12 Summary Income Statement ($B except EPS)

| | |
|---|---|
| Total revenue, net of interest expense [1, 2] | $20.6 |
| Noninterest expense | 17.5 |
| Pre-tax pre-provision earnings [1] | 3.1 |
| Provision for credit losses | 1.8 |
| Income before income taxes | 1.3 |
| Income tax expense [1, 2] | 1.0 |
| Net income | $0.3 |
| Diluted loss per share [3] | $0.00 |

- Earnings of $0.3B, or $0.00 per diluted share, include previously announced charges as follows
  - Pre-tax charges against revenue of $1.3B for fair value option (FVO) adjustments and $0.6B for debit valuation adjustments (DVA) related to improvements in our own credit spreads
  - $1.6B pre-tax total litigation expense, including charge for the Merrill Lynch class action settlement
  - $0.8B charge to tax expense related to reduction in the U.K. tax rate
  - Combined impact to EPS of $0.28

[1] Fully taxable-equivalent (FTE) basis. Represents a non-GAAP financial measure.
[2] On a GAAP basis, total revenue, net of interest expense, and income tax expense were $20.4B and $770MM for 3Q12. For reconciliation to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
[3] Net loss applicable to common shareholders' was $33MM for 3Q12.

# Core Earnings Focus Producing Results

- Ending deposits grew $28B, or 2.7% (11% annualized) over 2Q12, and rates paid declined 2bps to 18bps
- Net interest income improved as liability management actions continue to bring down funding costs
- First-lien mortgage production increased 13% over 2Q12, and profitability in the Home Loans business improved 14%
- Wealth Management business long-term AUM flows and pre-tax margin remained solid
- Ending loans in our Global Banking segment grew 2.5% (10% annualized) over 2Q12
- Investment banking fees showed strong momentum, growing 17% over 2Q12 and 42% over 3Q11
- Continued to invest in mortgage lending, small business banking and financial advisors
- 60+ days delinquent loans in our Legacy Assets & Servicing (LAS) business declined 126K, or 12% from 2Q12
- Full-time equivalent employees declined 3K from 2Q12 to 272K as New BAC initiatives are being implemented

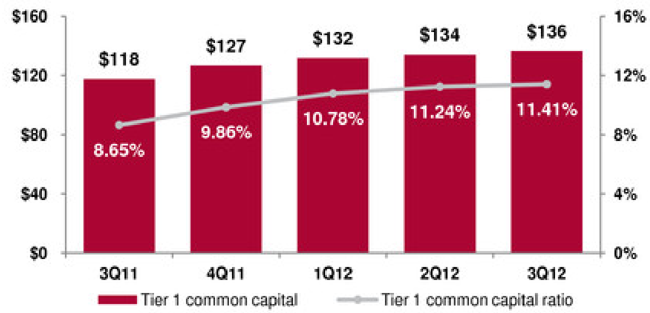
# Balance Sheet Highlights – End of Period

| $ in billions, except per share amounts | 3Q12 | Inc / (Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Total assets | $2,166.2 | $5.3 | ($53.5) |
| Total risk-weighted assets | 1,195.7 | 2.3 | (163.8) |
| Total deposits | 1,063.3 | 28.1 | 22.0 |
| Long-term debt | 286.5 | (15.3) | (112.4) |
| Tangible common shareholders' equity [1] | 145.3 | 2.8 | 11.3 |
| Tangible common equity ratio [1] | 6.95% | 12bps | 70bps |
| Common shareholders' equity | $219.8 | $2.6 | $9.0 |
| Common equity ratio | 10.15% | 10bps | 65bps |
| Tier 1 common capital | $136.4 | $2.3 | $18.7 |
| Tier 1 common capital ratio | 11.41% | 17bps | 276bps |
| Tangible book value per common share [1] | $13.48 | $0.26 | $0.26 |
| Book value per common share | 20.40 | 0.24 | (0.40) |
| Outstanding common shares (in billions) | 10.78 | - | 0.64 |
| Global excess liquidity sources | 380 | 2 | 17 |
| | | | |
| Allowance for loan and lease losses | $26.2 | ($4.1) | ($8.9) |
| Coverage of annualized net charge-offs | 1.6x | (0.5)x | (0.1)x |
| Coverage of annualized net charge-offs excl. NMS/BK change [1] | 2.2x | 0.1x | 0.5x |
| Coverage of annualized net charge-offs excl. Countrywide (CFC) PCI [1] | 1.2x | (0.3)x | (0.2)x |
| Coverage of annualized net charge-offs excl. CFC PCI, NMS/BK change [1] | 1.6x | 0.1x | 0.2x |
| Liability for representations and warranties | $16.3 | $0.3 | $- |

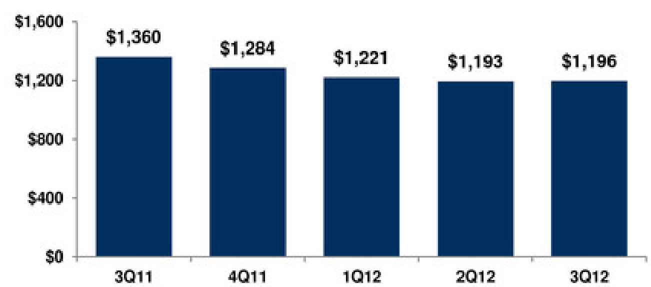
[1] Represents a non-GAAP financial measure. For reconciliation to GAAP financial measures, see the accompanying reconciliations in the earnings press release, other earnings-related information and slide 40. NMS/BK refers to the impacts from the National Mortgage Settlement and a change from new regulatory guidance on treatment of loans discharged in Chapter 7 bankruptcy as described on slide 21 of this presentation.

# Capital Improvement Further Strengthens Balance Sheet

Tier 1 Common Capital ($B)




Risk-weighted Assets ($B)




**Basel 1 Commentary**

- Tier 1 common capital improved $2B from 2Q12 and the Tier 1 common capital ratio improved 17bps
- 3Q12 earnings included a $1.3B FVO charge and an $0.8B charge related to a change in U.K. corporate tax rate that did not impact regulatory capital
- Risk-weighted assets remained relatively flat compared to 2Q12

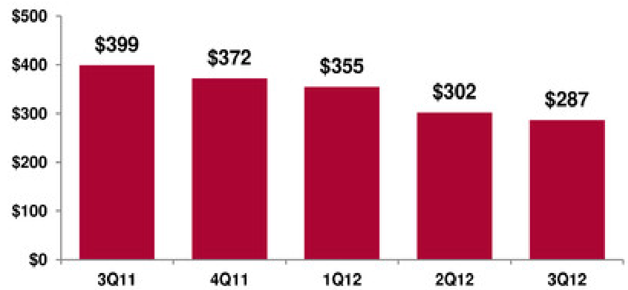
**Basel 3 Commentary**

- Tier 1 common capital ratio estimated to be 8.97% at 3Q12 on a fully phased-in basis under the final U.S. market risk rules and U.S. Basel 3 NPRs [1]
  - Improved 102 bps from 2Q12 estimate of 7.95% [1] (BAC provided a 2Q12 estimate of 8.10% based on BIS Basel 3 guidelines)
  - Tier 1 common capital estimated at $134.6B, up $7.8B from 2Q12 [1]
    - Pre-tax improvements in Other Comprehensive Income (OCI) and lower valuation of Mortgage Servicing Rights in the aggregate of $3.2B contributed 21bps to the ratio
  - Risk-weighted assets decreased from 2Q12 to an estimated $1.501T driven primarily by changes in the composition of our portfolio and improved credit quality [1]

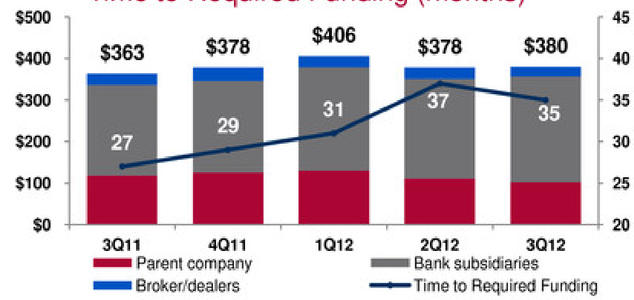
[1] Represents a non-GAAP financial measure. For important presentation information, see slide 3 and reconciliations on slide 39.

# Funding and Liquidity

Long-term Debt ($B)




Global Excess Liquidity Sources ($B) and Time to Required Funding (months) [1, 2]



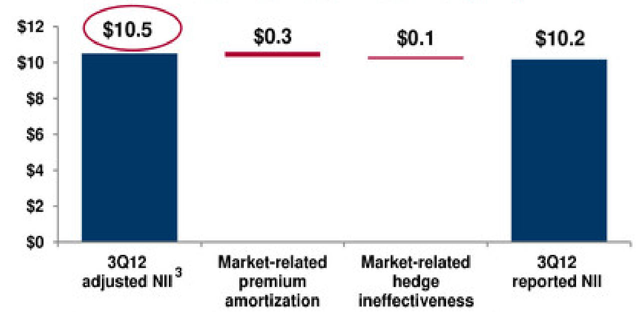

- Long-term debt down $15B while overall Global Excess Liquidity Sources increased modestly
  - Long-term debt 3Q12 highlights
    - $6.2B of liability management actions completed which consisted primarily of parent redemptions of TRUPs and subordinated debt
    - $12B parent company contractual maturities
  - Announced $5.1B additional liability management actions in early October
    - Expect net interest income savings of approximately $50MM in 4Q12, $300MM in 2013; loss upon redemption of $100MM to be recorded in 4Q12
  - Global Excess Liquidity Sources activity
    - Parent company liquidity remains strong at $102B, only a $9B decline from 2Q12 as subsidiary capital actions partially offset contractual debt maturities and liability management
    - Time to required funding at 35 months; well above our target range of 21 to 24 months

[1] Global Excess Liquidity Sources include cash and high-quality, liquid, unencumbered securities, limited to U.S. government securities, U.S. agency securities, U.S. agency MBS, and a select group of non-U.S. government and supranational securities, and are readily available to meet funding requirements as they arise. It does not include Federal Reserve Discount Window or Federal Home Loan Bank borrowing capacity. Transfers of liquidity from the bank or broker/dealer subsidiaries are subject to certain regulatory restrictions.

[2] Time to required funding is a debt coverage measure and is expressed as the number of months unsecured holding company obligations of both Bank of America Corporation and Merrill Lynch & Co., Inc. can be met using only its Global Excess Liquidity Sources without issuing debt or sourcing additional liquidity. For 3Q11 through 3Q12, we have included in the amount of unsecured contractual obligations items announced prior to the end of 3Q12: the $8.6B liability, including estimated costs, for the previously announced BNY Mellon settlement; the September 28, 2012 announced legal settlement of $2.4B; and the remaining previously announced subordinated debt calls of $0.2B that will settle in 4Q12.

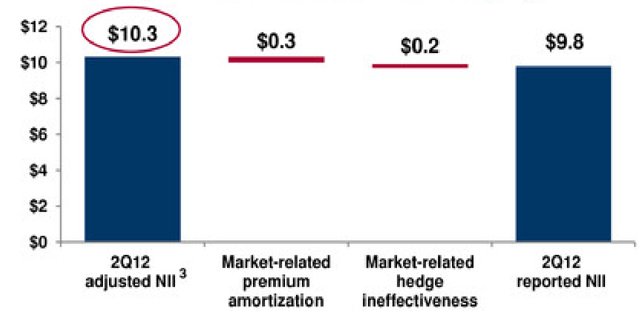
# Net Interest Income

## 3Q12 Net Interest Income ($B) [1,2]




| NIY | 2.39% | (0.06%) | (0.01%) | 2.32% |
|---|---|---|---|---|

## 2Q12 Net Interest Income ($B) [1]




| NIY | 2.32% | (0.07%) | (0.04%) | 2.21% |
|---|---|---|---|---|

- 3Q12 net interest income and net interest yield increased $0.4B and 11bps from 2Q12, partially due to less negative market-related impacts of premium amortization expense on securities and hedge ineffectiveness
- 3Q12 adjusted net interest income of $10.5B increased $0.2B and net interest yield improved 7bps over 2Q12
  - Reductions in long-term debt including liability management actions drove the improvement
  - Trading-related net interest income improved from 2Q12
  - Partially offsetting these increases are lower consumer loan balances and yields and lower investment security yields
- Near term outlook for net interest income includes benefits from debt reductions including liability management actions

[1] FTE basis. Represents a non-GAAP financial measure. On a GAAP basis, reported net interest income was $9.9B and $9.5B for 3Q12 and 2Q12. For reconciliation to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
[2] Amounts may not total due to rounding.
[3] Represents a non-GAAP financial measure.

# Consumer & Business Banking (CBB)

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Net interest income [1] | $4,651 | ($54) | ($498) |
| Noninterest income | 2,419 | (202) | (559) |
| Total revenue, net of interest expense [1] | 7,070 | (256) | (1,057) |
| Provision for credit losses | 970 | (161) | (162) |
| Noninterest expense | 4,061 | (299) | (286) |
| Income tax expense [1] | 754 | 74 | (230) |
| Net income | $1,285 | $130 | ($379) |

| Key Indicators ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average deposits | $480.3 | $476.6 | $464.3 |
| End of period deposits | 486.9 | 481.9 | 465.8 |
| Average loans | 133.9 | 136.9 | 151.5 |
| End of period loans | 133.3 | 135.5 | 149.7 |
| Return on average economic capital [2] | 21.8% | 20.3% | 30.4% |

- Net income of $1.3B increased $130MM from 2Q12
- Net interest income of $4.7B decreased modestly due to compressed deposit spreads
- Noninterest income decreased $202MM due to the 3Q12 impact of our consumer protection products and, to a lesser degree, gains from loan portfolio divestitures in 2Q12
- Provision expense decreased $161MM from 2Q12 due to improvements in delinquencies and bankruptcies
  - Net charge-offs improved $170MM from 2Q12
- Noninterest expense decreased $299MM from 2Q12 primarily from lower interchange litigation costs and lower operating expenses

[1] FTE basis.

[2] Calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Represents a non-GAAP financial measure. For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

# CBB Key Indicators

| Deposits ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average deposits | $436.7 | $433.8 | $422.3 |
| End of period deposits | 442.9 | 439.5 | 424.3 |
| Client brokerage assets | 75.9 | 72.2 | 61.9 |
| Rate paid on deposits | 0.20% | 0.20% | 0.25% |
| Mobile banking customers (MM) | 11.1 | 10.3 | 8.5 |
| Number of banking centers | 5,540 | 5,594 | 5,715 |

| Card Services ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average loans and leases | $109.7 | $112.1 | $123.5 |
| End of period loans and leases | 109.4 | 111.1 | 122.2 |
| U.S. credit card 30+ days delinquency ratio | 3.1% | 3.1% | 3.9% |
| U.S. credit card 90+ days delinquency ratio | 1.6% | 1.7% | 2.1% |
| U.S. credit card net charge-offs as a % of avg. loans | 4.6% | 5.3% | 6.3% |
| Credit card purchase volumes | $53.8 | $54.4 | $53.6 |
| Debit card purchase volumes | 64.1 | 64.9 | 62.8 |

| Business Banking ($ in billions) - (including Small Business) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average deposits | $43.3 | $42.5 | $41.6 |
| End of period deposits | 43.1 | 41.6 | 41.2 |
| Average loans and leases | 23.4 | 24.0 | 27.3 |
| End of period loans and leases | 23.2 | 23.7 | 26.8 |

**Deposits**

- Average deposits increased $2.9B from 2Q12
- Average rate paid held steady with 2Q12 at 20bps and improved 5bps from 3Q11
- Mobile Banking customers of 11.1MM, up 8% from 2Q12 and 30% from 3Q11
  - 1.7MM checks deposited utilizing Mobile Check Deposits, a capability introduced in 3Q12
- Banking centers declined as we continued to optimize our delivery network around customer behaviors

**Card Services**

- Average loans declined $2.4B from 2Q12
  - Excluding run-off and prior quarter non-core portfolio sales, average loans declined approximately $600MM
- U.S. credit card loss rate of 4.60%, lowest since 3Q06 and the 30+ days delinquencies rate is at a historic low
- New U.S. credit card accounts opened year to date grew 8% from 2011
- Retail credit spend per average active account is up 6% over 3Q11

**Business Banking (including Small Business)**

- Average deposits increased $819MM and average loans decreased $650MM from 2Q12
- As part of our commitment to small business lending, we extended credit of $6.2B YTD and are on track to meet our targets

# Consumer Real Estate Services (CRES)

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Net interest income [1] | $729 | $15 | ($193) |
| Noninterest income | 2,367 | 560 | 467 |
| Total revenue, net of interest expense [1] | 3,096 | 575 | 274 |
| Provision for credit losses | 264 | 78 | (654) |
| Noninterest expense | 4,224 | 672 | 398 |
| Income tax benefit [1] | (515) | (64) | 286 |
| Net loss | ($877) | ($111) | $244 |

| Key Indicators ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average loans and leases | $103.7 | $106.7 | $120.1 |
| Total Corporation home loan originations: | | | |
| First mortgage | 20.3 | 18.0 | 33.0 |
| *Retail* | *20.3* | *18.0* | *17.1* |
| *Correspondent* | *-* | *-* | *15.9* |
| Home equity | 0.9 | 0.9 | 0.8 |
| MSR, end of period (EOP) | 5.1 | 5.7 | 7.9 |
| Capitalized MSR (bps) | 45 | 47 | 52 |
| Serviced for investors (EOP, in trillions) | 1.1 | 1.2 | 1.5 |
| Servicing income | 1.6 | 1.3 | 1.3 |
| Core production income | 0.9 | 0.9 | 0.8 |

- 3Q12 net loss of $877MM, an increase of $111MM from 2Q12
  - Home Loans recorded a profit of $264MM [2]
  - Legacy Assets & Servicing lost $1.1B [2]
- First-lien mortgage originations increased 13% to $20B
- Revenue, net of interest expense, increased $575MM from 2Q12
  - Servicing revenue improved due to favorable MSR results, net of hedge performance, partially offset by a decrease in servicing fees driven by a smaller servicing portfolio
  - Total production income increased $145MM
    - Representations and warranties provision was $307MM in 3Q12 compared to $395MM in 2Q12
  - Higher other income driven by the sale of a business
- Provision for credit losses increased principally from new regulatory guidance on bankruptcy loans, partially offset by a provision benefit in the home equity PCI portfolio
- 3Q12 expenses increased $672MM
  - Increased litigation of $0.3B
  - Increased servicing costs $0.3B
  - Increased cost of other mortgage-related matters $0.1B
- During 3Q12, the MSR asset decreased $621MM to $5.1B
  - The capitalized MSR rate ended the period at 45bps vs. 47bps in 2Q12

[1] FTE basis.
[2] CRES includes Home Loans and Legacy Assets & Servicing. The results of certain mortgage servicing right activities, including net hedge results which were previously included in Home Loans, together with any related assets or liabilities used as economic hedges are included in Legacy Assets & Servicing.

# Legacy Assets & Servicing (within CRES) [1]

## Legacy Assets & Servicing Highlights

| | | Inc / (Dec) | |
|---|---|---|---|
| **$ in billions** | **3Q12** | **2Q12** | **3Q11** |
| First-lien servicing (# of loans in thousands) | 7,893 | (542) | (2,086) |
| 60+ days delinquent first mortgages in servicing portfolio (# of loans in thousands) | 936 | (126) | (290) |
| Noninterest expense | $3.4 | $0.7 | $0.7 |
| Noninterest expense, excluding litigation expense [2] | $3.0 | $0.4 | $0.5 |
| Full-time equivalent employees (in thousands) | 41.7 | (0.4) | 4.8 |
| Contractors and others (in thousands) | 17.0 | 0.6 | 4.1 |

- 60+ days delinquent loans serviced declined by 126K, or 12% from 2Q12
  - Declines in 60+ days delinquent loan trends expected to continue
- Legacy Assets & Servicing noninterest expense includes staffing required for full implementation of FHFA, OCC and National Mortgage Settlement servicing standards
- Headcount stabilized during the quarter

[1] The results of certain mortgage servicing right activities, including net hedge results which were previously included in Home Loans, together with any related assets or liabilities used as economic hedges are included in Legacy Assets & Servicing.

[2] Excludes litigation expense of $423MM, $151MM and $290MM in 3Q12, 2Q12 and 3Q11, respectively.

# Representations and Warranties Claims [1]

## New Claim Trends (UPB)

| ($ in millions) | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | Mix [2] |
|---|---|---|---|---|---|---|
| Pre 2005 | $95 | $77 | $86 | $117 | $73 | 2% |
| 2005 | 668 | 751 | 516 | 619 | 393 | 10% |
| 2006 | 925 | 1,400 | 2,302 | 3,768 | 1,485 | 38% |
| 2007 | 1,493 | 2,168 | 1,382 | 2,752 | 2,135 | 38% |
| 2008 | 451 | 331 | 264 | 412 | 701 | 7% |
| Post 2008 | 164 | 126 | 193 | 545 | 196 | 5% |
| New Claims | $3,796 | $4,853 | $4,743 | $8,213 | $4,983 | |
| *% GSEs* | *86%* | *68%* | *63%* | *53%* | *55%* | |
| Rescinded claims | $1,499 | $1,211 | $773 | $876 | $1,877 | |
| Approved repurchases | 2,255 | 1,170 | 480 | 704 | 322 | |

## Outstanding Claims by Counterparty (UPB)

| ($ in MM's) | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 |
|---|---|---|---|---|---|
| GSEs | $4,721 | $6,258 | $8,103 | $10,974 | $12,322 |
| Private | 2,229 | 3,267 | 4,855 | 8,603 | 10,511 |
| Monolines | 3,058 | 3,082 | 3,136 | 3,128 | 2,629 |
| Total | $10,008 | $12,607 | $16,094 | $22,705 | $25,462 |

- New claims declined compared to 2Q12 as we received fewer claims related to private-label securitizations and from the GSEs, and rescinded claims improved from settlements and other activity
- Outstanding claims from GSEs increased due to our ongoing disagreement with FNMA about what constitutes a valid repurchase request, standards for rescission of repurchase requests and resolution processes
  - At September 30, 2012, $9.2B of the outstanding claims submitted by GSEs relate to loans on which the borrowers had made at least 25 payments compared to $3.7B at December 31, 2011
  - 90% of the increase in GSE outstanding claims from the end of 2011 is a result of claims received where the borrower had made at least 25 payments
- Private-label claims are primarily related to repurchase requests received on private-label securitization transactions not included in the BNY Mellon settlement, including claims related to third-party sponsored securitizations that include monoline insurance
- In the third quarter of 2012, as a result of continued dialogue and discussions with the GSEs, we have obtained additional information from which we are now able to determine a reasonable estimate of a range of possible loss (RPL) in excess of our recorded representations and warranties liability for the GSEs. The company currently estimates that the RPL for both GSE and non-GSE representations and warranties exposures could be up to $6B over accruals at September 30, 2012 compared to $5B over accruals at June 30, 2012 for only non-GSE representations and warranties exposures. The increase in the RPL from June 30, 2012 is the net impact of, among other changes, updated assumptions, the inclusion of GSE representations and warranties exposure and other developments.

[1] In addition to the claims in these tables, we have received repurchase demands from private-label securitization investors and a master servicer where we believe the claimant has not satisfied the contractual thresholds to direct the securitization trustee to take action and/or that these demands are otherwise procedurally or substantively invalid. The outstanding amounts of these demands were $1.7B as of September 30, 2012, $3.1B as of both June 30, 2012 and March 31, 2012 and $1.7B as of both December 31, 2011 and September 30, 2011. The demands outstanding declined as $1.4B of the demands were resolved through the dismissal of the Walnut Place lawsuit in July 2012. At September 30, 2012, approximately $300MM related to the BNY Mellon Settlement. We do not believe that the $1.7B in demands outstanding at September 30, 2012 are valid repurchase claims, and therefore it is not possible to predict the resolution with respect to such demands.

[2] Mix for new claims trend is calculated based on last four quarters.

# Global Wealth & Investment Management (GWIM)

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Net interest income [1] | $1,458 | $12 | $46 |
| Noninterest income | 2,820 | (51) | (6) |
| Total revenue, net of interest expense [1] | 4,278 | (39) | 40 |
| Provision for credit losses | 61 | 14 | (101) |
| Noninterest expense | 3,355 | (47) | (145) |
| Income tax expense [1] | 320 | (1) | 106 |
| Net income | $542 | ($5) | $180 |

| Key Indicators ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Total client balances | $2,260.9 | $2,192.1 | $2,066.8 |
| End of period deposits | 256.1 | 249.8 | 251.3 |
| End of period loans and leases | 107.5 | 105.4 | 102.4 |
| Liquidity AUM flows | (1.9) | (0.1) | (2.6) |
| Long-term AUM flows | 5.7 | 4.1 | 4.5 |
| Average loans and leases | 106.1 | 104.1 | 102.8 |
| Average deposits | 253.9 | 251.1 | 255.9 |
| Financial advisors (in thousands) | 17.5 | 17.5 | 17.1 |
| Pre-tax margin | 20.1% | 20.1% | 13.6% |
| Return on average economic capital [2] | 26.3% | 30.3% | 20.6% |

- Net income of $542MM
- Pre-tax margin of 20.1%, in line with 2Q12
- Revenue declined $39MM due to the absence of 2Q seasonal items partially offset by the impact of long-term AUM flows and market origination revenue
- Expense decrease driven by lower support and personnel costs, partially offset by litigation expense
- Client activity during the quarter reflected
  - Ending deposits increased $6.4B or 2.5%
  - Ending loans grew $2.1B or 2.0%
  - Solid long-term AUM flows of $5.7B
    - 13th consecutive positive quarter of AUM long-term flows

[1] FTE basis.
[2] Calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Represents a non-GAAP financial measure. For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

# Global Banking

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | Inc/(Dec) 3Q11 |
|---|---|---|---|
| Net interest income [1] | $2,264 | $80 | ($59) |
| Noninterest income | 1,883 | (219) | 255 |
| Total revenue, net of interest expense [1] | 4,147 | (139) | 196 |
| Provision for credit losses | 68 | 181 | 250 |
| Noninterest expense | 2,023 | (142) | (194) |
| Income tax expense [1] | 761 | (66) | 51 |
| Net income | $1,295 | ($112) | $89 |

| Key Indicators ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Ending loans and leases | $272.1 | $265.4 | $273.5 |
| Average loans and leases | 267.4 | 267.8 | 268.2 |
| End of period deposits | 260.0 | 241.5 | 236.6 |
| Average deposits | 252.2 | 239.2 | 246.4 |
| IB Fees (Corporation-wide excl. self-led) | 1.3 | 1.1 | 0.9 |
| IB Fees (Global Banking excl. self-led) | 0.7 | 0.6 | 0.5 |
| Business Lending revenue | 1.9 | 2.0 | 1.9 |
| Treasury Services revenue | 1.5 | 1.5 | 1.5 |
| Return on average economic capital [2] | 24.1% | 26.8% | 20.9% |
| Net charge-off ratio | 0.18% | 0.24% | 0.56% |
| Reservable criticized | $12.4 | $14.8 | $22.9 |
| Nonperforming assets | 2.6 | 3.3 | 5.4 |

- 3Q12 net income of $1.3B decreased $112MM vs. 2Q12 but increased $89MM from 3Q11
- Revenue, net of interest expense, decreased $139MM from 2Q12 due primarily to gains on liquidation of legacy portfolios in prior quarter
- Corporation-wide investment banking fees of $1.3B, excluding self-led, increased $190MM, or 17%, from 2Q12
- Ending loans grew $6.7B, or 2.5%, over 2Q12 led by growth in the Commercial and Industrial, Commercial Real Estate, Leasing and quarter-end fundings
- Ending deposit balances rose $18.5B, or 7.7%, vs. 2Q12 due to customer liquidity and international growth
- Provision expense of $68MM increased $181MM from a 2Q12 benefit of $113MM, primarily driven by lower reserve releases as asset quality stabilizes in the portfolio
- Noninterest expense declined $142MM from 2Q12, driven by lower personnel-related expenses and operational costs

[1] FTE basis.
[2] Calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Represents a non-GAAP financial measure. For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

# Investment Banking Fees

| $ in millions | 3Q12 | Inc/ (Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| **Products** | | | |
| Advisory | $221 | ($119) | ($52) |
| Debt | 867 | 220 | 356 |
| Equity | 279 | 87 | (41) |
| Gross IB fees (incl. self-led) | 1,367 | 188 | 263 |
| Self-led | 31 | (2) | (131) |
| Net Corporation-wide fees (excl. self-led) | $1,336 | $190 | $394 |
| **Regions** | | | |
| U.S./Canada | $1,131 | $166 | $271 |
| International | 236 | 22 | (8) |
| Gross IB fees (incl. self-led) | $1,367 | $188 | $263 |

- Total investment banking fees excluding self-led grew by 17% and 42% from 2Q12 and 3Q11
- BofAML maintained # 2 global ranking in fees year-to-date
- Continued broad-based leadership across products

**Global Rankings [1]**

- #2 in High-yield corporate debt
- #2 in Leveraged loans
- #2 in Asset-backed securities
- #2 in Syndicated loans

**Americas Rankings [1]**

- #2 in High-yield corporate debt
- #2 in Leveraged Loans
- #2 in Asset-backed securities
- #2 in Convertible debt

[1] Source: Dealogic YTD rankings as of October 1, 2012, including self-led transactions. Rankings based on deal volumes.

# Global Markets

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Net interest income [1] | $846 | $196 | ($79) |
| Noninterest income (excl. DVA) [2] | 2,842 | (29) | 2,182 |
| Total revenue (excl. DVA) [2, 3] | 3,688 | 167 | 2,103 |
| DVA | (582) | (426) | (2,291) |
| Total revenue, net of interest expense [1] | 3,106 | (259) | (188) |
| Provision for credit losses | 21 | 35 | 18 |
| Noninterest expense | 2,545 | (167) | (421) |
| Income tax expense [1] | 899 | 693 | 21 |
| Net loss | ($359) | ($820) | $194 |
| U.K. tax charge | $ 781 | $ 781 | $ 7 |
| Net income (excl. DVA and U.K. tax charge) [2] | 789 | 230 | 1,644 |

| Key Indicators ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average trading-related assets | $462.1 | $459.9 | $489.2 |
| IB Fees (Global Markets incl. self-led) | 0.6 | 0.4 | 0.4 |
| Sales and trading revenue | 2.7 | 3.2 | 3.0 |
| Sales and trading revenue (excl. DVA) | 3.2 | 3.3 | 1.3 |
| FICC (excl. DVA) | 2.5 | 2.6 | 0.6 |
| Equity income (excl. DVA) | 0.7 | 0.8 | 0.8 |
| Average VaR ($ in MM) [4] | 54.8 | 62.5 | 163.7 |

- 3Q12 net loss of $359MM included
  - A $0.8B charge related to the remeasurement of the DTA triggered by the enactment of the U.K. Finance Act of 2012
  - DVA loss in 3Q12 of $0.6B vs. a loss of $0.2B in 2Q12 and a gain in 3Q11 of $1.7B
- Excluding the DVA impact and DTA charge, 3Q12 net income was $789MM [2]
  - Improvement of $230MM compared to 2Q12
  - Improvement of $1.6B compared to 3Q11
- Excluding DVA, sales and trading revenue declined a modest 3%, to $3.2B vs. 2Q12 and increased $1.9B, or 149%, vs. 3Q11 [2]
  - FICC performed well as the core fixed income businesses of credit, mortgages, and rates and currencies increased 4% relative to 2Q12
  - Equity revenue declined, as lower volatility and continuing lack of investor appetite for equity products depressed volumes

[1] FTE basis.
[2] Represents a non-GAAP financial measure.
[3] In addition to sales and trading revenue, Global Markets shares with Global Banking in certain deal economics from investment banking and loan origination activities.
[4] VaR model uses historical simulation approach based on three years of historical data and an expected shortfall methodology equivalent to a 99% confidence level.

# All Other [1]

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Total revenue, net of interest expense [2] | ($1,040) | ($1,427) | ($7,310) |
| Provision for credit losses | 390 | (146) | (984) |
| Noninterest expense | 1,336 | 479 | 579 |
| Income tax benefit [2] | (1,220) | (555) | (685) |
| Net loss | ($1,546) | ($1,205) | ($6,220) |

| Key Indicators ($ in billions) | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| Average loans and leases | $249.8 | $257.3 | $286.8 |
| Average deposits | 26.7 | 31.2 | 52.7 |
| Book value of Global Principal Investments | 3.7 | 4.1 | 6.9 |
| Total BAC equity investment exposure | 16.0 | 15.8 | 26.9 |

- Net loss of $1.5B increased $1.2B from 2Q12, driven by a negative FVO adjustment on structured liabilities related to improvements in our own credit spreads
- Revenue was impacted by the following selected items

| $ in millions | 3Q12 | 2Q12 | 3Q11 |
|---|---|---|---|
| FVO on structured liabilities | ($1,289) | ($62) | $4,506 |
| Equity investment income (loss) | 165 | (63) | 1,380 |
| Gains on sales of debt securities | 327 | 354 | 697 |
| Gains (losses) on debt repurchases and exchange of trust preferred securities | (25) | 505 | - |
| Payment protection insurance provision [3] | (267) | - | - |

- Provision for credit losses declined $146MM from 2Q12, driven primarily by continued improvement in credit quality in the residential mortgage portfolio
- Noninterest expense increased from 2Q12, driven by higher litigation costs including the Merrill Lynch class action settlement

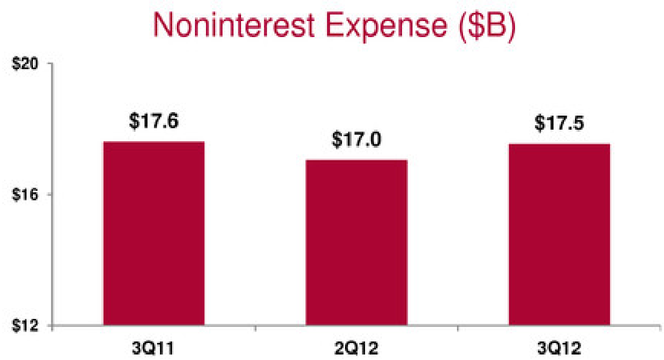
[1] All Other consists of two broad groupings, Equity Investments and Other. Equity Investments includes Global Principal Investments, Strategic and other investments. Other includes liquidating businesses, merger and restructuring charges, ALM activities such as the residential mortgage portfolio and investment securities, as well as economic hedges, gains/losses on structured liabilities, the impact of certain allocation methodologies and accounting hedge ineffectiveness. Other also includes certain residential mortgage and discontinued real estate loans that are managed by Legacy Assets & Servicing within CRES.



[2] FTE basis.

[3] In the U.K., we previously sold payment protection insurance through our international card services business to credit card and consumer loan customers.

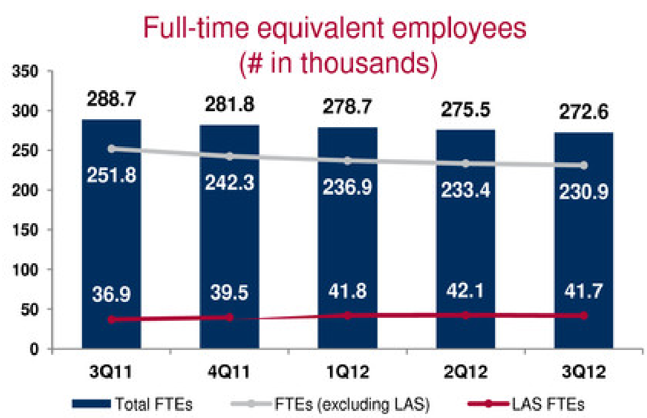
# Noninterest Expense




- Total noninterest expense increased to $17.5B including $0.6B increase in litigation over 2Q12

  Improvements in
  - Personnel costs
  - Other cost savings realized from New BAC initiatives

  Offset by
  - Higher costs of mortgage servicing and other mortgage-related matters
  - Investments in growth areas




- Total FTEs down 16.1K, 6% from 3Q11
  - Legacy Assets & Servicing FTEs increased 4.8K but have now stabilized and expected to decline
  - FTEs across the rest of the company declined 20.9K
- Investing in consumer growth areas, including
  - In past 6 months, added more than 400 mortgage loan officers
  - Small business bankers increased more than 250 from 3Q11
  - Financial Solutions Advisors increased more than 400 from 3Q11

# Noteworthy Credit Items for 3Q12

| Impact of Change in Bankruptcy Treatment | | | |
|---|---|---|---|
| $ in millions | Resi Mtg | Home Equity | Total |
| Net charge-offs | $54 | $424 | $478 |
| Nonperforming loans [1] | $567 | $483 | $1,050 |
| Provision impact | | | $339 |

**Change in Bankruptcy Treatment**

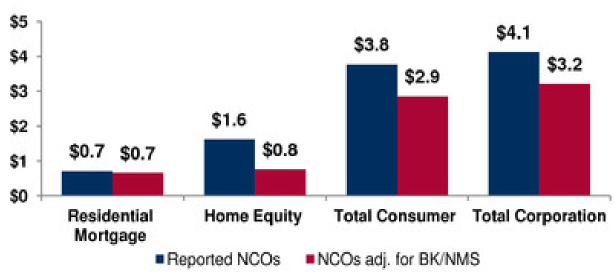
- New regulatory guidance stating loans discharged as part of a Chapter 7 bankruptcy should be charged down to collateral value irrespective of the borrower's payment status
- Consequently we charged off $478MM of current or less than 60 days delinquent loans and reduced related reserves by $139MM, resulting in a provision increase of $339MM for the quarter
- This change in treatment also resulted in a nonperforming loans increase of $1.1B

| Impact of National Mortgage Settlement | | |
|---|---|---|
| $ in millions | Home Equity | Total |
| Net charge-offs | $435 | $435 |
| Nonperforming loans | ($435) | ($435) |
| Provision impact | | $- |

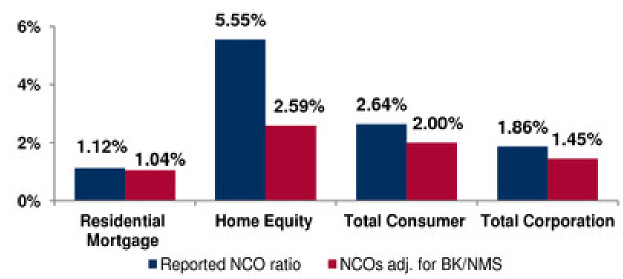
**Change from National Mortgage Settlement**

- Bank of America and other large mortgage servicers agreed to a settlement with the Department of Justice and 49 state AGs for programs to assist homeowners in modifying loans and other borrower assistance programs
- As a result of these agreements, we incurred $435MM of charge-offs in 3Q12 resulting in a corresponding decline in nonperforming loans
- Additionally, in our PCI portfolio, we forgave $1.6B of severely delinquent loans, which resulted in a corresponding decrease in the PCI home equity allowance as these loans were already fully reserved
- These actions had no provision impact as these loans were previously reserved for

## Net Charge-offs ($B)




## Net Charge-off Ratios




[1] Residential mortgage includes $10MM of discontinued real estate nonperforming loans.

# Asset Quality Trends Continued to Improve

| Credit Metrics ($ in millions) | 3Q11 | 2Q12 | 3Q12 | Adjusted 3Q12 [1] |
|---|---|---|---|---|
| Net charge-offs [2] | $5,086 | $3,626 | $4,122 | $3,209 |
| Net charge-off ratio [2] | 2.17% | 1.64% | 1.86% | 1.45% |
| Provision expense | $3,407 | $1,773 | $1,774 | $1,435 |
| Allowance for loans and leases | 35,082 | 30,288 | 26,233 | 28,397 |
| Allowance / Loans and leases | 3.81% | 3.43% | 2.96% | 3.20% |
| Allowance / Annualized net charge-offs | 1.74x | 2.08x | 1.60x | 2.22x |
| Allowance / Annualized net charge-offs (excl. PCI) | 1.33x | 1.46x | 1.17x | 1.55x |
| Consumer 30+ days performing past due (excl. FHA and other fully ins.) | $12,522 | $9,583 | $9,285 | $9,381 |
| Nonperforming assets | 29,059 | 25,377 | 24,558 | 23,943 |
| Commercial utilized reservable criticized exposure | 30,901 | 20,442 | 17,374 | 17,374 |

- As previously mentioned on slide 21, 3Q12 results included new regulatory guidance charging off to collateral value loans discharged as part of a Chapter 7 bankruptcy and impacts from the National Mortgage Settlement activity

*Excluding the above changes*

- Net charge-offs declined $417MM, or 11.5%, as underlying asset quality trends continue to strengthen
- 30+ days performing consumer delinquencies, excluding fully-insured consumer real estate loans, declined $202MM or 2.1%
- NPAs decreased $1.4B, or 5.7% vs. 2Q12, driven equally by improvements in commercial and consumer
- Commercial utilized reservable criticized exposure improved $3.1B, or 15.0%

[1] Excludes impacts from changes due to the National Mortgage Settlement and new regulatory guidance on bankruptcy treatment. Represents a non-GAAP financial measure. For reconciliation to GAAP financial measures, see slide 40.

[2] 3Q12 excludes write-offs of consumer PCI loans of $1.7B.

# Business Metrics Reflect Good Progress Across Entire Customer Base

## Consumers

- Ending deposits across CBB and GWIM are up $11.3B, or 1.5% from 2Q12 and have grown $25.9B or 3.6% from 3Q11
- Client brokerage assets rose $3.6B in the Consumer business from 2Q12 and are up 23% from 3Q11
- Mortgage production double digit percentage increases in each of the last 2 quarters
- Net new DDA accounts of 144K in 3Q12
- More than 11MM mobile banking customers up 8% from 2Q12
- New consumer credit cards issued in 3Q12 of 857K
- 13th consecutive quarter of positive long-term AUM flows in our wealth management business

## Companies

- Ending loans in our Global Banking segment are up $6.7B, or 2.5%,from 2Q12 with broad based growth
- Commercial real-estate experienced growth for first time since early 2009
- Ending deposits climbed $18.5B from 2Q12 and are up $23.4B from 3Q11
- Investment banking fees, excluding self-led, of $1.3B are up 17% from 2Q12 and 42% from 3Q11
- Maintaining a strong #2 investment banking revenue market share position
- Assisted clients and companies in raising $145B in capital in 3Q12
- YTD, small business loans and commitments are up 27% vs. 2011

## Institutional Investors

- Sales and trading revenue, excluding DVA [1], has averaged $3.9B per quarter in 2012; $3.0B average for 2011
- Rank #2 in 2012 All-America Fixed Income Sales, 2012 All-America Fixed Income Trading and All-America Fixed Income Research by Institutional Investor
- Best Broker-dealer Equities in 2012 (Wall Street Letter), Best Global Equity House 2012 (Euromoney), #1 Global Broker for 2012 (Financial Times/Starmine) and #2 U.S. Equity Trading Share 2012 (Greenwich Associates)
- Over 700 research analysts covering
  - 3,300+ companies, 1,000+ corporate bond issuers and subsidiaries across 60 countries and 25 industries

**Fortress Balance Sheet Provides Solid Base**



[1] Represents a non-GAAP measure.

# Appendix

# 3Q12 Results by Business Segment

| $ in millions | Total Corporation | CBB | CRES | GWIM | Global Banking | Global Markets | All Other |
|---|---|---|---|---|---|---|---|
| **Net interest income** [1,2] | **$10,167** | $4,651 | $729 | $1,458 | $2,264 | $846 | $219 |
| Card income | **1,538** | 1,325 | - | 2 | 118 | - | 93 |
| Service charges | **1,934** | 1,103 | - | 22 | 796 | 13 | - |
| Investment and brokerage services | **2,781** | 42 | - | 2,293 | 32 | 425 | (11) |
| Investment banking income (loss) | **1,336** | 1 | - | 152 | 662 | 553 | (32) |
| Equity investment income (loss) | **238** | 30 | - | 8 | (17) | 52 | 165 |
| Trading account profits (losses) | **1,239** | - | 1 | 39 | (24) | 1,238 | (15) |
| Mortgage banking income (loss) | **2,019** | - | 2,192 | 7 | 1 | (3) | (178) |
| Insurance income (loss) | **(138)** | 25 | 1 | 81 | - | - | (245) |
| Gains on sales of debt securities | **339** | - | - | - | 3 | 9 | 327 |
| All other income (loss) | **(796)** | (107) | 173 | 216 | 312 | (27) | (1,363) |
| **Total noninterest income** | **10,490** | 2,419 | 2,367 | 2,820 | 1,883 | 2,260 | (1,259) |
| **Total revenue, net of interest expense** [1,2] | **20,657** | 7,070 | 3,096 | 4,278 | 4,147 | 3,106 | (1,040) |
| Total noninterest expense | **17,544** | 4,061 | 4,224 | 3,355 | 2,023 | 2,545 | 1,336 |
| Pre-tax, pre-provision earnings (loss) [1] | **3,113** | 3,009 | (1,128) | 923 | 2,124 | 561 | (2,376) |
| Provision for credit losses | **1,774** | 970 | 264 | 61 | 68 | 21 | 390 |
| **Income (loss) before income taxes** | **1,339** | 2,039 | (1,392) | 862 | 2,056 | 540 | (2,766) |
| Income tax expense (benefit) [1,2] | **999** | 754 | (515) | 320 | 761 | 899 | (1,220) |
| **Net income (loss)** | **$340** | $1,285 | ($877) | $542 | $1,295 | ($359) | ($1,546) |

[1] FTE basis. FTE basis for the Total Corporation and pre-tax, pre-provision are non-GAAP financial measures.
[2] For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

# CBB Financial Results

| $ in millions | 3Q12 | | | |
|---|---|---|---|---|
| | Deposits | Card Services | Business Banking | Total CBB |
| Net interest income [1] | $1,882 | $2,479 | $290 | $4,651 |
| Noninterest income: | | | | |
| Card income | - | 1,325 | - | 1,325 |
| Service charges | 1,012 | - | 91 | 1,103 |
| All other income (loss) | 63 | (100) | 28 | (9) |
| Total noninterest income | 1,075 | 1,225 | 119 | 2,419 |
| Total revenue, net of interest expense [1] | 2,957 | 3,704 | 409 | 7,070 |
| Provision for credit losses | 60 | 836 | 74 | 970 |
| Noninterest expense | 2,568 | 1,290 | 203 | 4,061 |
| Income before income taxes | 329 | 1,578 | 132 | 2,039 |
| Income tax expense [1] | 122 | 584 | 48 | 754 |
| Net income | $207 | $994 | $84 | $1,285 |
| Net interest yield [1] | 1.71% | 8.95% | 2.57% | 3.74% |
| Return on average allocated equity | 3.29% | 19.33% | 3.89% | 9.47% |
| Return on average economic capital [2] | 11.60% | 39.54% | 5.17% | 21.77% |
| Efficiency ratio [1] | 86.82% | 34.79% | 50.03% | 57.43% |
| **Balance Sheet** | | | | |
| **Average** | | | | |
| Total loans and leases | n/m | $109,707 | $23,375 | $133,881 |
| Total earning assets [3] | $437,234 | 110,233 | 44,974 | 494,485 |
| Total assets [3] | 463,248 | 116,760 | 51,929 | 533,981 |
| Total deposits | 436,688 | n/m | 43,294 | 480,342 |
| Allocated equity | 25,047 | 20,463 | 8,472 | 53,982 |
| Economic capital [2] | 7,127 | 10,034 | 6,374 | 23,535 |
| **Period end** | | | | |
| Total loans and leases | n/m | $109,358 | $23,150 | $133,308 |
| Total earning assets [3] | $442,960 | 109,865 | 44,532 | 499,604 |
| Total assets [3] | 468,885 | 116,921 | 52,207 | 540,260 |
| Total deposits | 442,875 | n/m | 43,055 | 486,857 |

[1] FTE basis.

[2] Return on average economic capital is calculated as net income, adjusted for cost of funds and earning credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Represent non-GAAP financial measures. For reconciliation to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

[3] Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits) for total CBB, Deposits and Business Banking. Card Services does not require an asset allocation. As a result, the sum of the businesses does not agree to total CBB results.

n/m = not meaningful

# CRES Financial Results

| $ in millions | 3Q12 Home Loans [1] | Legacy Assets & Servicing [1] | Total CRES |
|---|---|---|---|
| Net interest income [2] | $336 | $393 | $729 |
| Noninterest income: | | | |
| Mortgage banking income | 853 | 1,339 | 2,192 |
| Insurance income | 1 | - | 1 |
| All other income (loss) | (11) | 185 | 174 |
| Total noninterest income | 843 | 1,524 | 2,367 |
| Total revenue, net of interest expense [2] | 1,179 | 1,917 | 3,096 |
| | | | |
| Provision for credit losses | (23) | 287 | 264 |
| Noninterest expense | 783 | 3,441 | 4,224 |
| Income (loss) before income taxes | 419 | (1,811) | (1,392) |
| Income tax expense (benefit) [2] | 155 | (670) | (515) |
| Net income (loss) | $264 | ($1,141) | ($877) |
| | | | |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $49,561 | $54,147 | $103,708 |
| Total earning assets | 56,285 | 63,863 | 120,148 |
| Total assets | 57,370 | 84,409 | 141,779 |
| Allocated equity | n/a | n/a | 13,332 |
| Economic capital [3] | n/a | n/a | 13,332 |
| **Period end** | | | |
| Total loans and leases | $48,865 | $51,025 | $99,890 |
| Total earning assets | 56,137 | 58,088 | 114,225 |
| Total assets | 57,335 | 82,031 | 139,366 |

[1] The results of certain mortgage servicing right activities, including net hedge results which were previously included in Home Loans, together with any related assets or liabilities used as economic hedges are included in Legacy Assets & Servicing.
[2] FTE basis.
[3] Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Represents a non-GAAP financial measure. For reconciliation to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
n/a = not applicable

# Representations and Warranties Information

Bank of America

# Representations and Warranties Exposure (2004-2008 vintages)

## Representations and Warranties Exposure Status as of September 30, 2012 ($B)

| Counterparty | (2004-2008) Originations: Original Balance | (2004-2008) Originations: Outstanding Balance | Have Paid | Reserves Established [1] | Commentary [1] |
|---|---|---|---|---|---|
| GSE - FHLMC (CFC) | $196 | $73 | | | FHLMC Agreement [2] |
| GSE All Other | 922 | 297 | | | Reserves established [2]; Included in RPL |
| Second-lien monoline | 81 | 12 | | | Completed agreements with Assured and Syncora |
| Whole loans sold | 55 | 13 | | | Reserves established |
| Private label (CFC issued) | 409 | 136 | | | BNY Mellon settlement pending court approval |
| Private label (non CFC bank issued) | 242 | 57 | | | Reserves established; Included in RPL |
| Private label (3rd party issued) | 176 | 57 | | | Reserves established; Included in RPL |
| | $2,081 | $645 | $14.0 | $16.3 | |

- Does not include litigation reserves established
- Exposures identified above relate only to repurchase claims associated with purported representations and warranties breaches in RMBS transactions. They do not include any exposures associated with related litigation matters; separate foreclosure costs and related costs and assessments; or possible losses related to potential claims for breaches of performance of servicing obligations, potential securities law or fraud claims, potential indemnity or other claims against us, including claims related to loans guaranteed by the FHA. If adverse to us, the aforementioned items, could have a material adverse effect on our financial results in future periods.
- The company currently estimates that the RPL for both GSE and non-GSE representations and warranties exposures could be up to $6B over accruals at September 30, 2012 compared to $5B over accruals at June 30, 2012 for only non-GSE representations and warranties exposures

[1] Level of reserves established and RPL are subject to adjustments in future periods based on a number of factors including ultimate resolution of the BNY Mellon settlement, changes in estimated repurchase rates, economic conditions, home prices, consumer and counterparty behavior, and a variety of judgmental factors.

[2] Refer to pages 60 and 62 of Bank of America's June 30, 2012 Form 10-Q on file with SEC for additional disclosures.

# Representations and Warranties Liability Rollforward

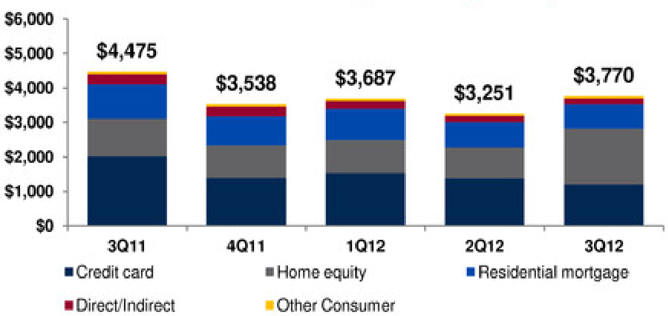
| $ in millions | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 |
|---|---|---|---|---|---|
| Beginning balance | $17,780 | $16,271 | $15,858 | $15,746 | $15,943 |
| Additions for new sales | 3 | 7 | 5 | 7 | 8 |
| Provision | 278 | 263 | 282 | 395 | 307 |
| (Charge-offs)/recoveries | (1,790) | (683) | (399) | (205) | 11 |
| Ending balance | $16,271 | $15,858 | $15,746 | $15,943 | $16,269 |

# Additional Asset Quality Information

# Consumer Credit Trends

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Net charge-offs [1] | $3,770 | $519 | ($705) |
| 30+ days performing delinquencies [2] | 9,285 | (298) | (3,267) |
| Nonperforming loans and foreclosed properties | 20,185 | (44) | (854) |
| Provision expense | 1,577 | (156) | (1,889) |
| Allowance for loan and lease losses | 23,055 | (3,933) | (7,202) |
| Allowance for loan and lease losses excl. CFC PCI [3] | 15,974 | (2,062) | (6,044) |
| *% coverage of loans and leases* [4] | 4.11% | (59)bps | (79)bps |
| *% coverage of loans and leases excl. CFC PCI* [3, 4] | 3.00% | (32)bps | (76)bps |
| *# times of annualized net charge-offs* | 1.54x | (0.52)x | (0.16)x |
| *# times of annualized net charge-offs excl. CFC PCI* [3] | 1.06x | (0.32)x | (0.18)x |

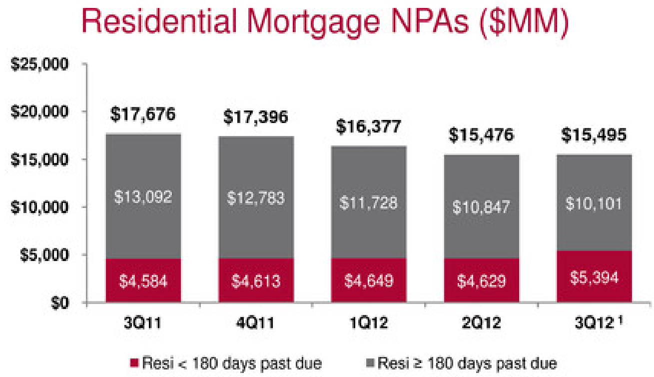
## Consumer Net Charge-offs ($MM)

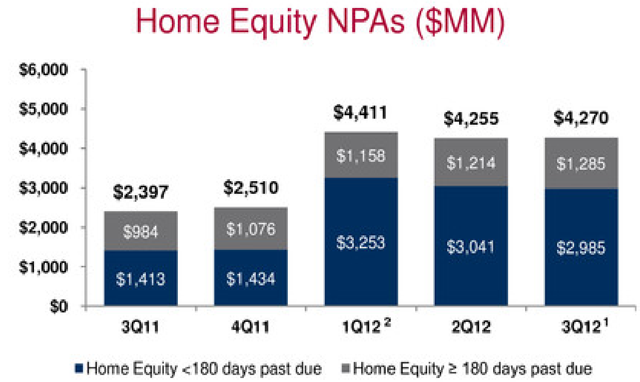



- Net charge-offs increased $519MM in 3Q12 compared to 2Q12 driven by the change in treatment of loans discharged in Chapter 7 bankruptcy [5] ($478MM) and National Mortgage Settlement activity ($435MM)
  - Excluding these items, net charge-offs declined $394MM due to continued improvements in U.S. credit card and home equity
- 30+ days performing delinquencies (excluding fully-insured consumer real estate loans) decreased $298MM from 2Q12
- Nonperforming loans and foreclosed properties remained relatively flat
  - Addition of $1.1B relating to the change in treatment of loans discharged in Chapter 7 bankruptcy [5] was offset by $435MM related to National Mortgage Settlement activities and $659MM of other improvements
- Total consumer provision expense was $1.6B ($3.8B charge-offs and reserve reduction of $2.2B)
  - Includes $339MM of provision expense related to the change in treatment of loans discharged in Chapter 7 bankruptcy [5]
  - Excluding the change in treatment of loans discharged in Chapter 7 bankruptcy [5], National Mortgage Settlement and PCI activity, reserve reductions were essentially flat
- Allowance for loans and leases decreased $3.9B from 2Q12 to $23.1B which provides 4.1% coverage of loans
  - Includes $1.9B reduction in PCI allowance due primarily to the National Mortgage Settlement-related forgiveness of home equity loans for which reserves were previously established
- Allowance covers 1.54 times current period annualized net charge-offs compared to 2.06 times in 2Q12 (excluding PCI allowance: 1.06x in 3Q12 vs. 1.38x in 2Q12)
  - Allowance covers 2.22 times (1.46x excluding PCI allowance) current period annualized net charge-offs excluding the National Mortgage Settlement and the change in treatment of loans discharged in Chapter 7 bankruptcy [5]

[1] 3Q12 excludes write-offs of consumer PCI loans of $1.7B
[2] Excludes FHA-insured loans and other loans individually insured under long-term standby agreements.
[3] Represents a non-GAAP financial measure.
[4] Excludes FVO loans.
[5] In 3Q12, we adopted new regulatory guidance regarding the treatment of loans discharged in Chapter 7 bankruptcy as described on slide 21 of this presentation.

# Consumer Nonperforming Loans, Leases and Foreclosed Properties (NPAs)




- Consumer real estate NPAs remained relatively flat in 3Q12
  - Residential mortgage NPAs remained relatively flat from 2Q12 as the increase due to the change in treatment of loans discharged in Chapter 7 bankruptcy that are current or less than 60 days past due was largely offset as paydowns, returns to performing status, charge-offs and foreclosed property liquidations continued to outpace new nonaccrual loans
  - Home equity NPAs remained relatively flat as the impact of the change in treatment of loans discharged in Chapter 7 bankruptcy was largely offset by the beneficial impact of forgiveness of home equity loans related to the National Mortgage Settlement
  - 3Q12 nonperforming residential mortgage loans include $2.8B and home equity loans include $1.9B of loans where the borrower is current on contractual payments

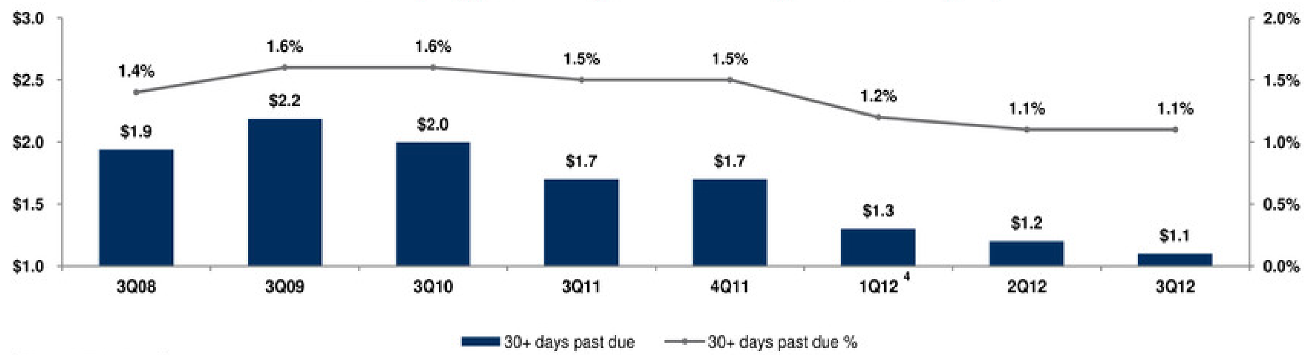
[1] During 3Q12, we reclassified to nonperforming $557MM of residential mortgage and $483MM of home equity loans that were less than 60 days past due due to new regulatory guidance regarding the treatment of loans discharged in Chapter 7 bankruptcy.

[2] During 1Q12, we reclassified to nonperforming $1.9B of junior-lien loans that were less than 90 days past due but had a first-lien loan that was more than 90 days past due, in accordance with regulatory interagency guidance.

# Residential Mortgage and Home Equity 30+ Days Performing Delinquencies

Residential Mortgage, 30+ Days Performing Past Due ($B) [1, 2]


Home Equity, 30+ Days Performing Past Due ($B) [2]




[1] Excludes FHA-insured loans and other loans individually insured under long-term standby agreements.
[2] Excludes PCI loans.
[3] During 3Q12, we reclassified to nonperforming $83MM of residential mortgages that were 30+ days performing past due as a result of the change in treatment of loans discharged in Chapter 7 bankruptcy.
[4] During 1Q12, we reclassified to nonperforming $264MM of junior-lien loans that were previously 30+ days performing past due but had a first-lien loan that was more than 90 days past due, in accordance with regulatory interagency guidance.

# Impact of FHA and Other Fully-insured Consumer Real Estate Loans on Delinquencies [1]

## FHA and Other Fully-insured Consumer Real Estate Loans

| $ in millions | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
|---|---|---|---|---|---|
| **FHA and Other Fully-insured Consumer Real Estate Loans 30+ Days Performing Delinquencies** | **$25,088** | $25,306 | $24,094 | $24,738 | $24,140 |
| Change from prior period | **(218)** | 1,212 | (644) | 598 | 338 |
| **30+ Days Performing Delinquency Amounts** | | | | | |
| Total consumer as reported | **$34,373** | $34,889 | $34,267 | $36,801 | $36,692 |
| Total consumer excluding FHA and other fully-insured consumer real estate loans [2] | **9,285** | 9,583 | 10,173 | 12,063 | 12,552 |
| Residential mortgages as reported | **28,420** | 28,702 | 27,390 | 28,688 | 28,146 |
| Residential mortgages excluding FHA and other fully-insured consumer real estate loans [2] | **3,332** | 3,396 | 3,296 | 3,950 | 4,006 |
| **30+ Days Performing Delinquency Ratios** | | | | | |
| Total consumer as reported | **6.13%** | 6.08% | 5.84% | 6.06% | 5.94% |
| Total consumer excluding FHA and other fully-insured consumer real estate loans [2] | **2.10%** | 2.13% | 2.20% | 2.51% | 2.54% |
| Residential mortgages as reported | **11.49%** | 11.36% | 10.68% | 10.94% | 10.56% |
| Residential mortgages excluding FHA and other fully-insured consumer real estate loans [2] | **2.28%** | 2.27% | 2.16% | 2.49% | 2.44% |

- During 3Q12, our 30+ days performing delinquency trends continued to improve
  - Total consumer 30+ days performing delinquencies excluding fully-insured consumer real estate were down $298MM
  - Total consumer credit card ($130MM) led the decline followed by home equity ($69MM), residential mortgage ($64MM) and direct/indirect ($49MM)

[1] Includes FHA-insured loans and loans individually insured under long-term standby agreements.
[2] Excludes PCI loans.

# Home Loans Asset Quality Key Indicators

| | Residential Mortgage [1] | | | | Home Equity | | | |
|---|---|---|---|---|---|---|---|---|
| | 3Q12 | | 2Q12 | | 3Q12 | | 2Q12 | |
| $ in millions | As Reported | Excluding Countrywide Purchased Credit-impaired and Fully-insured Loans | As Reported | Excluding Countrywide Purchased Credit-impaired and Fully-insured Loans | As Reported | Excluding Countrywide Purchased Credit-impaired | As Reported | Excluding Countrywide Purchased Credit-impaired |
| Loans end of period | **$247,340** | **$146,367** | $252,635 | $149,322 | **$112,260** | **$102,551** | $118,011 | $106,372 |
| Loans average | **250,336** | **149,588** | 255,172 | 152,167 | **116,184** | **105,246** | 119,657 | 107,954 |
| Net charge-offs | **$707** | **$707** | $734 | $734 | **$1,621** | **$1,621** | $892 | $892 |
| % of average loans | **1.12%** | **1.88%** | 1.16% | 1.94% | **5.55%** | **6.13%** | 3.00% | 3.32% |
| Allowance for loan losses | **$5,576** | **$3,960** | $5,899 | $4,306 | **$8,949** | **$5,454** | $11,994 | $6,659 |
| % of loans | **2.25%** | **2.71%** | 2.33% | 2.88% | **7.97%** | **5.32%** | 10.16% | 6.26% |
| Average refreshed (C)LTV [2] | | **81** | | 83 | | **84** | | 88 |
| 90%+ refreshed (C)LTV [2] | | **34%** | | 36% | | **42%** | | 46% |
| Average refreshed FICO | | **722** | | 719 | | **743** | | 743 |
| % below 620 FICO | | **14%** | | 15% | | **8%** | | 9% |

[1] Excludes FVO loans.
[2] Loan-to-value (LTV) calculations apply to the residential mortgage portfolio. Combined loan-to-value (CLTV) calculations apply to the home equity portfolio.

# Home Equity

| $ in billions | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
|---|---|---|---|---|---|
| % Stand-alone (non piggy-back) | **92%** | 92% | 92% | 92% | 92% |
| Legacy Countrywide PCI loans | **$9.7** | $11.6 | $11.8 | $12.0 | $12.1 |
| Allowance for PCI loans | **3.5** | 5.3 | 5.2 | 5.1 | 5.1 |
| Non-PCI first-lien loans | **21.9** | 22.9 | 23.6 | 24.5 | 24.9 |
| Non-PCI second-lien loans | **80.7** | 83.5 | 85.8 | 88.2 | 90.7 |
| Second-liens > 100% CLTV | **37%** | 43% | 40% | 40% | 43% |
| % Current | **95%** | 95% | 94% | 94% | 94% |
| Allowance for non-PCI loans | **$5.5** | $6.7 | $7.5 | $8.0 | $7.9 |
| Total net charge-offs [1, 2] | **1.6** | 0.9 | 1.0 | 0.9 | 1.1 |

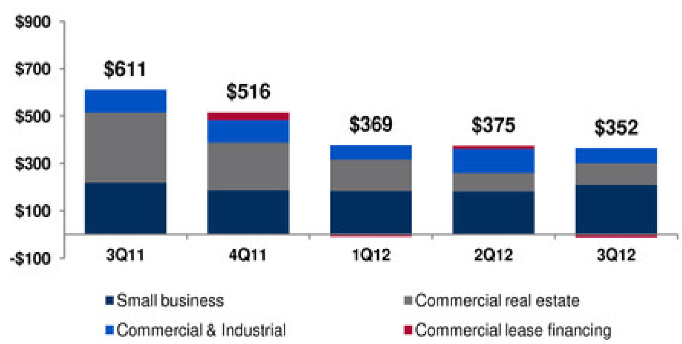
- Of the $80.7B second-lien positions, approximately 37%, or $30.2B, have CLTVs>100%
  - Does not mean entire second-lien position is a loss in the event of default
  - Assuming proceeds of 85% of the collateral value, we estimate collateral value of $8.8B available for second-liens
  - Of the 95% of second-lien loans with CLTVs>100% that are current at 3Q12, we estimate based on available credit bureau data that 92% are current on both their second-lien and underlying first-lien loan
- The corresponding decreases in PCI loans and allowance during the quarter reflect forgiveness of $1.6B of severely delinquent loans which resulted as a result of the National Mortgage Settlement activity during 3Q12
- Less than 20% of the remaining PCI loans are 180 days past due

[1] 3Q12 excludes write-offs of consumer PCI loans of $1.7B.
[2] 3Q12 includes $424MM due to a change in treatment of loans discharged in Chapter 7 bankruptcy as a result of new regulatory guidance and $435MM related to the National Mortgage Settlement activities.

# Commercial Credit Trends

| $ in millions | 3Q12 | Inc/(Dec) 2Q12 | 3Q11 |
|---|---|---|---|
| Net charge-offs | $352 | ($23) | ($259) |
| Nonperforming loans, leases and foreclosed properties | 4,373 | (775) | (3,647) |
| Reservable criticized | 17,374 | (3,068) | (13,527) |
| Provision expense | 197 | 157 | 197 |
| Allowance for loan and lease losses | 3,178 | (122) | (1,647) |
| *% coverage of loans and leases* [1] | 0.98% | (9)bps | (61)bps |
| *# times annualized net charge-offs* | 2.27x | 0.09x | 0.28x |

## Commercial Net Charge-offs ($MM)




- Net charge-offs in 3Q12 decreased slightly compared to 2Q12, but were $259MM (42%) lower than 3Q11
- Nonperforming loans, leases and foreclosed properties decreased $775MM (15%) from 2Q12 and $3.6B (45%) from 3Q11
  - 11th consecutive quarter with declines; 68% decline from 4Q09 peak
- Reservable criticized decreased $3.1B (15%) from 2Q12 and $13.5B (44%) from 3Q11
  - 12th consecutive quarter with declines; 71% decline from 3Q09 peak
- Recorded a reserve reduction of $155MM including unfunded lending commitments, $180MM lower than prior quarter.
  - Driven by stabilization in credit quality
  - Resulted in a $3.2B allowance for loan and lease losses which covers 2.27 times current period annualized net charge-offs compared to 2.18 times in 2Q12

[1] Excludes FVO loans.

# Basel 1 to Basel 3 (Fully Phased-In) [1]

| $ in millions<br>Regulatory Capital Basel 1 to Basel 3 (fully phased-in) | September 30, 2012 | June 30, 2012 |
|---|---|---|
| **Basel 1 Tier 1 Capital** | **$163,063** | **$164,665** |
| Deduction of preferred stock, non-qualifying preferred stock and minority interest in equity accounts of consolidated subsidiaries | (26,657) | (30,583) |
| **Basel 1 Tier 1 Common Capital** | **$136,406** | **$134,082** |
| Deduction of defined benefit pension assets | (1,709) | (3,057) |
| Change in DTA and other threshold deductions (MSRs and significant investments) | (1,102) | (3,745) |
| Change in all other deductions, net | 1,040 | (2,459) |
| **Basel 3 Tier 1 Common Capital** | **$134,635** | **$124,821** |

| Risk-weighted Assets Basel 1 to Basel 3 (fully phased-in) | | |
|---|---|---|
| **Basel 1** | **$1,195,720** | **$1,193,422** |
| Net change in credit and other risk-weighted assets | 216,246 | 298,003 |
| Increase due to market risk amendment | 88,881 | 79,553 |
| **Basel 3** | **$1,500,847** | **$1,570,978** |

| RWA Basel 1 to Basel 3 (fully phased-in) | | |
|---|---|---|
| **Basel 1** | **11.41%** | **11.24%** |
| **Basel 3** | **8.97%** | **7.95%** |

[1] Regulatory capital ratios are preliminary. For important presentation information, see slide 3.

# Asset Quality Trends Excluding National Mortgage Settlement and Bankruptcy Impacts

| Credit Metrics ($ in millions) | 3Q12 | National Mortgage Settlement | Bankruptcy Impact | Adjusted 3Q12 |
|---|---|---|---|---|
| Net charge-offs [1] | $4,122 | $435 | $478 | $3,209 |
| Net charge-off ratio [1] | 1.86% | 20bps | 21bps | 1.45% |
| Provision expense | $1,774 | $- | $339 | $1,435 |
| Allowance for loans and leases | 26,233 | (2,025)[2] | (139) | 28,397 |
| Allowance / Loans and leases | 2.96% | (22bps) | (2bps) | 3.20% |
| Allowance / Annualized net charge-offs [3] | 1.60x | (0.33) | (0.22) | 2.22x |
| Allowance / Annualized net charge-offs (excl. PCI) [3] | 1.17x | (0.17) | (0.16) | 1.55x |
| Consumer 30+ days performing past due (excl. FHA and other fully ins.) | $9,285 | $- | ($96) | $9,381 |
| Nonperforming assets | 24,558 | (435) | 1,050 | 23,943 |
| Commercial utilized reservable criticized exposure | 17,374 | - | - | 17,374 |

[1] 3Q12 excludes write-offs of consumer PCI loans of $1.7B
[2] Includes $1.6B of PCI related allowance and $435MM of non-PCI related allowance.
[3] Amounts will not total as individual impact columns have different denominators.

Bank of America

# Supplemental Information
# Third Quarter 2012

**Bank of America Corporation and Subsidiaries**

## Table of Contents

## Bank of America Corporation and Subsidiaries

# Consolidated Financial Highlights

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

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | |
| Net interest income | **$ 30,332** | $ 33,915 | **$ 9,938** | $ 9,548 | $ 10,846 | $ 10,701 | $ 10,490 |
| Noninterest income | **34,342** | 34,651 | **10,490** | 12,420 | 11,432 | 14,187 | 17,963 |
| Total revenue, net of interest expense | **64,674** | 68,566 | **20,428** | 21,968 | 22,278 | 24,888 | 28,453 |
| Provision for credit losses | **5,965** | 10,476 | **1,774** | 1,773 | 2,418 | 2,934 | 3,407 |
| Goodwill impairment | **—** | 2,603 | **—** | — | — | 581 | — |
| Merger and restructuring charges | **—** | 537 | **—** | — | — | 101 | 176 |
| All other noninterest expense[(1)] | **53,733** | 57,612 | **17,544** | 17,048 | 19,141 | 18,840 | 17,437 |
| Income tax expense (benefit) | **1,520** | (2,117) | **770** | 684 | 66 | 441 | 1,201 |
| Net income (loss) | **3,456** | (545) | **340** | 2,463 | 653 | 1,991 | 6,232 |
| Preferred stock dividends | **1,063** | 954 | **373** | 365 | 325 | 407 | 343 |
| Net income (loss) applicable to common shareholders | **2,393** | (1,499) | **(33)** | 2,098 | 328 | 1,584 | 5,889 |
| Diluted earnings (loss) per common share[(2)] | **0.22** | (0.15) | **0.00** | 0.19 | 0.03 | 0.15 | 0.56 |
| Average diluted common shares issued and outstanding[(2)] | **10,826,503** | 10,095,859 | **10,776,173** | 11,556,011 | 10,761,917 | 11,124,523 | 10,464,395 |
| Dividends paid per common share | **$ 0.03** | $ 0.03 | **$ 0.01** | $ 0.01 | $ 0.01 | $ 0.01 | $ 0.01 |
| **Performance ratios** | | | | | | | |
| Return on average assets | **0.21 %** | n/m | **0.06 %** | 0.45 % | 0.12 % | 0.36 % | 1.07 % |
| Return on average common shareholders' equity | **1.48** | n/m | **n/m** | 3.89 | 0.62 | 3.00 | 11.40 |
| Return on average tangible common shareholders' equity[(3)] | **2.26** | n/m | **n/m** | 5.95 | 0.95 | 4.72 | 18.30 |
| Return on average tangible shareholders' equity[(3)] | **2.89** | n/m | **0.84** | 6.16 | 1.67 | 5.20 | 17.03 |
| **At period end** | | | | | | | |
| Book value per share of common stock | **$ 20.40** | $ 20.80 | **$ 20.40** | $ 20.16 | $ 19.83 | $ 20.09 | $ 20.80 |
| Tangible book value per share of common stock[(3)] | **13.48** | 13.22 | **13.48** | 13.22 | 12.87 | 12.95 | 13.22 |
| Market price per share of common stock: | | | | | | | |
| Closing price | **$ 8.83** | $ 6.12 | **$ 8.83** | $ 8.18 | $ 9.57 | $ 5.56 | $ 6.12 |
| High closing price for the period | **9.93** | 15.25 | **9.55** | 9.68 | 9.93 | 7.35 | 11.09 |
| Low closing price for the period | **5.80** | 6.06 | **7.04** | 6.83 | 5.80 | 4.99 | 6.06 |
| Market capitalization | **95,163** | 62,023 | **95,163** | 88,155 | 103,123 | 58,580 | 62,023 |
| Number of banking centers - U.S. | **5,540** | 5,715 | **5,540** | 5,594 | 5,651 | 5,702 | 5,715 |
| Number of branded ATMs - U.S. | **16,253** | 17,752 | **16,253** | 16,220 | 17,255 | 17,756 | 17,752 |
| Full-time equivalent employees | **272,594** | 288,739 | **272,594** | 275,460 | 278,688 | 281,791 | 288,739 |

(1) Excludes merger and restructuring charges and goodwill impairment charges.

(2) Due to a net loss applicable to common shareholders for the nine months ended September 30, 2011 and for the third quarter of 2012, the impact of antidilutive equity instruments was excluded from diluted earnings (loss) per share and average diluted common shares.

(3) Tangible equity ratios and tangible book value per share of common stock are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate non-GAAP financial measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

n/m = not meaningful

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

## Supplemental Financial Data

(Dollars in millions, except per share information)

**Fully taxable-equivalent (FTE) basis data** [1]

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| Net interest income | **$ 31,002** | $ 34,629 | **$ 10,167** | $ 9,782 | $ 11,053 | $ 10,959 | $ 10,739 |
| Total revenue, net of interest expense | **65,344** | 69,280 | **20,657** | 22,202 | 22,485 | 25,146 | 28,702 |
| Net interest yield [2] | **2.35 %** | 2.50 % | **2.32 %** | 2.21 % | 2.51 % | 2.45 % | 2.32 % |
| Efficiency ratio | **82.23** | 87.69 | **84.93** | 76.79 | 85.13 | 77.64 | 61.37 |

**Performance ratios, excluding goodwill impairment charges** [3, 4]

| | Nine Months Ended September 30, 2011 | Fourth Quarter 2011 |
|---|---|---|
| **Per common share information** | | |
| Earnings | $ 0.11 | $ 0.21 |
| Diluted earnings | 0.11 | 0.20 |
| Efficiency ratio (FTE basis) | 83.93 % | 75.33 % |
| Return on average assets | 0.12 | 0.46 |
| Return on average common shareholders' equity | 0.70 | 4.10 |
| Return on average tangible common shareholders' equity | 1.11 | 6.46 |
| Return on average tangible shareholders' equity | 1.83 | 6.72 |

(1) FTE basis is a non-GAAP financial measure. FTE basis is a performance measure used by management in operating the business that management believes provides investors with a more accurate picture of the interest margin for comparative purposes. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(2) Calculation includes fees earned on primarily overnight deposits placed with the Federal Reserve and certain Foreign Central Banks of $147 million and $150 million for the nine months ended September 30, 2012 and 2011; $48 million, $52 million and $47 million for the third, second and first quarters of 2012, and $36 million and $38 million for the fourth and third quarters of 2011, respectively. For more information, see Quarterly and Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis on pages 10-11 and 12-13.

(3) Performance ratios, excluding goodwill impairment charges, are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(4) There were no goodwill impairment charges for the third, second and first quarters of 2012, and the third quarter of 2011.

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 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | 2011 | **Third Quarter 2012** | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
| **Interest income** | | | | | | | |
| Loans and leases | **$ 29,514** | $ 34,454 | **$ 9,597** | $ 9,744 | $ 10,173 | $ 10,512 | $ 11,205 |
| Debt securities | **6,658** | 7,286 | **2,031** | 1,902 | 2,725 | 2,235 | 1,729 |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **1,173** | 1,698 | **353** | 360 | 460 | 449 | 584 |
| Trading account assets | **3,787** | 4,664 | **1,189** | 1,246 | 1,352 | 1,297 | 1,500 |
| Other interest income | **2,297** | 2,721 | **806** | 740 | 751 | 920 | 835 |
| **Total interest income** | **43,429** | 50,823 | **13,976** | 13,992 | 15,461 | 15,413 | 15,853 |
| **Interest expense** | | | | | | | |
| Deposits | **1,552** | 2,386 | **484** | 519 | 549 | 616 | 704 |
| Short-term borrowings | **2,717** | 3,678 | **893** | 943 | 881 | 921 | 1,153 |
| Trading account liabilities | **1,343** | 1,801 | **418** | 448 | 477 | 411 | 547 |
| Long-term debt | **7,485** | 9,043 | **2,243** | 2,534 | 2,708 | 2,764 | 2,959 |
| Total interest expense | **13,097** | 16,908 | **4,038** | 4,444 | 4,615 | 4,712 | 5,363 |
| **Net interest income** | **30,332** | 33,915 | **9,938** | 9,548 | 10,846 | 10,701 | 10,490 |
| **Noninterest income** | | | | | | | |
| Card income | **4,573** | 5,706 | **1,538** | 1,578 | 1,457 | 1,478 | 1,911 |
| Service charges | **5,780** | 6,112 | **1,934** | 1,934 | 1,912 | 1,982 | 2,068 |
| Investment and brokerage services | **8,504** | 9,132 | **2,781** | 2,847 | 2,876 | 2,694 | 3,022 |
| Investment banking income | **3,699** | 4,204 | **1,336** | 1,146 | 1,217 | 1,013 | 942 |
| Equity investment income | **1,371** | 4,133 | **238** | 368 | 765 | 3,227 | 1,446 |
| Trading account profits | **5,078** | 6,417 | **1,239** | 1,764 | 2,075 | 280 | 1,604 |
| Mortgage banking income (loss) | **5,290** | (10,949) | **2,019** | 1,659 | 1,612 | 2,119 | 1,617 |
| Insurance income (loss) | **(71)** | 1,203 | **(138)** | 127 | (60) | 143 | 190 |
| Gains on sales of debt securities | **1,491** | 2,182 | **339** | 400 | 752 | 1,192 | 737 |
| Other income (loss) | **(1,321)** | 6,729 | **(790)** | 603 | (1,134) | 140 | 4,511 |
| Other-than-temporary impairment losses on available-for-sale debt securities: | | | | | | | |
| Total other-than-temporary impairment losses | **(70)** | (271) | **(9)** | (13) | (51) | (127) | (114) |
| Less: Portion of other-than-temporary impairment losses recognized in other comprehensive income | **18** | 53 | **3** | 7 | 11 | 46 | 29 |
| Net impairment losses recognized in earnings on available-for-sale debt securities | **(52)** | (218) | **(6)** | (6) | (40) | (81) | (85) |
| Total noninterest income | **34,342** | 34,651 | **10,490** | 12,420 | 11,432 | 14,187 | 17,963 |
| **Total revenue, net of interest expense** | **64,674** | 68,566 | **20,428** | 21,968 | 22,278 | 24,888 | 28,453 |
| **Provision for credit losses** | **5,965** | 10,476 | **1,774** | 1,773 | 2,418 | 2,934 | 3,407 |
| **Noninterest expense** | | | | | | | |
| Personnel | **27,348** | 28,204 | **8,431** | 8,729 | 10,188 | 8,761 | 8,865 |
| Occupancy | **3,419** | 3,617 | **1,160** | 1,117 | 1,142 | 1,131 | 1,183 |
| Equipment | **1,718** | 1,815 | **561** | 546 | 611 | 525 | 616 |
| Marketing | **1,393** | 1,680 | **479** | 449 | 465 | 523 | 556 |
| Professional fees | **2,578** | 2,349 | **873** | 922 | 783 | 1,032 | 937 |
| Amortization of intangibles | **955** | 1,144 | **315** | 321 | 319 | 365 | 377 |
| Data processing | **2,188** | 1,964 | **640** | 692 | 856 | 688 | 626 |
| Telecommunications | **1,227** | 1,167 | **410** | 417 | 400 | 386 | 405 |
| Other general operating | **12,907** | 15,672 | **4,675** | 3,855 | 4,377 | 5,429 | 3,872 |
| Goodwill impairment | **—** | 2,603 | **—** | — | — | 581 | — |
| Merger and restructuring charges | **—** | 537 | **—** | — | — | 101 | 176 |
| Total noninterest expense | **53,733** | 60,752 | **17,544** | 17,048 | 19,141 | 19,522 | 17,613 |
| **Income (loss) before income taxes** | **4,976** | (2,662) | **1,110** | 3,147 | 719 | 2,432 | 7,433 |
| **Income tax expense (benefit)** | **1,520** | (2,117) | **770** | 684 | 66 | 441 | 1,201 |
| **Net income (loss)** | **$ 3,456** | $ (545) | **$ 340** | $ 2,463 | $ 653 | $ 1,991 | $ 6,232 |
| **Preferred stock dividends** | **1,063** | 954 | **373** | 365 | 325 | 407 | 343 |
| **Net income (loss) applicable to common shareholders** | **$ 2,393** | $ (1,499) | **$ (33)** | $ 2,098 | $ 328 | $ 1,584 | $ 5,889 |
| **Per common share information** | | | | | | | |
| Earnings (loss) | **$ 0.22** | $ (0.15) | **$ 0.00** | $ 0.19 | $ 0.03 | $ 0.15 | $ 0.58 |
| Diluted earnings (loss) [1] | **0.22** | (0.15) | **0.00** | 0.19 | 0.03 | 0.15 | 0.56 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Dividends paid | **0.03** | 0.03 | **0.01** | 0.01 | 0.01 | 0.01 | 0.01 |
| **Average common shares issued and outstanding** | **10,735,461** | 10,095,859 | **10,776,173** | 10,775,695 | 10,651,367 | 10,281,397 | 10,116,284 |
| **Average diluted common shares issued and outstanding (1)** | **10,826,503** | 10,095,859 | **10,776,173** | 11,556,011 | 10,761,917 | 11,124,523 | 10,464,395 |

(1) Due to a net loss applicable to common shareholders for the nine months ended September 30, 2011 and for the third quarter of 2012, the impact of antidilutive equity instruments was excluded from diluted earnings (loss) per share and average diluted common shares.

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

**Bank of America Corporation and Subsidiaries**

## Consolidated Statement of Comprehensive Income

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Net income (loss)** | **$ 3,456** | $ (545) | **$ 340** | $ 2,463 | $ 653 | $ 1,991 | $ 6,232 |
| **Other comprehensive income, net of tax:** | | | | | | | |
| Net change in available-for-sale debt and marketable equity securities | **2,971** | (1,404) | **2,365** | 1,530 | (924) | (2,866) | (2,158) |
| Net change in derivatives | **535** | (830) | **234** | (81) | 382 | 281 | (764) |
| Employee benefit plan adjustments | **1,106** | 204 | **75** | 79 | 952 | (648) | 66 |
| Net change in foreign currency translation adjustments | **14** | 25 | **15** | (32) | 31 | (133) | (8) |
| **Other comprehensive income (loss)** | **4,626** | (2,005) | **2,689** | 1,496 | 441 | (3,366) | (2,864) |
| **Comprehensive income (loss)** | **$ 8,082** | $ (2,550) | **$ 3,029** | $ 3,959 | $ 1,094 | $ (1,375) | $ 3,368 |

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 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | **$ 106,415** | $ 123,717 | $ 82,865 |
| Time deposits placed and other short-term investments | **15,950** | 22,350 | 18,330 |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **234,034** | 226,116 | 249,998 |
| Trading account assets | **211,090** | 204,725 | 176,398 |
| Derivative assets | **57,865** | 59,939 | 79,044 |
| Debt securities: | | | |
| Available-for-sale | **305,949** | 300,049 | 324,267 |
| Held-to-maturity, at cost | **39,898** | 35,168 | 26,458 |
| Total debt securities | **345,847** | 335,217 | 350,725 |
| Loans and leases | **893,035** | 892,315 | 932,531 |
| Allowance for loan and lease losses | **(26,233)** | (30,288) | (35,082) |
| Loans and leases, net of allowance | **866,802** | 862,027 | 897,449 |
| Premises and equipment, net | **12,436** | 12,653 | 13,552 |
| Mortgage servicing rights (includes **$5,087**, $5,708 and $7,880 measured at fair value) | **5,242** | 5,880 | 8,037 |
| Goodwill | **69,976** | 69,976 | 70,832 |
| Intangible assets | **7,030** | 7,335 | 8,764 |
| Loans held-for-sale | **16,436** | 13,289 | 23,085 |
| Customer and other receivables | **66,341** | 71,458 | 89,302 |
| Other assets | **150,698** | 146,172 | 151,247 |
| **Total assets** | **$ 2,166,162** | $ 2,160,854 | $ 2,219,628 |
| | | | |
| **Assets of consolidated VIEs included in total assets above (isolated to settle the liabilities of the VIEs)** | | | |
| Trading account assets | **$ 9,959** | $ 8,499 | $ 8,911 |
| Derivative assets | **546** | 1,007 | 1,611 |
| Available-for-sale debt securities | **—** | — | 256 |
| Loans and leases | **125,043** | 128,386 | 146,023 |
| Allowance for loan and lease losses | **(3,811)** | (4,074) | (5,661) |
| Loans and leases, net of allowance | **121,232** | 124,312 | 140,362 |
| Loans held-for-sale | **2,165** | 2,163 | 3,904 |
| All other assets | **3,754** | 4,113 | 5,414 |
| **Total assets of consolidated VIEs** | **$ 137,656** | $ 140,094 | $ 160,458 |

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

## Bank of America Corporation and Subsidiaries

# Consolidated Balance Sheet (continued)

(Dollars in millions)

| | September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| **Liabilities** | | | |
| Deposits in U.S. offices: | | | |
| Noninterest-bearing | **$ 362,646** | $ 343,308 | $ 321,253 |
| Interest-bearing | **625,200** | 621,076 | 629,176 |
| Deposits in non-U.S. offices: | | | |
| Noninterest-bearing | **6,667** | 6,871 | 6,581 |
| Interest-bearing | **68,794** | 63,970 | 84,343 |
| Total deposits | **1,063,307** | 1,035,225 | 1,041,353 |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | **273,900** | 285,914 | 248,116 |
| Trading account liabilities | **72,179** | 77,458 | 68,026 |
| Derivative liabilities | **51,369** | 51,515 | 59,304 |
| Commercial paper and other short-term borrowings | **35,291** | 39,019 | 33,869 |
| Accrued expenses and other liabilities (includes **$518**, $574 and $790 of reserve for unfunded lending commitments) | **144,976** | 133,900 | 139,743 |
| Long-term debt | **286,534** | 301,848 | 398,965 |
| **Total liabilities** | **1,927,556** | 1,924,879 | 1,989,376 |
| **Shareholders' equity** | | | |
| Preferred stock, $0.01 par value; authorized -**100,000,000** shares; issued and outstanding -**3,685,410**, 3,685,410 and 3,993,660 shares | **18,768** | 18,762 | 19,480 |
| Common stock and additional paid-in capital, $0.01 par value; authorized -**12,800,000,000** shares; issued and outstanding -**10,777,267,465**, 10,776,869,270 and 10,134,431,514 shares | **158,066** | 158,001 | 153,801 |
| Retained earnings | **62,583** | 62,712 | 59,043 |
| Accumulated other comprehensive income (loss) | **(811)** | (3,500) | (2,071) |
| Other | **—** | — | (1) |
| **Total shareholders' equity** | **238,606** | 235,975 | 230,252 |
| **Total liabilities and shareholders' equity** | **$ 2,166,162** | $ 2,160,854 | $ 2,219,628 |

| **Liabilities of consolidated VIEs included in total liabilities above** | | | |
|---|---|---|---|
| Commercial paper and other short-term borrowings | **$ 3,872** | $ 4,449 | $ 6,208 |
| Long-term debt | **38,055** | 38,456 | 56,361 |
| All other liabilities | **625** | 1,161 | 1,115 |
| **Total liabilities of consolidated VIEs** | **$ 42,552** | $ 44,066 | $ 63,684 |

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

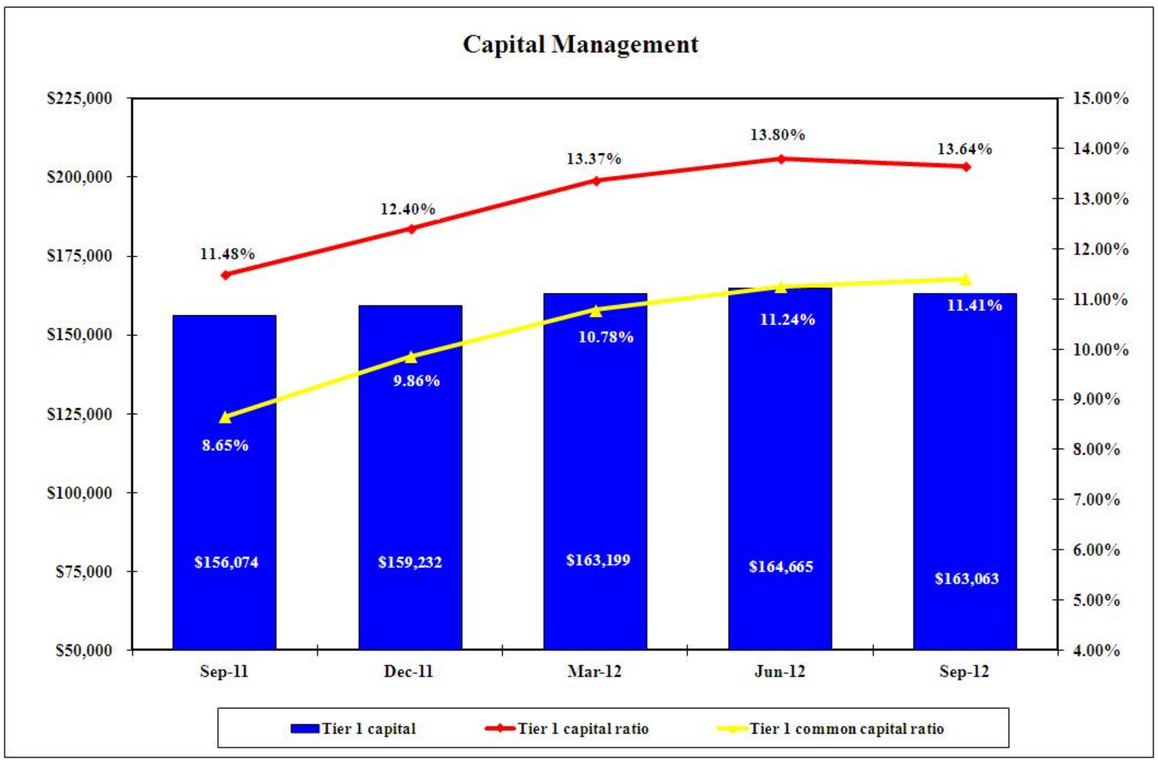
**Bank of America Corporation and Subsidiaries**

## Capital Management

(Dollars in millions)

| | **Third Quarter 2012** | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|
| **Risk-based capital** [1]**:** | | | | | |
| Tier 1 common | **$ 136,406** | $ 134,082 | $ 131,602 | $ 126,690 | $ 117,658 |
| Tier 1 capital | **163,063** | 164,665 | 163,199 | 159,232 | 156,074 |
| Total capital | **205,172** | 208,936 | 213,480 | 215,101 | 215,596 |
| Risk-weighted assets | **1,195,720** | 1,193,422 | 1,220,827 | 1,284,467 | 1,359,564 |
| Tier 1 common capital ratio [2] | **11.41 %** | 11.24% | 10.78% | 9.86% | 8.65% |
| Tier 1 capital ratio | **13.64** | 13.80 | 13.37 | 12.40 | 11.48 |
| Total capital ratio | **17.16** | 17.51 | 17.49 | 16.75 | 15.86 |
| Tier 1 leverage ratio | **7.84** | 7.84 | 7.79 | 7.53 | 7.11 |
| Tangible equity ratio [3] | **7.85** | 7.73 | 7.48 | 7.54 | 7.16 |
| Tangible common equity ratio [3] | **6.95** | 6.83 | 6.58 | 6.64 | 6.25 |

(1) Reflects preliminary data for current period risk-based capital.
(2) Tier 1 common capital ratio equals Tier 1 capital excluding preferred stock, trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.
(3) Tangible equity ratio equals period-end tangible shareholders' equity divided by period-end tangible assets. Tangible common equity equals period-end tangible common shareholders' equity divided by period-end tangible assets. Tangible shareholders' equity and tangible assets are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconciliations - Reconciliation to GAAP Financial Measures on pages 47-50.)




*Preliminary data on risk-based capital

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

## Bank of America Corporation and Subsidiaries

# Net Interest Income Excluding Trading-related Net Interest Income

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Net interest income (FTE basis)** | | | | | | | |
| As reported [(1)] | **$ 31,002** | $ 34,629 | **$ 10,167** | $ 9,782 | $ 11,053 | $ 10,959 | $ 10,739 |
| Impact of trading-related net interest income [(2)] | **(2,296)** | (2,824) | **(847)** | (653) | (796) | (866) | (929) |
| **Net interest income excluding trading-related net interest income** | **$ 28,706** | $ 31,805 | **$ 9,320** | $ 9,129 | $ 10,257 | $ 10,093 | $ 9,810 |
| **Average earning assets** | | | | | | | |
| As reported | **$ 1,763,600** | $ 1,851,736 | **$ 1,750,275** | $ 1,772,568 | $ 1,768,105 | $ 1,783,986 | $ 1,841,135 |
| Impact of trading-related earning assets [(2)] | **(438,640)** | (456,102) | **(446,934)** | (444,537) | (424,358) | (414,136) | (445,431) |
| **Average earning assets excluding trading-related earning assets** | **$ 1,324,960** | $ 1,395,634 | **$ 1,303,341** | $ 1,328,031 | $ 1,343,747 | $ 1,369,850 | $ 1,395,704 |
| **Net interest yield contribution (FTE basis) [(3)]** | | | | | | | |
| As reported [(1)] | **2.35%** | 2.50% | **2.32%** | 2.21% | 2.51% | 2.45% | 2.32% |
| Impact of trading-related activities [(2)] | **0.54** | 0.54 | **0.53** | 0.55 | 0.55 | 0.49 | 0.48 |
| **Net interest yield on earning assets excluding trading-related activities** | **2.89%** | 3.04% | **2.85%** | 2.76% | 3.06% | 2.94% | 2.80% |

(1) Net interest income and net interest yield include fees earned on primarily overnight deposits placed with the Federal Reserve and certain Foreign Central Banks of $147 million and $150 million for the nine months ended September 30, 2012 and 2011; $48 million, $52 million and $47 million for the third, second and first quarters of 2012, and $36 million and $38 million for the fourth and third quarters of 2011, respectively.

(2) Represents the impact of trading-related amounts included in *Global Markets.*

(3) 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 2012 | | | Second Quarter 2012 | | | Third Quarter 2011 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **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 [1] | **$ 15,849** | **$ 58** | **1.47%** | $ 27,476 | $ 64 | 0.94% | $ 26,743 | $ 87 | 1.31% |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **234,955** | **353** | **0.60** | 234,148 | 360 | 0.62 | 256,143 | 584 | 0.90 |
| Trading account assets | **177,075** | **1,243** | **2.80** | 180,694 | 1,302 | 2.89 | 180,438 | 1,543 | 3.40 |
| Debt securities [2] | **340,773** | **2,036** | **2.39** | 342,244 | 1,907 | 2.23 | 344,327 | 1,744 | 2.02 |
| Loans and leases [3]: | | | | | | | | | |
| Residential mortgage | **250,505** | **2,317** | **3.70** | 255,349 | 2,462 | 3.86 | 268,494 | 2,856 | 4.25 |
| Home equity | **116,184** | **1,097** | **3.77** | 119,657 | 1,090 | 3.66 | 129,125 | 1,238 | 3.81 |
| Discontinued real estate | **10,956** | **95** | **3.45** | 11,144 | 94 | 3.36 | 15,923 | 134 | 3.36 |
| U.S. credit card | **93,292** | **2,353** | **10.04** | 95,018 | 2,356 | 9.97 | 103,671 | 2,650 | 10.14 |
| Non-U.S. credit card | **13,329** | **385** | **11.48** | 13,641 | 396 | 11.68 | 25,434 | 697 | 10.88 |
| Direct/Indirect consumer | **82,635** | **704** | **3.39** | 84,198 | 733 | 3.50 | 90,280 | 915 | 4.02 |
| Other consumer | **2,654** | **40** | **6.03** | 2,565 | 41 | 6.41 | 2,795 | 43 | 6.07 |
| Total consumer | **569,555** | **6,991** | **4.89** | 581,572 | 7,172 | 4.95 | 635,722 | 8,533 | 5.34 |
| U.S. commercial | **201,072** | **1,752** | **3.47** | 199,644 | 1,742 | 3.51 | 191,439 | 1,809 | 3.75 |
| Commercial real estate | **36,929** | **329** | **3.54** | 37,627 | 323 | 3.46 | 42,931 | 360 | 3.33 |
| Commercial lease financing | **21,545** | **202** | **3.75** | 21,446 | 216 | 4.02 | 21,342 | 240 | 4.51 |
| Non-U.S. commercial | **59,758** | **401** | **2.67** | 59,209 | 369 | 2.50 | 50,598 | 349 | 2.73 |
| Total commercial | **319,304** | **2,684** | **3.35** | 317,926 | 2,650 | 3.35 | 306,310 | 2,758 | 3.58 |
| Total loans and leases | **888,859** | **9,675** | **4.34** | 899,498 | 9,822 | 4.38 | 942,032 | 11,291 | 4.77 |
| Other earning assets | **92,764** | **792** | **3.40** | 88,508 | 719 | 3.26 | 91,452 | 814 | 3.54 |
| **Total earning assets [4]** | **1,750,275** | **14,157** | **3.22** | 1,772,568 | 14,174 | 3.21 | 1,841,135 | 16,063 | 3.47 |
| Cash and cash equivalents [1] | **122,716** | **48** | | 116,025 | 52 | | 102,573 | 38 | |
| Other assets, less allowance for loan and lease losses | **300,321** | | | 305,970 | | | 357,746 | | |
| **Total assets** | **$ 2,173,312** | | | $ 2,194,563 | | | $ 2,301,454 | | |

(1) For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on primarily overnight deposits placed with certain Foreign Central Banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

(2) Yields on available-for-sale debt securities are calculated based on fair value rather than the cost basis. The use of fair value does not have a material impact on net interest yield.

(3) Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cost recovery basis. Purchased credit-impaired loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the loan.

(4) The impact of interest rate risk management derivatives on interest income is presented below. Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

| | **Third Quarter 2012** | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|
| Federal funds sold and securities borrowed or purchased under agreements to resell | **$ 23** | $ 36 | $ 43 |
| Debt securities | **(139)** | (386) | (1,049) |
| U.S. commercial | **(19)** | (16) | (19) |
| Non-U.S. commercial | **(1)** | — | — |
| **Net hedge expenses on assets** | **$ (136)** | $ (366) | $ (1,025) |

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 (continued)

(Dollars in millions)

| | Third Quarter 2012 | | | Second Quarter 2012 | | | Third Quarter 2011 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Interest-bearing liabilities** | | | | | | | | | |
| U.S. interest-bearing deposits: | | | | | | | | | |
| Savings | **$ 41,581** | **$ 11** | **0.10 %** | $ 42,394 | $ 14 | 0.13 % | $ 41,256 | $ 21 | 0.19 % |
| NOW and money market deposit accounts | **465,679** | **173** | **0.15** | 460,788 | 188 | 0.16 | 473,391 | 248 | 0.21 |
| Consumer CDs and IRAs | **94,140** | **172** | **0.73** | 96,858 | 171 | 0.71 | 108,359 | 244 | 0.89 |
| Negotiable CDs, public funds and other deposits | **19,587** | **30** | **0.61** | 21,661 | 35 | 0.65 | 18,547 | 5 | 0.12 |
| Total U.S. interest-bearing deposits | **620,987** | **386** | **0.25** | 621,701 | 408 | 0.26 | 641,553 | 518 | 0.32 |
| Non-U.S. interest-bearing deposits: | | | | | | | | | |
| Banks located in non-U.S. countries | **13,883** | **19** | **0.56** | 14,598 | 25 | 0.69 | 21,037 | 34 | 0.65 |
| Governments and official institutions | **1,019** | **1** | **0.31** | 895 | 1 | 0.37 | 2,043 | 2 | 0.32 |
| Time, savings and other | **52,175** | **78** | **0.59** | 52,584 | 85 | 0.65 | 64,271 | 150 | 0.93 |
| Total non-U.S. interest-bearing deposits | **67,077** | **98** | **0.58** | 68,077 | 111 | 0.65 | 87,351 | 186 | 0.85 |
| Total interest-bearing deposits | **688,064** | **484** | **0.28** | 689,778 | 519 | 0.30 | 728,904 | 704 | 0.38 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings | **325,023** | **893** | **1.09** | 318,909 | 943 | 1.19 | 303,234 | 1,152 | 1.51 |
| Trading account liabilities | **77,528** | **418** | **2.14** | 84,728 | 448 | 2.13 | 87,841 | 547 | 2.47 |
| Long-term debt | **291,684** | **2,243** | **3.07** | 333,173 | 2,534 | 3.05 | 420,273 | 2,959 | 2.82 |
| **Total interest-bearing liabilities** [(1)] | **1,382,299** | **4,038** | **1.16** | 1,426,588 | 4,444 | 1.25 | 1,540,252 | 5,362 | 1.39 |
| Noninterest-bearing sources: | | | | | | | | | |
| Noninterest-bearing deposits | **361,633** | | | 343,110 | | | 322,416 | | |
| Other liabilities | **193,341** | | | 189,307 | | | 216,376 | | |
| Shareholders' equity | **236,039** | | | 235,558 | | | 222,410 | | |
| **Total liabilities and shareholders' equity** | **$ 2,173,312** | | | $ 2,194,563 | | | $ 2,301,454 | | |
| Net interest spread | | | **2.06 %** | | | 1.96 % | | | 2.08 % |
| Impact of noninterest-bearing sources | | | **0.25** | | | 0.24 | | | 0.23 |
| **Net interest income/yield on earning assets** [(2)] | | **$ 10,119** | **2.31 %** | | $ 9,730 | 2.20 % | | $ 10,701 | 2.31 % |

(1) The impact of interest rate risk management derivatives on interest expense is presented below. Interest expense includes the impact of interest rate risk management contracts, which increased (decreased) interest expense on:

| | Third Quarter 2012 | Second Quarter 2012 | Third Quarter 2011 |
|---|---|---|---|
| NOW and money market deposit accounts | **$ —** | $ (1) | $ — |
| Consumer CDs and IRAs | **16** | 22 | 44 |
| Negotiable CDs, public funds and other deposits | **3** | 4 | 3 |
| Banks located in non-U.S. countries | **3** | 3 | 13 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings | **323** | 307 | 471 |
| Long-term debt | **(799)** | (926) | (1,162) |
| **Net hedge income on liabilities** | **$ (454)** | $ (591) | $ (631) |

(2) For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on primarily overnight deposits placed with certain Foreign Central Banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

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 | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | | 2011 | | |
| | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Earning assets** | | | | | | |
| Time deposits placed and other short-term investments [1] | $ 24,877 | $ 187 | 1.01 % | $ 28,428 | $ 281 | 1.33 % |
| Federal funds sold and securities borrowed or purchased under agreements to resell | 234,058 | 1,173 | 0.67 | 247,635 | 1,698 | 0.92 |
| Trading account assets | 177,846 | 3,944 | 2.96 | 195,931 | 4,788 | 3.26 |
| Debt securities [2] | 336,939 | 6,675 | 2.64 | 338,512 | 7,357 | 2.90 |
| Loans and leases [3]: | | | | | | |
| Residential mortgage | 255,458 | 7,268 | 3.79 | 265,345 | 8,500 | 4.27 |
| Home equity | 119,579 | 3,351 | 3.74 | 132,308 | 3,834 | 3.87 |
| Discontinued real estate | 11,392 | 292 | 3.41 | 14,951 | 373 | 3.32 |
| U.S. credit card | 95,540 | 7,168 | 10.02 | 106,569 | 8,205 | 10.29 |
| Non-U.S. credit card | 13,706 | 1,189 | 11.59 | 26,767 | 2,236 | 11.17 |
| Direct/Indirect consumer | 85,042 | 2,238 | 3.52 | 89,927 | 2,853 | 4.24 |
| Other consumer | 2,612 | 121 | 6.23 | 2,764 | 135 | 6.47 |
| Total consumer | 583,329 | 21,627 | 4.95 | 638,631 | 26,136 | 5.47 |
| U.S. commercial | 198,618 | 5,250 | 3.53 | 191,091 | 5,562 | 3.89 |
| Commercial real estate | 37,912 | 991 | 3.49 | 45,664 | 1,179 | 3.45 |
| Commercial lease financing | 21,557 | 690 | 4.27 | 21,419 | 797 | 4.96 |
| Non-U.S. commercial | 59,234 | 1,161 | 2.62 | 43,043 | 987 | 3.07 |
| Total commercial | 317,321 | 8,092 | 3.41 | 301,217 | 8,525 | 3.78 |
| Total loans and leases | 900,650 | 29,719 | 4.41 | 939,848 | 34,661 | 4.93 |
| Other earning assets | 89,230 | 2,254 | 3.37 | 101,382 | 2,602 | 3.43 |
| **Total earning assets [4]** | 1,763,600 | 43,952 | 3.33 | 1,851,736 | 51,387 | 3.72 |
| Cash and cash equivalents [1] | 117,105 | 147 | | 118,792 | 150 | |
| Other assets, less allowance for loan and lease losses | 304,269 | | | 355,704 | | |
| **Total assets** | $ 2,184,974 | | | $ 2,326,232 | | |

(1) For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on primarily overnight deposits placed with certain Foreign Central Banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

(2) Yields on available-for-sale debt securities are calculated based on fair value rather than the cost basis. The use of fair value does not have a material impact on net interest yield.

(3) Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cost recovery basis. Purchased credit-impaired loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the loan.

(4) The impact of interest rate risk management derivatives on interest income is presented below. Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

| | 2012 | 2011 |
|---|---|---|
| Federal funds sold and securities borrowed or purchased under agreements to resell | $ 110 | $ 141 |
| Trading account assets | — | (158) |
| Debt securities | (665) | (2,092) |
| U.S. commercial | (51) | (41) |
| Non-U.S. commercial | (2) | (2) |
| **Net hedge expenses on assets** | $ (608) | $ (2,152) |

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 (continued)

(Dollars in millions)

| | Nine Months Ended September 30 | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | | 2011 | | |
| | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Interest-bearing liabilities** | | | | | | |
| U.S. interest-bearing deposits: | | | | | | |
| Savings | $ 41,506 | $ 39 | 0.12% | $ 40,618 | $ 84 | 0.28% |
| NOW and money market deposit accounts | 461,720 | 547 | 0.16 | 476,002 | 868 | 0.24 |
| Consumer CDs and IRAs | 97,003 | 537 | 0.74 | 113,428 | 825 | 0.97 |
| Negotiable CDs, public funds and other deposits | 21,273 | 101 | 0.63 | 15,478 | 86 | 0.74 |
| Total U.S. interest-bearing deposits | 621,502 | 1,224 | 0.26 | 645,526 | 1,863 | 0.39 |
| Non-U.S. interest-bearing deposits: | | | | | | |
| Banks located in non-U.S. countries | 15,544 | 72 | 0.62 | 20,600 | 109 | 0.71 |
| Governments and official institutions | 1,067 | 3 | 0.37 | 2,159 | 6 | 0.35 |
| Time, savings and other | 53,328 | 253 | 0.63 | 63,212 | 408 | 0.86 |
| Total non-U.S. interest-bearing deposits | 69,939 | 328 | 0.63 | 85,971 | 523 | 0.81 |
| Total interest-bearing deposits | 691,441 | 1,552 | 0.30 | 731,497 | 2,386 | 0.44 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings | 312,376 | 2,717 | 1.16 | 337,583 | 3,678 | 1.46 |
| Trading account liabilities | 78,041 | 1,343 | 2.30 | 89,302 | 1,801 | 2.70 |
| Long-term debt | 329,320 | 7,485 | 3.03 | 431,902 | 9,043 | 2.80 |
| **Total interest-bearing liabilities** (1) | 1,411,178 | 13,097 | 1.24 | 1,590,284 | 16,908 | 1.42 |
| Noninterest-bearing sources: | | | | | | |
| Noninterest-bearing deposits | 346,169 | | | 305,408 | | |
| Other liabilities | 192,901 | | | 201,155 | | |
| Shareholders' equity | 234,726 | | | 229,385 | | |
| **Total liabilities and shareholders' equity** | $ 2,184,974 | | | $ 2,326,232 | | |
| Net interest spread | | | 2.09% | | | 2.30% |
| Impact of noninterest-bearing sources | | | 0.24 | | | 0.19 |
| **Net interest income/yield on earning assets** (2) | | $ 30,855 | 2.33% | | $ 34,479 | 2.49% |

(1) The impact of interest rate risk management derivatives on interest expense is presented below. Interest expense includes the impact of interest rate risk management contracts, which increased(decreased) interest expense on:

| | 2012 | 2011 |
|---|---|---|
| NOW and money market deposit accounts | $ (1) | $ (1) |
| Consumer CDs and IRAs | 72 | 137 |
| Negotiable CDs, public funds and other deposits | 10 | 10 |
| Banks located in non-U.S. countries | 10 | 47 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings | 955 | 1,427 |
| Long-term debt | (2,749) | (3,497) |
| **Net hedge income on liabilities** | $ (1,703) | $ (1,877) |

(2) For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on primarily overnight deposits placed with certain Foreign Central Banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

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

**Bank of America Corporation and Subsidiaries**

## Debt Securities and Available-for-Sale Marketable Equity Securities

(Dollars in millions)

| | September 30, 2012 | | | |
|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| **Available-for-sale debt securities** | | | | |
| U.S. Treasury and agency securities | $ 24,794 | $ 236 | $ (235) | $ 24,795 |
| Mortgage-backed securities: | | | | |
| Agency | 196,976 | 7,091 | (24) | 204,043 |
| Agency collateralized mortgage obligations | 38,863 | 1,412 | (128) | 40,147 |
| Non-agency residential | 9,772 | 377 | (147) | 10,002 |
| Non-agency commercial | 3,733 | 394 | — | 4,127 |
| Non-U.S. securities | 5,709 | 50 | (11) | 5,748 |
| Corporate bonds | 2,018 | 83 | (18) | 2,083 |
| Other taxable securities, substantially all asset-backed securities | 12,128 | 85 | (16) | 12,197 |
| Total taxable securities | 293,993 | 9,728 | (579) | 303,142 |
| Tax-exempt securities | 2,840 | 17 | (50) | 2,807 |
| **Total available-for-sale debt securities** | 296,833 | 9,745 | (629) | 305,949 |
| **Held-to-maturity debt securities, substantially all U.S. agency mortgage-backed securities** | 39,898 | 1,230 | — | 41,128 |
| **Total debt securities** | $ 336,731 | $ 10,975 | $ (629) | $ 347,077 |
| **Available-for-sale marketable equity securities**[(1)] | $ 783 | $ 526 | $ (5) | $ 1,304 |

| | June 30, 2012 | | | |
|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| **Available-for-sale debt securities** | | | | |
| U.S. Treasury and agency securities | $ 30,034 | $ 237 | $ (440) | $ 29,831 |
| Mortgage-backed securities: | | | | |
| Agency | 189,167 | 5,075 | (51) | 194,191 |
| Agency collateralized mortgage obligations | 38,553 | 752 | (156) | 39,149 |
| Non-agency residential | 10,514 | 256 | (255) | 10,515 |
| Non-agency commercial | 3,751 | 376 | — | 4,127 |
| Non-U.S. securities | 5,736 | 37 | (8) | 5,765 |
| Corporate bonds | 2,073 | 75 | (26) | 2,122 |
| Other taxable securities, substantially all asset-backed securities | 11,494 | 68 | (40) | 11,522 |
| Total taxable securities | 291,322 | 6,876 | (976) | 297,222 |
| Tax-exempt securities | 2,862 | 17 | (52) | 2,827 |
| **Total available-for-sale debt securities** | 294,184 | 6,893 | (1,028) | 300,049 |
| **Held-to-maturity debt securities, substantially all U.S. agency mortgage-backed securities** | 35,168 | 826 | — | 35,994 |
| **Total debt securities** | $ 329,352 | $ 7,719 | $ (1,028) | $ 336,043 |
| **Available-for-sale marketable equity securities**[(1)] | $ 62 | $ 27 | $ (6) | $ 83 |

(1) Classified in other assets on the Consolidated Balance Sheet.

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

**Bank of America Corporation and Subsidiaries**

## Quarterly Results by Business Segment

(Dollars in millions)

| | Third Quarter 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Net interest income (FTE basis) | $ 10,167 | $ 4,651 | $ 729 | $ 2,264 | $ 846 | $ 1,458 | $ 219 |
| Noninterest income (loss) | 10,490 | 2,419 | 2,367 | 1,883 | 2,260 | 2,820 | (1,259) |
| Total revenue, net of interest expense (FTE basis) | 20,657 | 7,070 | 3,096 | 4,147 | 3,106 | 4,278 | (1,040) |
| Provision for credit losses | 1,774 | 970 | 264 | 68 | 21 | 61 | 390 |
| Noninterest expense | 17,544 | 4,061 | 4,224 | 2,023 | 2,545 | 3,355 | 1,336 |
| Income (loss) before income taxes | 1,339 | 2,039 | (1,392) | 2,056 | 540 | 862 | (2,766) |
| Income tax expense (benefit) (FTE basis) | 999 | 754 | (515) | 761 | 899 | 320 | (1,220) |
| **Net income (loss)** | $ 340 | $ 1,285 | $ (877) | $ 1,295 | $ (359) | $ 542 | $ (1,546) |
| **Average** | | | | | | | |
| Total loans and leases | $ 888,859 | $ 133,881 | $ 103,708 | $ 267,390 | n/m | $ 106,092 | $ 249,831 |
| Total assets (1) | 2,173,312 | 533,981 | 141,779 | 355,670 | $ 584,332 | 280,840 | 276,710 |
| Total deposits | 1,049,697 | 480,342 | n/m | 252,226 | n/m | 253,942 | 26,742 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 893,035 | $ 133,308 | $ 99,890 | $ 272,052 | n/m | $ 107,500 | $ 246,255 |
| Total assets (1) | 2,166,162 | 540,260 | 139,366 | 355,417 | $ 583,203 | 283,949 | 263,967 |
| Total deposits | 1,063,307 | 486,857 | n/m | 260,030 | n/m | 256,114 | 24,960 |

| | Second Quarter 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Net interest income (FTE basis) | $ 9,782 | $ 4,705 | $ 714 | $ 2,184 | $ 650 | $ 1,446 | $ 83 |
| Noninterest income | 12,420 | 2,621 | 1,807 | 2,102 | 2,715 | 2,871 | 304 |
| Total revenue, net of interest expense (FTE basis) | 22,202 | 7,326 | 2,521 | 4,286 | 3,365 | 4,317 | 387 |
| Provision for credit losses | 1,773 | 1,131 | 186 | (113) | (14) | 47 | 536 |
| Noninterest expense | 17,048 | 4,360 | 3,552 | 2,165 | 2,712 | 3,402 | 857 |
| Income (loss) before income taxes | 3,381 | 1,835 | (1,217) | 2,234 | 667 | 868 | (1,006) |
| Income tax expense (benefit) (FTE basis) | 918 | 680 | (451) | 827 | 206 | 321 | (665) |
| **Net income (loss)** | $ 2,463 | $ 1,155 | $ (766) | $ 1,407 | $ 461 | $ 547 | $ (341) |
| **Average** | | | | | | | |
| Total loans and leases | $ 899,498 | $ 136,872 | $ 106,725 | $ 267,813 | n/m | $ 104,102 | $ 257,340 |
| Total assets (1) | 2,194,563 | 531,747 | 152,777 | 341,151 | $ 581,952 | 276,914 | 310,022 |
| Total deposits | 1,032,888 | 476,580 | n/m | 239,161 | n/m | 251,121 | 31,167 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 892,315 | $ 135,523 | $ 105,304 | $ 265,395 | n/m | $ 105,395 | $ 253,503 |
| Total assets (1) | 2,160,854 | 537,647 | 147,638 | 340,744 | $ 561,815 | 277,988 | 295,022 |
| Total deposits | 1,035,225 | 481,939 | n/m | 241,529 | n/m | 249,755 | 26,972 |

| | Third Quarter 2011 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Net interest income (FTE basis) | $ 10,739 | $ 5,149 | $ 922 | $ 2,323 | $ 925 | $ 1,412 | $ 8 |
| Noninterest income | 17,963 | 2,978 | 1,900 | 1,628 | 2,369 | 2,826 | 6,262 |
| Total revenue, net of interest expense (FTE basis) | 28,702 | 8,127 | 2,822 | 3,951 | 3,294 | 4,238 | 6,270 |
| Provision for credit losses | 3,407 | 1,132 | 918 | (182) | 3 | 162 | 1,374 |
| Noninterest expense | 17,613 | 4,347 | 3,826 | 2,217 | 2,966 | 3,500 | 757 |
| Income (loss) before income taxes | 7,682 | 2,648 | (1,922) | 1,916 | 325 | 576 | 4,139 |
| Income tax expense (benefit) (FTE basis) | 1,450 | 984 | (801) | 710 | 878 | 214 | (535) |
| **Net income (loss)** | $ 6,232 | $ 1,664 | $ (1,121) | $ 1,206 | $ (553) | $ 362 | $ 4,674 |
| **Average** | | | | | | | |
| Total loans and leases | $ 942,032 | $ 151,492 | $ 120,079 | $ 268,174 | n/m | $ 102,786 | $ 286,753 |
| Total assets (1) | 2,301,454 | 519,512 | 182,843 | 348,087 | $ 604,333 | 290,974 | 355,705 |
| Total deposits | 1,051,320 | 464,256 | n/m | 246,395 | n/m | 255,882 | 52,742 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 932,531 | $ 149,739 | $ 119,823 | $ 273,547 | n/m | $ 102,362 | $ 274,270 |
| Total assets (1) | 2,219,628 | 520,125 | 188,769 | 341,100 | $ 552,772 | 280,897 | 335,965 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total deposits | 1,041,353 | 465,774 | n/m | 236,565 | n/m | 251,251 | 52,946 |

(1) Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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

**Bank of America Corporation and Subsidiaries**

## Year-to-Date Results by Business Segment

(Dollars in millions)

| | Nine Months Ended September 30, 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total Corporation** | **Consumer & Business Banking** | **Consumer Real Estate Services** | **Global Banking** | **Global Markets** | **GWIM** | **All Other** |
| Net interest income (FTE basis) | **$ 31,002** | **$ 14,436** | **$ 2,218** | **$ 6,847** | **$ 2,294** | **$ 4,482** | **$ 725** |
| Noninterest income (loss) | **34,342** | **7,383** | **6,073** | **6,035** | **8,370** | **8,472** | **(1,991)** |
| Total revenue, net of interest expense (FTE basis) | **65,344** | **21,819** | **8,291** | **12,882** | **10,664** | **12,954** | **(1,266)** |
| Provision for credit losses | **5,965** | **2,978** | **957** | **(283)** | **(13)** | **154** | **2,172** |
| Noninterest expense | **53,733** | **12,672** | **11,678** | **6,364** | **8,333** | **10,201** | **4,485** |
| Income (loss) before income taxes | **5,646** | **6,169** | **(4,344)** | **6,801** | **2,344** | **2,599** | **(7,923)** |
| Income tax expense (benefit) (FTE basis) | **2,190** | **2,276** | **(1,558)** | **2,509** | **1,444** | **960** | **(3,441)** |
| **Net income (loss)** | **$ 3,456** | **$ 3,893** | **$ (2,786)** | **$ 4,292** | **$ 900** | **$ 1,639** | **$ (4,482)** |
| **Average** | | | | | | | |
| Total loans and leases | **$ 900,650** | **$ 137,431** | **$ 107,051** | **$ 270,747** | **n/m** | **$ 104,416** | **$ 257,067** |
| Total assets (1) | **2,184,974** | **529,811** | **151,186** | **348,461** | **$ 574,993** | **280,893** | **299,630** |
| Total deposits | **1,037,610** | **474,409** | **n/m** | **243,028** | **n/m** | **252,595** | **32,518** |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 893,035** | **$ 133,308** | **$ 99,890** | **$ 272,052** | **n/m** | **$ 107,500** | **$ 246,255** |
| Total assets (1) | **2,166,162** | **540,260** | **139,366** | **355,417** | **$ 583,203** | **283,949** | **263,967** |
| Total deposits | **1,063,307** | **486,857** | **n/m** | **260,030** | **n/m** | **256,114** | **24,960** |

| | Nine Months Ended September 30, 2011 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| Net interest income (FTE basis) | $ 34,629 | $ 16,299 | $ 2,398 | $ 7,181 | $ 2,819 | $ 4,555 | $ 1,377 |
| Noninterest income (loss) | 34,651 | 8,975 | (8,828) | 6,130 | 10,161 | 8,674 | 9,539 |
| Total revenue, net of interest expense (FTE basis) | 69,280 | 25,274 | (6,430) | 13,311 | 12,980 | 13,229 | 10,916 |
| Provision for credit losses | 10,476 | 2,193 | 3,523 | (862) | (38) | 280 | 5,380 |
| Noninterest expense | 60,752 | 13,291 | 17,222 | 6,748 | 9,343 | 10,702 | 3,446 |
| Income (loss) before income taxes | (1,948) | 9,790 | (27,175) | 7,425 | 3,675 | 2,247 | 2,090 |
| Income tax expense (benefit) (FTE basis) | (1,403) | 3,586 | (9,152) | 2,716 | 1,922 | 823 | (1,298) |
| **Net income (loss)** | $ (545) | $ 6,204 | $ (18,023) | $ 4,709 | $ 1,753 | $ 1,424 | $ 3,388 |
| **Average** | | | | | | | |
| Total loans and leases | $ 939,848 | $ 155,829 | $ 120,772 | $ 261,766 | n/m | $ 101,953 | $ 287,625 |
| Total assets (1) | 2,326,232 | 518,998 | 196,636 | 333,995 | $ 603,083 | 292,562 | 380,958 |
| Total deposits | 1,036,905 | 462,851 | n/m | 236,151 | n/m | 256,667 | 50,201 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 932,531 | $ 149,739 | $ 119,823 | $ 273,547 | n/m | $ 102,362 | $ 274,270 |
| Total assets (1) | 2,219,628 | 520,125 | 188,769 | 341,100 | $ 552,772 | 280,897 | 335,965 |
| Total deposits | 1,041,353 | 465,774 | n/m | 236,565 | n/m | 251,251 | 52,946 |

(1) Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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

**Bank of America Corporation and Subsidiaries**

## Consumer & Business Banking Segment Results

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ 14,436** | $ 16,299 | **$ 4,651** | $ 4,705 | $ 5,080 | $ 5,080 | $ 5,149 |
| Noninterest income: | | | | | | | |
| Card income | **3,934** | 4,983 | **1,325** | 1,331 | 1,278 | 1,303 | 1,720 |
| Service charges | **3,249** | 3,379 | **1,103** | 1,082 | 1,064 | 1,145 | 1,204 |
| All other income (loss) | **200** | 613 | **(9)** | 208 | 1 | 78 | 54 |
| Total noninterest income | **7,383** | 8,975 | **2,419** | 2,621 | 2,343 | 2,526 | 2,978 |
| Total revenue, net of interest expense (FTE basis) | **21,819** | 25,274 | **7,070** | 7,326 | 7,423 | 7,606 | 8,127 |
| Provision for credit losses | **2,978** | 2,193 | **970** | 1,131 | 877 | 1,297 | 1,132 |
| Noninterest expense | **12,672** | 13,291 | **4,061** | 4,360 | 4,251 | 4,429 | 4,347 |
| Income before income taxes | **6,169** | 9,790 | **2,039** | 1,835 | 2,295 | 1,880 | 2,648 |
| Income tax expense (FTE basis) | **2,276** | 3,586 | **754** | 680 | 842 | 638 | 984 |
| **Net income** | **$ 3,893** | $ 6,204 | **$ 1,285** | $ 1,155 | $ 1,453 | $ 1,242 | $ 1,664 |
| Net interest yield (FTE basis) | **3.93 %** | 4.52 % | **3.74 %** | 3.85 % | 4.22 % | 4.23 % | 4.25 % |
| Return on average allocated equity | **9.73** | 15.69 | **9.47** | 8.69 | 11.04 | 9.30 | 12.60 |
| Return on average economic capital (1) | **22.69** | 37.42 | **21.77** | 20.29 | 26.13 | 22.08 | 30.42 |
| Efficiency ratio (FTE basis) | **58.08** | 52.59 | **57.43** | 59.52 | 57.26 | 58.24 | 53.48 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 137,431** | $ 155,829 | **$ 133,881** | $ 136,872 | $ 141,578 | $ 147,150 | $ 151,492 |
| Total earning assets (2) | **490,393** | 482,003 | **494,485** | 492,085 | 484,565 | 476,399 | 480,312 |
| Total assets (2) | **529,811** | 518,998 | **533,981** | 531,747 | 523,658 | 515,339 | 519,512 |
| Total deposits | **474,409** | 462,851 | **480,342** | 476,580 | 466,240 | 459,819 | 464,256 |
| Allocated equity | **53,462** | 52,875 | **53,982** | 53,452 | 52,947 | 53,004 | 52,381 |
| Economic capital (1) | **22,977** | 22,225 | **23,535** | 22,967 | 22,425 | 22,417 | 21,781 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 133,308** | $ 149,739 | **$ 133,308** | $ 135,523 | $ 138,909 | $ 146,378 | $ 149,739 |
| Total earning assets (2) | **499,604** | 481,158 | **499,604** | 497,920 | 502,788 | 480,972 | 481,158 |
| Total assets (2) | **540,260** | 520,125 | **540,260** | 537,647 | 543,855 | 521,097 | 520,125 |
| Total deposits | **486,857** | 465,774 | **486,857** | 481,939 | 486,162 | 464,264 | 465,774 |

(1) Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(2) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

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

**Bank of America Corporation and Subsidiaries**

# Consumer & Business Banking Year-to-Date Results

(Dollars in millions)

| | Nine Months Ended September 30, 2012 | | | |
|---|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Card Services | Business Banking |
| Net interest income (FTE basis) | $ 14,436 | $ 5,916 | $ 7,575 | $ 945 |
| Noninterest income: | | | | |
| Card income | 3,934 | — | 3,934 | — |
| Service charges | 3,249 | 2,972 | — | 277 |
| All other income (loss) | 200 | 194 | (79) | 85 |
| Total noninterest income | 7,383 | 3,166 | 3,855 | 362 |
| Total revenue, net of interest expense (FTE basis) | 21,819 | 9,082 | 11,430 | 1,307 |
| Provision for credit losses | 2,978 | 151 | 2,566 | 261 |
| Noninterest expense | 12,672 | 7,819 | 4,171 | 682 |
| Income before income taxes | 6,169 | 1,112 | 4,693 | 364 |
| Income tax expense (FTE basis) | 2,276 | 410 | 1,731 | 135 |
| **Net income** | $ 3,893 | $ 702 | $ 2,962 | $ 229 |
| Net interest yield (FTE basis) | 3.93 % | 1.83 % | 8.90 % | 2.76 % |
| Return on average allocated equity | 9.73 | 3.89 | 19.25 | 3.47 |
| Return on average economic capital (1) | 22.69 | 15.27 | 39.32 | 4.55 |
| Efficiency ratio (FTE basis) | 58.08 | 86.09 | 36.49 | 52.15 |
| **Balance Sheet** | | | | |
| **Average** | | | | |
| Total loans and leases | $ 137,431 | n/m | $ 112,689 | $ 23,998 |
| Total earning assets (2) | 490,393 | $ 430,837 | 113,659 | 45,640 |
| Total assets (2) | 529,811 | 457,011 | 119,741 | 52,802 |
| Total deposits | 474,409 | 431,516 | n/m | 42,562 |
| Allocated equity | 53,462 | 24,078 | 20,553 | 8,831 |
| Economic capital (1) | 22,977 | 6,152 | 10,092 | 6,733 |
| **Period end** | | | | |
| Total loans and leases | $ 133,308 | n/m | $ 109,358 | $ 23,150 |
| Total earning assets (2) | 499,604 | $ 442,960 | 109,865 | 44,532 |
| Total assets (2) | 540,260 | 468,885 | 116,921 | 52,207 |
| Total deposits | 486,857 | 442,875 | n/m | 43,055 |

| | Nine Months Ended September 30, 2011 | | | |
|---|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Card Services | Business Banking |
| Net interest income (FTE basis) | $ 16,299 | $ 6,473 | $ 8,737 | $ 1,089 |
| Noninterest income: | | | | |
| Card income | 4,983 | — | 4,983 | — |
| Service charges | 3,379 | 2,964 | — | 415 |
| All other income | 613 | 177 | 342 | 94 |
| Total noninterest income | 8,975 | 3,141 | 5,325 | 509 |
| Total revenue, net of interest expense (FTE basis) | 25,274 | 9,614 | 14,062 | 1,598 |
| Provision for credit losses | 2,193 | 116 | 1,934 | 143 |
| Noninterest expense | 13,291 | 7,821 | 4,584 | 886 |
| Income before income taxes | 9,790 | 1,677 | 7,544 | 569 |
| Income tax expense (FTE basis) | 3,586 | 614 | 2,761 | 211 |
| **Net income** | $ 6,204 | $ 1,063 | $ 4,783 | $ 358 |
| Net interest yield (FTE basis) | 4.52 % | 2.05 % | 9.06 % | 3.43 % |
| Return on average allocated equity | 15.69 | 6.00 | 30.02 | 6.08 |
| Return on average economic capital (1) | 37.42 | 24.82 | 59.92 | 8.28 |
| Efficiency ratio (FTE basis) | 52.59 | 81.35 | 32.60 | 55.42 |
| **Balance Sheet** | | | | |
| **Average** | | | | |
| Total loans and leases | $ 155,829 | n/m | $ 127,755 | $ 27,423 |

| | | | | |
|---|---|---|---|---|
| Total earning assets (2) | 482,003 | $ 421,530 | 128,904 | 42,475 |
| Total assets (2) | 518,998 | 447,926 | 131,172 | 50,807 |
| Total deposits | 462,851 | 422,452 | n/m | 40,103 |
| Allocated equity | 52,875 | 23,692 | 21,302 | 7,881 |
| Economic capital (1) | 22,225 | 5,740 | 10,699 | 5,786 |
| **Period end** | | | | |
| Total loans and leases | $ 149,739 | n/m | $ 122,222 | $ 26,839 |
| Total earning assets (2) | 481,158 | $ 422,758 | 123,509 | 44,403 |
| Total assets (2) | 520,125 | 449,469 | 128,747 | 51,422 |
| Total deposits | 465,774 | 424,267 | n/m | 41,182 |

For footnotes see page 20.
Certain prior period amounts have been reclassified among the segments to conform to current period presentation.

**Bank of America Corporation and Subsidiaries**

# Consumer & Business Banking Quarterly Results

(Dollars in millions)

| | Third Quarter 2012 | | | |
|---|---|---|---|---|
| | **Total Consumer & Business Banking** | **Deposits** | **Card Services** | **Business Banking** |
| Net interest income (FTE basis) | **$ 4,651** | **$ 1,882** | **$ 2,479** | **$ 290** |
| Noninterest income: | | | | |
| Card income | **1,325** | **—** | **1,325** | **—** |
| Service charges | **1,103** | **1,012** | **—** | **91** |
| All other income (loss) | **(9 )** | **63** | **(100 )** | **28** |
| Total noninterest income | **2,419** | **1,075** | **1,225** | **119** |
| Total revenue, net of interest expense (FTE basis) | **7,070** | **2,957** | **3,704** | **409** |
| Provision for credit losses | **970** | **60** | **836** | **74** |
| Noninterest expense | **4,061** | **2,568** | **1,290** | **203** |
| Income before income taxes | **2,039** | **329** | **1,578** | **132** |
| Income tax expense (FTE basis) | **754** | **122** | **584** | **48** |
| **Net income** | **$ 1,285** | **$ 207** | **$ 994** | **$ 84** |
| Net interest yield (FTE basis) | **3.74%** | **1.71%** | **8.95%** | **2.57%** |
| Return on average allocated equity | **9.47** | **3.29** | **19.33** | **3.89** |
| Return on average economic capital (1) | **21.77** | **11.60** | **39.54** | **5.17** |
| Efficiency ratio (FTE basis) | **57.43** | **86.82** | **34.79** | **50.03** |
| **Balance Sheet** | | | | |
| **Average** | | | | |
| Total loans and leases | **$ 133,881** | **n/m** | **$ 109,707** | **$ 23,375** |
| Total earning assets (2) | **494,485** | **$ 437,234** | **110,233** | **44,974** |
| Total assets (2) | **533,981** | **463,248** | **116,760** | **51,929** |
| Total deposits | **480,342** | **436,688** | **n/m** | **43,294** |
| Allocated equity | **53,982** | **25,047** | **20,463** | **8,472** |
| Economic capital (1) | **23,535** | **7,127** | **10,034** | **6,374** |
| **Period end** | | | | |
| Total loans and leases | **$ 133,308** | **n/m** | **$ 109,358** | **$ 23,150** |
| Total earning assets (2) | **499,604** | **$ 442,960** | **109,865** | **44,532** |
| Total assets (2) | **540,260** | **468,885** | **116,921** | **52,207** |
| Total deposits | **486,857** | **442,875** | **n/m** | **43,055** |

| | Second Quarter 2012 | | | |
|---|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Card Services | Business Banking |
| Net interest income (FTE basis) | $ 4,705 | $ 1,914 | $ 2,480 | $ 311 |
| Noninterest income: | | | | |
| Card income | 1,331 | — | 1,331 | — |
| Service charges | 1,082 | 991 | — | 91 |
| All other income | 208 | 71 | 106 | 31 |
| Total noninterest income | 2,621 | 1,062 | 1,437 | 122 |
| Total revenue, net of interest expense (FTE basis) | 7,326 | 2,976 | 3,917 | 433 |
| Provision for credit losses | 1,131 | 40 | 940 | 151 |
| Noninterest expense | 4,360 | 2,638 | 1,502 | 220 |
| Income before income taxes | 1,835 | 298 | 1,475 | 62 |
| Income tax expense (FTE basis) | 680 | 111 | 546 | 23 |
| **Net income** | $ 1,155 | $ 187 | $ 929 | $ 39 |
| Net interest yield (FTE basis) | 3.85% | 1.78% | 8.81% | 2.78% |
| Return on average allocated equity | 8.69 | 3.14 | 18.21 | 1.74 |
| Return on average economic capital (1) | 20.29 | 12.45 | 37.25 | 2.28 |
| Efficiency ratio (FTE basis) | 59.52 | 88.66 | 38.36 | 50.65 |
| **Balance Sheet** | | | | |
| **Average** | | | | |
| Total loans and leases | $ 136,872 | n/m | $ 112,127 | $ 24,025 |

| | | | | |
|---|---|---|---|---|
| Total earning assets (2) | 492,085 | $ 433,075 | 113,202 | 44,808 |
| Total assets (2) | 531,747 | 459,217 | 119,316 | 52,213 |
| Total deposits | 476,580 | 433,781 | n/m | 42,475 |
| Allocated equity | 53,452 | 23,982 | 20,525 | 8,945 |
| Economic capital (1) | 22,967 | 6,056 | 10,065 | 6,846 |
| **Period end** | | | | |
| Total loans and leases | $ 135,523 | n/m | $ 111,071 | $ 23,700 |
| Total earning assets (2) | 497,920 | $ 440,559 | 111,602 | 43,502 |
| Total assets (2) | 537,647 | 466,362 | 118,288 | 50,739 |
| Total deposits | 481,939 | 439,470 | n/m | 41,563 |

For footnotes see page 20.
Certain prior period amounts have been reclassified among the segments to conform to current period presentation.

**Bank of America Corporation and Subsidiaries**

## Consumer & Business Banking Quarterly Results (continued)

(Dollars in millions)

| | Third Quarter 2011 | | | |
|---|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Card Services | Business Banking |
| Net interest income (FTE basis) | $ 5,149 | $ 1,987 | $ 2,820 | $ 342 |
| Noninterest income: | | | | |
| Card income | 1,720 | — | 1,720 | — |
| Service charges | 1,204 | 1,073 | — | 131 |
| All other income (loss) | 54 | 60 | (42) | 36 |
| Total noninterest income | 2,978 | 1,133 | 1,678 | 167 |
| Total revenue, net of interest expense (FTE basis) | 8,127 | 3,120 | 4,498 | 509 |
| Provision for credit losses | 1,132 | 52 | 1,037 | 43 |
| Noninterest expense | 4,347 | 2,623 | 1,444 | 280 |
| Income before income taxes | 2,648 | 445 | 2,017 | 186 |
| Income tax expense (FTE basis) | 984 | 165 | 750 | 69 |
| **Net income** | $ 1,664 | $ 280 | $ 1,267 | $ 117 |
| Net interest yield (FTE basis) | 4.25% | 1.87% | 8.97% | 3.06% |
| Return on average allocated equity | 12.60 | 4.67 | 24.22 | 5.93 |
| Return on average economic capital (1) | 30.42 | 19.01 | 49.50 | 8.11 |
| Efficiency ratio (FTE basis) | 53.48 | 84.07 | 32.09 | 54.95 |
| **Balance Sheet** | | | | |
| **Average** | | | | |
| Total loans and leases | $ 151,492 | n/m | $ 123,547 | $ 27,258 |
| Total earning assets (2) | 480,312 | $ 420,876 | 124,766 | 44,342 |
| Total assets (2) | 519,512 | 447,620 | 129,170 | 52,394 |
| Total deposits | 464,256 | 422,331 | n/m | 41,622 |
| Allocated equity | 52,381 | 23,819 | 20,755 | 7,807 |
| Economic capital (1) | 21,781 | 5,872 | 10,194 | 5,715 |
| **Period end** | | | | |
| Total loans and leases | $ 149,739 | n/m | $ 122,222 | $ 26,839 |
| Total earning assets (2) | 481,158 | $ 422,758 | 123,509 | 44,403 |
| Total assets (2) | 520,125 | 449,469 | 128,747 | 51,422 |
| Total deposits | 465,774 | 424,267 | n/m | 41,182 |

(1) Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(2) For presentation purposes, in segments or businesses where the total of liabilities and equity exceeds assets, we allocate assets to match liabilities. As a result, total earning assets and total assets of the businesses may not equal total *Consumer & Business Banking.*

n/m = not meaningful

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

**Bank of America Corporation and Subsidiaries**

## Consumer & Business Banking Key Indicators

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Average deposit balances** | | | | | | | |
| Checking | **$ 209,777** | $ 193,648 | **$ 213,860** | $ 211,014 | $ 204,412 | $ 198,274 | $ 196,807 |
| Savings | **39,260** | 38,370 | **39,372** | 40,119 | 38,286 | 37,409 | 38,822 |
| MMS | **142,376** | 136,363 | **146,032** | 142,543 | 138,512 | 136,257 | 137,508 |
| CDs and IRAs | **78,768** | 90,528 | **76,840** | 78,642 | 80,844 | 83,719 | 87,105 |
| Non-U.S. and other | **4,228** | 3,942 | **4,238** | 4,262 | 4,186 | 4,160 | 4,014 |
| **Total average deposit balances** | **$ 474,409** | $ 462,851 | **$ 480,342** | $ 476,580 | $ 466,240 | $ 459,819 | $ 464,256 |
| **Deposit spreads (excludes noninterest costs)** | | | | | | | |
| Checking | **2.63%** | 3.24% | **2.45%** | 2.64% | 2.81% | 2.95% | 3.09% |
| Savings | **2.79** | 3.33 | **2.62** | 2.78 | 2.97 | 3.11 | 3.25 |
| MMS | **1.23** | 1.42 | **1.15** | 1.22 | 1.30 | 1.35 | 1.37 |
| CDs and IRAs | **0.58** | 0.37 | **0.58** | 0.62 | 0.55 | 0.46 | 0.39 |
| Non-U.S. and other | **1.03** | 3.80 | **1.02** | 1.06 | 1.00 | 3.44 | 3.63 |
| **Total deposit spreads** | **1.86** | 2.14 | **1.75** | 1.87 | 1.96 | 2.03 | 2.09 |
| Client brokerage assets | **$ 75,852** | $ 61,918 | **$ 75,852** | $ 72,226 | $ 73,422 | $ 66,576 | $ 61,918 |
| Online banking active accounts (units in thousands) | **29,809** | 29,917 | **29,809** | 30,232 | 30,439 | 29,870 | 29,917 |
| Mobile banking active accounts (units in thousands) | **11,097** | 8,531 | **11,097** | 10,290 | 9,702 | 9,166 | 8,531 |
| Banking centers | **5,540** | 5,715 | **5,540** | 5,594 | 5,651 | 5,702 | 5,715 |
| ATMs | **16,253** | 17,752 | **16,253** | 16,220 | 17,255 | 17,756 | 17,752 |
| **U.S. credit card** | | | | | | | |
| **Loans** | | | | | | | |
| Average credit card outstandings | **$ 95,540** | $ 106,569 | **$ 93,292** | $ 95,018 | $ 98,334 | $ 102,241 | $ 103,671 |
| Ending credit card outstandings | **93,162** | 102,803 | **93,162** | 94,291 | 96,433 | 102,291 | 102,803 |
| **Credit quality** | | | | | | | |
| Net charge-offs | **$ 3,654** | $ 5,844 | **$ 1,079** | $ 1,244 | $ 1,331 | $ 1,432 | $ 1,639 |
| | **5.11%** | 7.33% | **4.60%** | 5.27% | 5.44% | 5.55% | 6.28% |
| 30+ delinquency | **$ 2,855** | $ 4,019 | **$ 2,855** | $ 2,948 | $ 3,384 | $ 3,823 | $ 4,019 |
| | **3.06%** | 3.91% | **3.06%** | 3.13% | 3.51% | 3.74% | 3.91% |
| 90+ delinquency | **$ 1,471** | $ 2,128 | **$ 1,471** | $ 1,594 | $ 1,866 | $ 2,070 | $ 2,128 |
| | **1.58%** | 2.07% | **1.58%** | 1.69% | 1.93% | 2.02% | 2.07% |
| **Other U.S. credit card indicators** | | | | | | | |
| Gross interest yield | **10.02%** | 10.29% | **10.04%** | 9.97% | 10.06% | 10.10% | 10.14% |
| Risk adjusted margin | **7.23** | 5.51 | **7.66** | 7.51 | 6.54 | 6.77 | 6.08 |
| New account growth (in thousands) | **2,421** | 2,238 | **857** | 782 | 782 | 797 | 851 |
| Purchase volumes | **$ 141,872** | $ 141,457 | **$ 48,189** | $ 48,886 | $ 44,797 | $ 50,901 | $ 48,547 |
| **Debit card data** | | | | | | | |
| Purchase volumes | **$ 192,146** | $ 186,819 | **$ 64,121** | $ 64,993 | $ 63,032 | $ 63,726 | $ 62,774 |
| **Business Banking** | | | | | | | |
| **Loans** | | | | | | | |
| Average outstandings | **$ 23,998** | $ 27,423 | **$ 23,375** | $ 24,025 | $ 24,603 | $ 25,306 | $ 27,258 |
| **Credit spread** | **1.93%** | 2.55% | **1.76%** | 2.01% | 2.01% | 1.77% | 2.37% |
| **Credit quality** | | | | | | | |
| Net charge-offs | **$ 378** | $ 344 | **$ 150** | $ 131 | $ 97 | $ 118 | $ 100 |
| | **2.10%** | 1.68% | **2.54%** | 2.21% | 1.58% | 1.85% | 1.46% |
| Nonperforming assets | **$ 1,075** | $ 1,548 | **$ 1,075** | $ 1,146 | $ 1,228 | $ 1,300 | $ 1,548 |
| | **4.65%** | 5.77% | **4.65%** | 4.84% | 5.04% | 5.20% | 5.77% |

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

**Bank of America Corporation and Subsidiaries**

## Consumer Real Estate Services Segment Results

(Dollars in millions; except as noted)

| | Nine Months Ended September 30 | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
|---|---|---|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2012 | 2012 | 2011 | 2011 |
| Net interest income (FTE basis) | **$ 2,218** | $ 2,398 | **$ 729** | $ 714 | $ 775 | $ 809 | $ 922 |
| Noninterest income: | | | | | | | |
| Mortgage banking income (loss) | **5,834** | (10,523) | **2,192** | 1,811 | 1,831 | 2,329 | 1,800 |
| Insurance income (loss) | **8** | 753 | **1** | 1 | 6 | (3) | 23 |
| All other income (loss) | **231** | 942 | **174** | (5) | 62 | 140 | 77 |
| Total noninterest income (loss) | **6,073** | (8,828) | **2,367** | 1,807 | 1,899 | 2,466 | 1,900 |
| Total revenue, net of interest expense (FTE basis) | **8,291** | (6,430) | **3,096** | 2,521 | 2,674 | 3,275 | 2,822 |
| Provision for credit losses | **957** | 3,523 | **264** | 186 | 507 | 1,001 | 918 |
| Goodwill impairment | **—** | 2,603 | **—** | — | — | — | — |
| All other noninterest expense | **11,678** | 14,619 | **4,224** | 3,552 | 3,902 | 4,569 | 3,826 |
| Loss before income taxes | **(4,344)** | (27,175) | **(1,392)** | (1,217) | (1,735) | (2,295) | (1,922) |
| Income tax benefit (FTE basis) | **(1,558)** | (9,152) | **(515)** | (451) | (592) | (853) | (801) |
| **Net loss** | **$ (2,786)** | $ (18,023) | **$ (877)** | $ (766) | $ (1,143) | $ (1,442) | $ (1,121) |
| Net interest yield (FTE basis) | **2.36%** | 2.00% | **2.41%** | 2.27% | 2.39% | 2.30% | 2.45% |
| Balance Sheet | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 107,051** | $ 120,772 | **$ 103,708** | $ 106,725 | $ 110,755 | $ 116,993 | $ 120,079 |
| Total earning assets | **125,704** | 159,979 | **120,148** | 126,823 | 130,201 | 139,789 | 149,177 |
| Total assets | **151,186** | 196,636 | **141,779** | 152,777 | 159,105 | 171,763 | 182,843 |
| Allocated equity | **14,077** | 16,688 | **13,332** | 14,116 | 14,791 | 14,757 | 14,240 |
| Economic capital (1) | **14,077** | 14,884 | **13,332** | 14,116 | 14,791 | 14,757 | 14,240 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 99,890** | $ 119,823 | **$ 99,890** | $ 105,304 | $ 109,264 | $ 112,359 | $ 119,823 |
| Total earning assets | **114,225** | 144,831 | **114,225** | 124,854 | 130,420 | 132,381 | 144,831 |
| Total assets | **139,366** | 188,769 | **139,366** | 147,638 | 158,207 | 163,712 | 188,769 |
| **Period end** (in billions) | | | | | | | |
| Mortgage servicing portfolio (2) | **$ 1,475.7** | $ 1,917.4 | **$ 1,475.7** | $ 1,586.4 | $ 1,686.7 | $ 1,763.0 | $ 1,917.4 |

(1) Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital is a non-GAAP financial measure. We believe the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segment. Other companies may define or calculate this measure differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(2) Includes servicing of residential mortgage loans, home equity lines of credit, home equity loans and discontinued real estate mortgage loans.

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

**Bank of America Corporation and Subsidiaries**

# Consumer Real Estate Services Year-to-Date Results (1)

(Dollars in millions)

| | Nine Months Ended September 30, 2012 | | |
|---|---|---|---|
| | **Total Consumer Real Estate Services** | **Home Loans** | **Legacy Assets & Servicing** |
| Net interest income (FTE basis) | **$ 2,218** | **$ 1,013** | **$ 1,205** |
| Noninterest income: | | | |
| Mortgage banking income | **5,834** | **2,394** | **3,440** |
| Insurance income | **8** | **8** | **—** |
| All other income (loss) | **231** | **(22 )** | **253** |
| Total noninterest income | **6,073** | **2,380** | **3,693** |
| Total revenue, net of interest expense (FTE basis) | **8,291** | **3,393** | **4,898** |
| Provision for credit losses | **957** | **(5 )** | **962** |
| Noninterest expense | **11,678** | **2,430** | **9,248** |
| Income (loss) before income taxes | **(4,344 )** | **968** | **(5,312 )** |
| Income tax expense (benefit) (FTE basis) | **(1,558 )** | **357** | **(1,915 )** |
| **Net income (loss)** | **$ (2,786)** | **$ 611** | **$ (3,397)** |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | **$ 107,051** | **$ 50,598** | **$ 56,453** |
| Total earning assets | **125,704** | **57,206** | **68,498** |
| Total assets | **151,186** | **58,202** | **92,984** |
| Allocated equity | **14,077** | **n/a** | **n/a** |
| Economic capital (2) | **14,077** | **n/a** | **n/a** |
| **Period end** | | | |
| Total loans and leases | **$ 99,890** | **$ 48,865** | **$ 51,025** |
| Total earning assets | **114,225** | **56,137** | **58,088** |
| Total assets | **139,366** | **57,335** | **82,031** |

| | Nine Months Ended September 30, 2011 | | |
|---|---|---|---|
| | Total Consumer Real Estate Services | Home Loans | Legacy Assets & Servicing |
| Net interest income (FTE basis) | $ 2,398 | $ 1,444 | $ 954 |
| Noninterest income: | | | |
| Mortgage banking income (loss) | (10,523 ) | 1,873 | (12,396 ) |
| Insurance income | 753 | 753 | — |
| All other income | 942 | 871 | 71 |
| Total noninterest income (loss) | (8,828 ) | 3,497 | (12,325 ) |
| Total revenue, net of interest expense (FTE basis) | (6,430 ) | 4,941 | (11,371 ) |
| Provision for credit losses | 3,523 | 171 | 3,352 |
| Goodwill impairment | 2,603 | — | 2,603 |
| All other noninterest expense | 14,619 | 3,837 | 10,782 |
| Income (loss) before income taxes | (27,175 ) | 933 | (28,108 ) |
| Income tax expense (benefit) (FTE basis) | (9,152 ) | 346 | (9,498 ) |
| **Net income (loss)** | $ (18,023 ) | $ 587 | $ (18,610 ) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 120,772 | $ 54,785 | $ 65,987 |
| Total earning assets | 159,979 | 72,765 | 87,214 |
| Total assets | 196,636 | 73,705 | 122,931 |
| Allocated equity | 16,688 | n/a | n/a |
| Economic capital (2) | 14,884 | n/a | n/a |
| **Period end** | | | |
| Total loans and leases | $ 119,823 | $ 55,171 | $ 64,652 |
| Total earning assets | 144,831 | 66,614 | 78,217 |
| Total assets | 188,769 | 79,956 | 108,813 |

For footnotes see page25.
Certain prior period amounts have been reclassified among the segments to conform to current period presentation.

**Bank of America Corporation and Subsidiaries**

## Consumer Real Estate Services Quarterly Results (1)

(Dollars in millions)

| | Third Quarter 2012 | | |
|---|---|---|---|
| | **Total Consumer Real Estate Services** | **Home Loans** | **Legacy Assets & Servicing** |
| Net interest income (FTE basis) | $ 729 | $ 336 | $ 393 |
| Noninterest income: | | | |
| Mortgage banking income | 2,192 | 853 | 1,339 |
| Insurance income | 1 | 1 | — |
| All other income (loss) | 174 | (11) | 185 |
| Total noninterest income | 2,367 | 843 | 1,524 |
| Total revenue, net of interest expense (FTE basis) | 3,096 | 1,179 | 1,917 |
| Provision for credit losses | 264 | (23) | 287 |
| Noninterest expense | 4,224 | 783 | 3,441 |
| Income (loss) before income taxes | (1,392) | 419 | (1,811) |
| Income tax expense (benefit) (FTE basis) | (515) | 155 | (670) |
| **Net income (loss)** | $ (877) | $ 264 | $ (1,141) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 103,708 | $ 49,561 | $ 54,147 |
| Total earning assets | 120,148 | 56,285 | 63,863 |
| Total assets | 141,779 | 57,370 | 84,409 |
| Allocated equity | 13,332 | n/a | n/a |
| Economic capital (2) | 13,332 | n/a | n/a |
| **Period end** | | | |
| Total loans and leases | $ 99,890 | $ 48,865 | $ 51,025 |
| Total earning assets | 114,225 | 56,137 | 58,088 |
| Total assets | 139,366 | 57,335 | 82,031 |

| | Second Quarter 2012 | | |
|---|---|---|---|
| | Total Consumer Real Estate Services | Home Loans | Legacy Assets & Servicing |
| Net interest income (FTE basis) | $ 714 | $ 330 | $ 384 |
| Noninterest income: | | | |
| Mortgage banking income | 1,811 | 827 | 984 |
| Insurance income | 1 | 1 | — |
| All other income (loss) | (5) | (33) | 28 |
| Total noninterest income | 1,807 | 795 | 1,012 |
| Total revenue, net of interest expense (FTE basis) | 2,521 | 1,125 | 1,396 |
| Provision for credit losses | 186 | (35) | 221 |
| Noninterest expense | 3,552 | 792 | 2,760 |
| Income (loss) before income taxes | (1,217) | 368 | (1,585) |
| Income tax expense (benefit) (FTE basis) | (451) | 136 | (587) |
| **Net income (loss)** | $ (766) | $ 232 | $ (998) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 106,725 | $ 50,580 | $ 56,145 |
| Total earning assets | 126,823 | 57,869 | 68,954 |
| Total assets | 152,777 | 58,898 | 93,879 |
| Allocated equity | 14,116 | n/a | n/a |
| Economic capital (2) | 14,116 | n/a | n/a |
| **Period end** | | | |
| Total loans and leases | $ 105,304 | $ 50,112 | $ 55,192 |
| Total earning assets | 124,854 | 57,716 | 67,138 |
| Total assets | 147,638 | 58,986 | 88,652 |

For footnotes see page25.

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

**Bank of America Corporation and Subsidiaries**

## Consumer Real Estate Services Quarterly Results [1] (continued)

(Dollars in millions)

| | Third Quarter 2011 | | |
|---|---|---|---|
| | Total Consumer Real Estate Services | Home Loans | Legacy Assets & Servicing |
| Net interest income (FTE basis) | $ 922 | $ 446 | $ 476 |
| Noninterest income: | | | |
| Mortgage banking income (loss) | 1,800 | 656 | 1,144 |
| Insurance income | 23 | 23 | — |
| All other income | 77 | 42 | 35 |
| Total noninterest income (loss) | 1,900 | 721 | 1,179 |
| Total revenue, net of interest expense (FTE basis) | 2,822 | 1,167 | 1,655 |
| Provision for credit losses | 918 | 50 | 868 |
| Noninterest expense | 3,826 | 1,068 | 2,758 |
| Income (loss) before income taxes | (1,922 ) | 49 | (1,971 ) |
| Income tax expense (benefit) (FTE basis) | (801 ) | 18 | (819 ) |
| **Net income (loss)** | $ (1,121 ) | $ 31 | $ (1,152 ) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 120,079 | $ 54,858 | $ 65,221 |
| Total earning assets | 149,177 | 68,815 | 80,362 |
| Total assets | 182,843 | 71,422 | 111,421 |
| Allocated equity | 14,240 | n/a | n/a |
| Economic capital [2] | 14,240 | n/a | n/a |
| **Period end** | | | |
| Total loans and leases | $ 119,823 | $ 55,171 | $ 64,652 |
| Total earning assets | 144,831 | 66,614 | 78,217 |
| Total assets | 188,769 | 79,956 | 108,813 |

(1) *Consumer Real Estate Services* includes Home Loans and Legacy Assets & Servicing. The results of certain mortgage servicing right activities, including net hedge results which were previously included in Home Loans, together with any related assets or liabilities used as economic hedges are included in Legacy Assets & Servicing. The goodwill asset and related impairment charge that was recorded in 2011 are included in Legacy Assets & Servicing.
(2) Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital is a non-GAAP financial measure. We believe the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segment. Other companies may define or calculate this measure differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

n/a = not applicable

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

**Bank of America Corporation and Subsidiaries**

# Consumer Real Estate Services Key Indicators

(Dollars in millions, except as noted)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Mortgage servicing rights at fair value rollforward:** | | | | | | | |
| Balance, beginning of period | **$ 7,378** | $ 14,900 | **$ 5,708** | $ 7,589 | $ 7,378 | $ 7,880 | $ 12,372 |
| Net additions | **155** | 1,050 | **85** | (7) | 77 | (290) | 33 |
| Impact of customer payments [1] | **(1,149)** | (2,009) | **(346)** | (282) | (521) | (612) | (664) |
| Other changes in mortgage servicing rights fair value [2] | **(1,297)** | (6,061) | **(360)** | (1,592) | 655 | 400 | (3,861) |
| **Balance, end of period** | **$ 5,087** | $ 7,880 | **$ 5,087** | $ 5,708 | $ 7,589 | $ 7,378 | $ 7,880 |
| | | | | | | | |
| Capitalized mortgage servicing rights (% of loans serviced for investors) | **45 bps** | 52 bps | **45 bps** | 47 bps | 58 bps | 54 bps | 52 bps |
| Mortgage loans serviced for investors (in billions) | **$ 1,142** | $ 1,512 | **$ 1,142** | $ 1,224 | $ 1,313 | $ 1,379 | $ 1,512 |
| | | | | | | | |
| **Loan production:** | | | | | | | |
| **Total Corporation** [3] | | | | | | | |
| First mortgage | **$ 53,558** | $ 130,142 | **$ 20,315** | $ 18,005 | $ 15,238 | $ 21,614 | $ 33,038 |
| Home equity | **2,623** | 3,629 | **933** | 930 | 760 | 759 | 847 |
| **Consumer Real Estate Services** | | | | | | | |
| First mortgage | **$ 41,957** | $ 121,220 | **$ 15,566** | $ 14,206 | $ 12,185 | $ 18,053 | $ 30,448 |
| Home equity | **2,067** | 3,114 | **746** | 724 | 597 | 580 | 660 |
| | | | | | | | |
| **Mortgage banking income (loss)** | | | | | | | |
| Production income (loss): | | | | | | | |
| Core production revenue | **$ 2,756** | $ 2,295 | **$ 942** | $ 885 | $ 929 | $ 502 | $ 803 |
| Representations and warranties provision | **(984)** | (15,328) | **(307)** | (395) | (282) | (264) | (278) |
| Total production income (loss) | **1,772** | (13,033) | **635** | 490 | 647 | 238 | 525 |
| Servicing income: | | | | | | | |
| Servicing fees | **3,622** | 4,700 | **1,088** | 1,205 | 1,329 | 1,335 | 1,538 |
| Impact of customer payments [1] | **(1,149)** | (2,009) | **(346)** | (282) | (521) | (612) | (664) |
| Fair value changes of mortgage servicing rights, net of economic hedge results [4] | **948** | (510) | **560** | 194 | 194 | 1,165 | 360 |
| Other servicing-related revenue | **641** | 329 | **255** | 204 | 182 | 203 | 41 |
| Total net servicing income | **4,062** | 2,510 | **1,557** | 1,321 | 1,184 | 2,091 | 1,275 |
| Total Consumer Real Estate Services mortgage banking income (loss) | **5,834** | (10,523) | **2,192** | 1,811 | 1,831 | 2,329 | 1,800 |
| Other business segments' mortgage banking loss [5] | **(544)** | (426) | **(173)** | (152) | (219) | (210) | (183) |
| **Total consolidated mortgage banking income (loss)** | **$ 5,290** | $ (10,949) | **$ 2,019** | $ 1,659 | $ 1,612 | $ 2,119 | $ 1,617 |

(1) Represents the change in the market value of the mortgage servicing rights asset due to the impact of customer payments received during the period.

(2) These amounts reflect the change in discount rates and prepayment speed assumptions, mostly due to changes in interest rates, as well as the effect of changes in other assumptions.

(3) In addition to loan production in *Consumer Real Estate Services*, the remaining first mortgage and home equity loan production is primarily in *GWIM*.

(4) Includes gains and losses on sales of mortgage servicing rights.

(5) Includes the effect of transfers of mortgage loans from *Consumer Real Estate Services* to the asset and liability management portfolio included in *All Other*.

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

## Bank of America Corporation and Subsidiaries

# Global Banking Segment Results

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ 6,847** | $ 7,181 | **$ 2,264** | $ 2,184 | $ 2,399 | $ 2,309 | $ 2,323 |
| Noninterest income: | | | | | | | |
| Service charges | **2,418** | 2,618 | **796** | 815 | 807 | 802 | 828 |
| Investment banking income | **1,945** | 2,431 | **662** | 632 | 651 | 629 | 616 |
| All other income | **1,672** | 1,081 | **425** | 655 | 592 | 262 | 184 |
| Total noninterest income | **6,035** | 6,130 | **1,883** | 2,102 | 2,050 | 1,693 | 1,628 |
| Total revenue, net of interest expense (FTE basis) | **12,882** | 13,311 | **4,147** | 4,286 | 4,449 | 4,002 | 3,951 |
| Provision for credit losses | **(283)** | (862) | **68** | (113) | (238) | (256) | (182) |
| Noninterest expense | **6,364** | 6,748 | **2,023** | 2,165 | 2,176 | 2,136 | 2,217 |
| Income before income taxes | **6,801** | 7,425 | **2,056** | 2,234 | 2,511 | 2,122 | 1,916 |
| Income tax expense (FTE basis) | **2,509** | 2,716 | **761** | 827 | 921 | 785 | 710 |
| **Net income** | **$ 4,292** | $ 4,709 | **$ 1,295** | $ 1,407 | $ 1,590 | $ 1,337 | $ 1,206 |
| Net interest yield (FTE basis) | **3.02 %** | 3.34 % | **2.92 %** | 2.97 % | 3.18 % | 3.04 % | 3.06 % |
| Return on average allocated equity | **12.47** | 13.17 | **11.15** | 12.31 | 13.98 | 11.51 | 10.03 |
| Return on average economic capital (1) | **27.18** | 27.06 | **24.14** | 26.83 | 30.67 | 25.06 | 20.87 |
| Efficiency ratio (FTE basis) | **49.40** | 50.70 | **48.74** | 50.53 | 48.92 | 53.36 | 56.12 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 270,747** | $ 261,766 | **$ 267,390** | $ 267,813 | $ 277,076 | $ 276,850 | $ 268,174 |
| Total earnings assets (2) | **302,493** | 287,388 | **308,357** | 295,915 | 303,142 | 300,912 | 301,384 |
| Total assets (2) | **348,461** | 333,995 | **355,670** | 341,151 | 348,483 | 347,255 | 348,087 |
| Total deposits | **243,028** | 236,151 | **252,226** | 239,161 | 237,598 | 240,757 | 246,395 |
| Allocated equity | **45,967** | 47,820 | **46,223** | 45,958 | 45,719 | 46,087 | 47,682 |
| Economic capital (1) | **21,111** | 23,291 | **21,371** | 21,102 | 20,858 | 21,188 | 22,958 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 272,052** | $ 273,547 | **$ 272,052** | $ 265,395 | $ 272,286 | $ 278,177 | $ 273,547 |
| Total earnings assets (2) | **308,370** | 293,814 | **308,370** | 293,840 | 293,509 | 301,662 | 293,814 |
| Total assets (2) | **355,417** | 341,100 | **355,417** | 340,744 | 340,740 | 348,773 | 341,100 |
| Total deposits | **260,030** | 236,565 | **260,030** | 241,529 | 237,697 | 246,360 | 236,565 |

(1) Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credit and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provide additional clarity in assessing the results of the segments. Other companies may define or calculate this measure differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(2) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

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

## Bank of America Corporation and Subsidiaries

# Global Banking Key Indicators

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Investment Banking fees** [1] | | | | | | | |
| Advisory [2] | $ 710 | $ 918 | $ 206 | $ 314 | $ 190 | $ 265 | $ 260 |
| Debt issuance | 935 | 1,034 | 341 | 247 | 347 | 253 | 227 |
| Equity issuance | 300 | 479 | 115 | 71 | 114 | 111 | 129 |
| **Total Investment Banking fees** [3] | $ 1,945 | $ 2,431 | $ 662 | $ 632 | $ 651 | $ 629 | $ 616 |
| **Business Lending** | | | | | | | |
| Corporate | $ 2,509 | $ 2,547 | $ 779 | $ 850 | $ 880 | $ 693 | $ 775 |
| Commercial | 3,400 | 3,750 | 1,137 | 1,122 | 1,141 | 1,169 | 1,161 |
| **Total Business Lending revenue** [3] | $ 5,909 | $ 6,297 | $ 1,916 | $ 1,972 | $ 2,021 | $ 1,862 | $ 1,936 |
| **Treasury Services** | | | | | | | |
| Corporate | $ 1,913 | $ 1,875 | $ 649 | $ 620 | $ 644 | $ 632 | $ 617 |
| Commercial | 2,731 | 2,649 | 881 | 900 | 950 | 917 | 864 |
| **Total Treasury Services revenue** [3] | $ 4,644 | $ 4,524 | $ 1,530 | $ 1,520 | $ 1,594 | $ 1,549 | $ 1,481 |
| **Average deposit balances** | | | | | | | |
| Interest-bearing | $ 74,863 | $ 94,126 | $ 73,931 | $ 74,387 | $ 76,280 | $ 78,626 | $ 90,797 |
| Noninterest-bearing | 168,165 | 142,025 | 178,295 | 164,774 | 161,318 | 162,131 | 155,598 |
| **Total average deposits** | $ 243,028 | $ 236,151 | $ 252,226 | $ 239,161 | $ 237,598 | $ 240,757 | $ 246,395 |
| **Loan spread** | 1.86 % | 2.10 % | 1.86 % | 1.82 % | 1.90 % | 1.85 % | 1.97 % |
| **Provision for credit losses** | $ (283) | $ (862) | $ 68 | $ (113) | $ (238) | $ (256) | $ (182) |
| **Credit quality** [4, 5] | | | | | | | |
| Reservable utilized criticized exposure | $ 12,390 | $ 22,859 | $ 12,390 | $ 14,843 | $ 17,983 | $ 20,072 | $ 22,859 |
| | 4.50 % | 8.13 % | 4.50 % | 5.42 % | 6.43 % | 7.05 % | 8.13 % |
| Nonperforming loans, leases and foreclosed properties | $ 2,647 | $ 5,377 | $ 2,647 | $ 3,305 | $ 4,130 | $ 4,646 | $ 5,377 |
| | 0.99 % | 2.00 % | 0.99 % | 1.27 % | 1.54 % | 1.70 % | 2.00 % |
| **Average loans and leases by product** | | | | | | | |
| U.S. commercial | $ 126,731 | $ 118,140 | $ 125,910 | $ 125,425 | $ 128,866 | $ 124,887 | $ 119,159 |
| Commercial real estate | 32,642 | 38,697 | 31,947 | 32,335 | 33,651 | 34,603 | 36,458 |
| Commercial lease financing | 23,241 | 23,205 | 23,214 | 23,123 | 23,387 | 23,050 | 23,101 |
| Non-U.S. commercial | 49,417 | 39,796 | 50,032 | 49,089 | 49,125 | 50,878 | 47,180 |
| Direct/Indirect consumer | 38,710 | 41,904 | 36,283 | 37,834 | 42,040 | 43,427 | 42,254 |
| Other | 6 | 24 | 4 | 7 | 7 | 5 | 22 |
| **Total average loans and leases** | $ 270,747 | $ 261,766 | $ 267,390 | $ 267,813 | $ 277,076 | $ 276,850 | $ 268,174 |
| **Total Corporation Investment Banking fees** | | | | | | | |
| Advisory [2] | $ 764 | $ 975 | $ 221 | $ 340 | $ 203 | $ 273 | $ 273 |
| Debt issuance | 2,291 | 2,294 | 867 | 647 | 777 | 589 | 511 |
| Equity issuance | 776 | 1,191 | 279 | 192 | 305 | 267 | 320 |
| Total investment banking fees | 3,831 | 4,460 | 1,367 | 1,179 | 1,285 | 1,129 | 1,104 |
| Self-led | (132) | (256) | (31) | (33) | (68) | (116) | (162) |
| **Total Investment Banking fees** | $ 3,699 | $ 4,204 | $ 1,336 | $ 1,146 | $ 1,217 | $ 1,013 | $ 942 |

(1) Includes self-led deals and represents fees attributable to *Global Banking* under an internal sharing arrangement.

(2) Advisory includes fees on debt and equity advisory and mergers and acquisitions.

(3) Total *Global Banking* revenue includes certain insignificant items that are not included in Investment Banking fees, Business Lending revenue or Treasury Services revenue.

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

(5) Nonperforming loans, leases and foreclosed properties are on an end-of-period basis. The nonperforming ratio is nonperforming assets divided by loans, leases and foreclosed properties.

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

Bank of America Corporation and Subsidiaries
# Investment Banking Product Rankings

| | Nine Months Ended September 30, 2012 | | | |
|---|---|---|---|---|
| | Global | | U.S. | |
| | Product Ranking | Market Share | Product Ranking | Market Share |
| High-yield corporate debt | 2 | 9.9% | 2 | 11.3% |
| Leveraged loans | 2 | 9.8 | 2 | 14.5 |
| Mortgage-backed securities | 6 | 7.8 | 5 | 8.9 |
| Asset-backed securities | 2 | 11.8 | 2 | 14.7 |
| Convertible debt | 4 | 7.2 | 2 | 16.8 |
| Common stock underwriting | 5 | 7.1 | 3 | 11.0 |
| Investment-grade corporate debt | 3 | 5.6 | 3 | 11.4 |
| Syndicated loans | 2 | 8.5 | 2 | 15.9 |
| Net investment banking revenue | 2 | 6.4 | 2 | 9.7 |
| Announced mergers and acquisitions | 8 | 12.4 | 6 | 15.1 |
| Equity capital markets | 5 | 7.1 | 2 | 11.4 |
| Debt capital markets | 5 | 5.1 | 4 | 8.7 |

Source: Dealogic data as of October 1, 2012. Figures above include self-led transactions.

- Rankings based on deal volumes except for net investment banking revenue rankings which reflect fees.
- Debt capital markets excludes loans but includes agencies.
- Mergers and acquisitions fees included in investment banking revenues reflect 10 percent fee credit at announcement and 90 percent fee credit at completion as per Dealogic.
- Mergers and acquisitions volume rankings are for announced transactions and provide credit to all investment banks advising the target or acquiror.
- Each advisor receives full credit for the deal amount unless advising a minority stakeholder.

## Highlights

***Global top 3 rankings in:***

| | |
|---|---|
| High-yield corporate debt | Investment-grade corporate debt |
| Leveraged loans | Syndicated loans |
| Asset-backed securities | |

***U.S. top 3 rankings in:***

| | |
|---|---|
| High-yield corporate debt | Common stock underwriting |
| Leveraged loans | Investment-grade corporate debt |
| Asset-backed securities | Syndicated loans |
| Convertible debt | Equity capital markets |

***Top 3 rankings excluding self-led deals:***

Global: Investment banking fees, High-yield corporate debt, Leveraged loans, Asset-backed securities, Investment-grade corporate debt, Syndicated loans

U.S.: Investment banking fees, High-yield corporate debt, Leveraged loans, Asset-backed securities, Convertible debt, Common stock underwriting, Investment-grade corporate debt, Syndicated loans, Equity capital markets

## Bank of America Corporation and Subsidiaries

# Global Markets Segment Results

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ 2,294** | $ 2,819 | **$ 846** | $ 650 | $ 798 | $ 863 | $ 925 |
| Noninterest income: | | | | | | | |
| Investment and brokerage services | **1,380** | 1,788 | **425** | 445 | 510 | 447 | 584 |
| Investment banking fees | **1,546** | 1,788 | **553** | 437 | 556 | 425 | 438 |
| Trading account profits | **4,981** | 6,048 | **1,238** | 1,706 | 2,037 | 369 | 1,420 |
| All other income (loss) | **463** | 537 | **44** | 127 | 292 | (300) | (73) |
| Total noninterest income | **8,370** | 10,161 | **2,260** | 2,715 | 3,395 | 941 | 2,369 |
| Total revenue, net of interest expense (FTE basis)(1) | **10,664** | 12,980 | **3,106** | 3,365 | 4,193 | 1,804 | 3,294 |
| Provision for credit losses | **(13)** | (38) | **21** | (14) | (20) | (18) | 3 |
| Noninterest expense | **8,333** | 9,343 | **2,545** | 2,712 | 3,076 | 2,893 | 2,966 |
| Income (loss) before income taxes | **2,344** | 3,675 | **540** | 667 | 1,137 | (1,071) | 325 |
| Income tax expense (benefit) (FTE basis) | **1,444** | 1,922 | **899** | 206 | 339 | (303) | 878 |
| **Net income (loss)** | **$ 900** | $ 1,753 | **$ (359)** | $ 461 | $ 798 | $ (768) | $ (553) |
| Return on average allocated equity | **6.87%** | 9.92% | **n/m** | 10.83% | 17.52% | n/m | n/m |
| Return on average economic capital(2) | **9.42** | 12.39 | **n/m** | 14.90 | 23.55 | n/m | n/m |
| Efficiency ratio (FTE basis) | **78.15** | 71.97 | **81.95%** | 80.61 | 73.35 | n/m | 90.02% |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total trading-related assets(3) | **$ 456,932** | $ 481,925 | **$ 462,138** | $ 459,869 | $ 448,731 | $ 444,319 | $ 489,172 |
| Total earning assets(3) | **438,640** | 456,102 | **446,934** | 444,537 | 424,358 | 414,136 | 445,431 |
| Total assets | **574,993** | 603,083 | **584,332** | 581,952 | 558,594 | 552,861 | 604,333 |
| Allocated equity | **17,504** | 23,636 | **17,068** | 17,132 | 18,317 | 19,805 | 21,609 |
| Economic capital(2) | **12,868** | 19,020 | **12,417** | 12,524 | 13,669 | 15,154 | 16,954 |
| **Period end** | | | | | | | |
| Total trading-related assets(3) | **$ 455,161** | $ 446,697 | **$ 455,161** | $ 443,948 | $ 440,091 | $ 397,876 | $ 446,697 |
| Total earning assets(3) | **445,210** | 413,677 | **445,210** | 428,940 | 417,580 | 372,851 | 413,677 |
| Total assets | **583,203** | 552,772 | **583,203** | 561,815 | 548,558 | 501,824 | 552,772 |
| **Trading-related assets (average)** | | | | | | | |
| Trading account securities | **$ 189,958** | $ 206,087 | **$ 193,694** | $ 190,250 | $ 185,890 | $ 172,955 | $ 199,201 |
| Reverse repurchases | **160,988** | 166,437 | **162,040** | 160,832 | 160,079 | 162,507 | 174,574 |
| Securities borrowed | **50,784** | 48,580 | **51,757** | 53,297 | 47,286 | 46,476 | 46,930 |
| Derivative assets | **55,202** | 60,821 | **54,647** | 55,490 | 55,476 | 62,381 | 68,467 |
| **Total trading-related assets(3)** | **$ 456,932** | $ 481,925 | **$ 462,138** | $ 459,869 | $ 448,731 | $ 444,319 | $ 489,172 |

(1) Substantially all of *Global Markets* total revenue is sales and trading revenue and investment banking fees, with a small portion related to certain revenue sharing agreements with other business segments. For additional sales and trading revenue information, see page 31.

(2) Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(3) Trading-related assets include assets which are not considered earning assets (i.e., derivative assets).

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

## Global Markets Key Indicators

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Sales and trading revenue** [1] | | | | | | | |
| Fixed income, currency and commodities | $ 7,261 | $ 8,089 | $ 2,000 | $ 2,418 | $ 2,843 | $ 808 | $ 2,058 |
| Equity income | 2,330 | 3,273 | 664 | 759 | 907 | 670 | 957 |
| **Total sales and trading revenue** | $ 9,591 | $ 11,362 | $ 2,664 | $ 3,177 | $ 3,750 | $ 1,478 | $ 3,015 |
| **Sales and trading revenue, excluding DVA** | | | | | | | |
| Fixed income, currency and commodities | $ 9,219 | $ 6,800 | $ 2,534 | $ 2,555 | $ 4,130 | $ 1,303 | $ 553 |
| Equity income | 2,544 | 3,087 | 712 | 778 | 1,054 | 649 | 753 |
| **Total sales and trading revenue, excluding DVA** | $ 11,763 | $ 9,887 | $ 3,246 | $ 3,333 | $ 5,184 | $ 1,952 | $ 1,306 |
| **Sales and trading revenue breakdown** | | | | | | | |
| Net interest income | $ 2,294 | $ 2,819 | $ 846 | $ 650 | $ 798 | $ 863 | $ 925 |
| Commissions | 1,380 | 1,788 | 425 | 445 | 510 | 447 | 584 |
| Trading | 4,981 | 6,048 | 1,238 | 1,706 | 2,037 | 369 | 1,420 |
| Other | 936 | 707 | 155 | 376 | 405 | (201) | 86 |
| **Total sales and trading revenue** | $ 9,591 | $ 11,362 | $ 2,664 | $ 3,177 | $ 3,750 | $ 1,478 | $ 3,015 |

(1) Includes *Global Banking* sales and trading revenue of $473 million and $170 million for the nine months ended September 30, 2012 and 2011; $111 million, $249 million and $113 million for the third, second and first quarters of 2012, and $99 million and $159 million for the fourth and third quarters of 2011, respectively.

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

**Bank of America Corporation and Subsidiaries**

## Global Wealth & Investment Management Segment Results

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | $ 4,482 | $ 4,555 | $ 1,458 | $ 1,446 | $ 1,578 | $ 1,497 | $ 1,412 |
| Noninterest income: | | | | | | | |
| Investment and brokerage services | 6,922 | 7,120 | 2,293 | 2,333 | 2,296 | 2,190 | 2,364 |
| All other income | 1,550 | 1,554 | 527 | 538 | 485 | 481 | 462 |
| Total noninterest income | 8,472 | 8,674 | 2,820 | 2,871 | 2,781 | 2,671 | 2,826 |
| Total revenue, net of interest expense (FTE basis) | 12,954 | 13,229 | 4,278 | 4,317 | 4,359 | 4,168 | 4,238 |
| Provision for credit losses | 154 | 280 | 61 | 47 | 46 | 118 | 162 |
| Noninterest expense | 10,201 | 10,702 | 3,355 | 3,402 | 3,444 | 3,627 | 3,500 |
| Income before income taxes | 2,599 | 2,247 | 862 | 868 | 869 | 423 | 576 |
| Income tax expense (FTE basis) | 960 | 823 | 320 | 321 | 319 | 157 | 214 |
| **Net income** | $ 1,639 | $ 1,424 | $ 542 | $ 547 | $ 550 | $ 266 | $ 362 |
| Net interest yield (FTE basis) | 2.29 % | 2.23 % | 2.22 % | 2.26 % | 2.39 % | 2.24 % | 2.07 % |
| Return on average allocated equity | 12.14 | 10.72 | 11.42 | 12.24 | 12.84 | 5.92 | 8.06 |
| Return on average economic capital (1) | 29.88 | 27.40 | 26.31 | 30.25 | 33.98 | 15.10 | 20.55 |
| Efficiency ratio (FTE basis) | 78.75 | 80.90 | 78.45 | 78.79 | 79.00 | 87.00 | 82.58 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | $ 104,416 | $ 101,953 | $ 106,092 | $ 104,102 | $ 103,036 | $ 102,709 | $ 102,786 |
| Total earning assets (2) | 261,148 | 272,523 | 261,219 | 256,958 | 265,267 | 265,077 | 271,207 |
| Total assets (2) | 280,893 | 292,562 | 280,840 | 276,914 | 284,926 | 284,629 | 290,974 |
| Total deposits | 252,595 | 256,667 | 253,942 | 251,121 | 252,705 | 250,040 | 255,882 |
| Allocated equity | 18,027 | 17,772 | 18,871 | 17,974 | 17,228 | 17,845 | 17,826 |
| Economic capital (1) | 7,407 | 7,064 | 8,271 | 7,353 | 6,587 | 7,182 | 7,135 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 107,500 | $ 102,362 | $ 107,500 | $ 105,395 | $ 102,903 | $ 103,460 | $ 102,362 |
| Total earning assets (2) | 263,674 | 260,939 | 263,674 | 257,884 | 258,200 | 263,501 | 260,939 |
| Total assets (2) | 283,949 | 280,897 | 283,949 | 277,988 | 278,184 | 284,062 | 280,897 |
| Total deposits | 256,114 | 251,251 | 256,114 | 249,755 | 252,755 | 253,264 | 251,251 |

(1) Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

(2) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

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

# Global Wealth & Investment Management - Key Indicators

(Dollars in millions, except as noted)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Merrill Lynch Global Wealth Management | **$ 10,950** | $ 11,156 | **$ 3,631** | $ 3,638 | $ 3,681 | $ 3,464 | $ 3,596 |
| U.S. Trust | **1,934** | 2,014 | **627** | 654 | 653 | 679 | 626 |
| Other (1) | **70** | 59 | **20** | 25 | 25 | 25 | 16 |
| **Total revenues** | **$ 12,954** | $ 13,229 | **$ 4,278** | $ 4,317 | $ 4,359 | $ 4,168 | $ 4,238 |
| **Client Balances** | | | | | | | |
| **Client Balances by Business** | | | | | | | |
| Merrill Lynch Global Wealth Management | **$ 1,863,855** | $ 1,686,404 | **$ 1,863,855** | $ 1,802,271 | $ 1,841,106 | $ 1,749,059 | $ 1,686,404 |
| U.S. Trust | **332,792** | 315,244 | **332,792** | 323,711 | 333,876 | 324,003 | 315,244 |
| Other (1) | **64,239** | 65,153 | **64,239** | 66,091 | 66,309 | 66,182 | 65,153 |
| **Client Balances by Type** | | | | | | | |
| Assets under management | **$ 707,769** | $ 616,899 | **$ 707,769** | $ 682,227 | $ 692,959 | $ 647,126 | $ 616,899 |
| Client brokerage assets | **1,070,785** | 986,718 | **1,070,785** | 1,039,942 | 1,074,454 | 1,024,193 | 986,718 |
| Assets in custody | **115,356** | 106,293 | **115,356** | 111,357 | 114,938 | 107,989 | 106,293 |
| Client deposits | **256,114** | 251,251 | **256,114** | 249,755 | 252,755 | 253,264 | 251,251 |
| Loans and leases (2) | **110,862** | 105,640 | **110,862** | 108,792 | 106,185 | 106,672 | 105,640 |
| **Total client balances** | **$ 2,260,886** | $ 2,066,801 | **$ 2,260,886** | $ 2,192,073 | $ 2,241,291 | $ 2,139,244 | $ 2,066,801 |
| **Assets Under Management Flows** | | | | | | | |
| Liquidity assets under management (3) | **$ (1,927)** | $ (12,998) | **$ (1,875)** | $ (122) | $ 70 | $ 1,029 | $ (2,568) |
| Long-term assets under management (4) | **17,571** | 23,187 | **5,706** | 4,113 | 7,752 | 4,462 | 4,493 |
| **Total assets under management flows** | **$ 15,644** | $ 10,189 | **$ 3,831** | $ 3,991 | $ 7,822 | $ 5,491 | $ 1,925 |
| **Associates (5)** | | | | | | | |
| Number of Financial Advisors | **17,533** | 17,094 | **17,533** | 17,534 | 17,512 | 17,308 | 17,094 |
| Total Wealth Advisors | **18,826** | 18,498 | **18,826** | 18,843 | 18,840 | 18,667 | 18,498 |
| Total Client Facing Professionals | **21,652** | 21,624 | **21,652** | 21,712 | 21,912 | 21,784 | 21,624 |
| **Merrill Lynch Global Wealth Management Metrics** | | | | | | | |
| Financial Advisory Productivity (6) (in thousands) | **$ 910** | $ 963 | **$ 910** | $ 915 | $ 905 | $ 882 | $ 921 |
| **U.S. Trust Metrics** | | | | | | | |
| Client Facing Professionals | **2,120** | 2,270 | **2,120** | 2,161 | 2,223 | 2,247 | 2,270 |

(1) Other includes the results of BofA Global Capital Management (the former Columbia cash management business) and other administrative items.
(2) Includes margin receivables which are classified in other assets on the Consolidated Balance Sheet.
(3) Defined as assets under advisory and discretion of *GWIM* in which the investment strategy seeks a high level of income while maintaining liquidity and capital preservation. The duration of these strategies is less than one year.
(4) Defined as assets under advisory and discretion of *GWIM* in which the duration of the investment strategy is longer than one year.
(5) Includes Financial Advisors in the *Consumer & Business Banking* segment of 1,457 and 1,032 for the nine months ended September 30, 2012 and 2011 and 1,457, 1,383, 1,337, 1,143 and 1,032 at September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011, respectively.
(6) Financial Advisor Productivity is defined as annualized Merrill Lynch Global Wealth Management total revenue divided by the total number of financial advisors (excluding Financial Advisors in the *Consumer & Business Banking* segment). Total revenue excludes corporate allocation of net interest income related to certain ALM activities.

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

## Bank of America Corporation and Subsidiaries

# All Other Results [1]

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ 725** | $ 1,377 | **$ 219** | $ 83 | $ 423 | $ 401 | $ 8 |
| Noninterest income: | | | | | | | |
| Card income [2] | **264** | 375 | **93** | 84 | 87 | 91 | 72 |
| Equity investment income (loss) | **519** | 3,935 | **165** | (63) | 417 | 3,109 | 1,380 |
| Gains on sales of debt securities | **1,393** | 1,996 | **327** | 354 | 712 | 1,101 | 697 |
| All other income (loss) | **(4,167)** | 3,233 | **(1,844)** | (71) | (2,252) | (411) | 4,113 |
| Total noninterest income | **(1,991)** | 9,539 | **(1,259)** | 304 | (1,036) | 3,890 | 6,262 |
| Total revenue, net of interest expense (FTE basis) | **(1,266)** | 10,916 | **(1,040)** | 387 | (613) | 4,291 | 6,270 |
| Provision for credit losses | **2,172** | 5,380 | **390** | 536 | 1,246 | 792 | 1,374 |
| Goodwill impairment | **—** | — | **—** | — | — | 581 | — |
| Merger and restructuring charges | **—** | 537 | **—** | — | — | 101 | 176 |
| All other noninterest expense | **4,485** | 2,909 | **1,336** | 857 | 2,292 | 1,186 | 581 |
| Income (loss) before income taxes | **(7,923)** | 2,090 | **(2,766)** | (1,006) | (4,151) | 1,631 | 4,139 |
| Income tax expense (benefit) (FTE basis) | **(3,441)** | (1,298) | **(1,220)** | (665) | (1,556) | 275 | (535) |
| **Net income (loss)** | **$ (4,482)** | $ 3,388 | **$ (1,546)** | $ (341) | $ (2,595) | $ 1,356 | $ 4,674 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 257,067** | $ 287,625 | **$ 249,831** | $ 257,340 | $ 264,110 | $ 272,807 | $ 286,753 |
| Total assets [3] | **299,630** | 380,958 | **276,710** | 310,022 | 312,408 | 335,720 | 355,705 |
| Total deposits | **32,518** | 50,201 | **26,742** | 31,167 | 39,707 | 46,030 | 52,742 |
| Allocated equity [4] | **85,689** | 70,594 | **86,563** | 86,926 | 83,564 | 76,737 | 68,672 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 246,255** | $ 274,270 | **$ 246,255** | $ 253,503 | $ 259,998 | $ 267,622 | $ 274,270 |
| Total assets [5] | **263,967** | 335,965 | **263,967** | 295,022 | 311,905 | 309,578 | 335,965 |
| Total deposits | **24,960** | 52,946 | **24,960** | 26,972 | 30,055 | 32,834 | 52,946 |

(1) *All Other* consists of two broad groupings, Equity Investments and Other. Equity Investments includes Global Principal Investments, Strategic and certain other investments. Other includes liquidating businesses, merger and restructuring charges, ALM activities such as the residential mortgage portfolio and investment securities, as well as economic hedges, gains/losses on structured liabilities, the impact of certain allocation methodologies and accounting hedge ineffectiveness. Other also includes certain residential mortgage and discontinued real estate loans that are managed by Legacy Assets & Servicing within *Consumer Real Estate Services*.

(2) During the third quarter of 2011, the international consumer card business results were moved to *All Other* from *Consumer & Business Banking* and prior periods were reclassified.

(3) Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) of $522.6 billion and $499.3 billion for the nine months ended September 30, 2012 and 2011; $539.0 billion, $516.7 billion, $511.9 billion, $493.7 billion and $509.8 billion for the third, second and first quarters of 2012, and the fourth and third quarters of 2011, respectively.

(4) Represents the economic capital assigned to *All Other* as well as the remaining portion of equity not specifically allocated to the business segments.

(5) Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) of $539.0 billion, $526.5 billion, $519.3 billion, $495.3 billion and $489.5 billion at September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011, respectively.

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

## Bank of America Corporation and Subsidiaries

# Equity Investments

(Dollars in millions)

| | Global Principal Investments Exposures | | | | Equity Investment Income | |
|---|---|---|---|---|---|---|
| | September 30, 2012 | | | June 30 2012 | September 30, 2012 | |
| | Book Value | Unfunded Commitments | Total | Total | Three Months Ended | Nine Months Ended |
| **Global Principal Investments:** | | | | | | |
| Private Equity Investments | **$ 1,124** | **$ 66** | **$ 1,190** | $ 1,311 | **$ 100** | **$ 167** |
| Global Real Estate | **496** | **30** | **526** | 733 | **(37)** | **10** |
| Global Strategic Capital | **1,319** | **132** | **1,451** | 1,503 | **94** | **190** |
| Legacy/Other Investments | **735** | **9** | **744** | 858 | **(1)** | **55** |
| **Total Global Principal Investments** | **$ 3,674** | **$ 237** | **$ 3,911** | $ 4,405 | **$ 156** | **$ 422** |

# Components of Equity Investment Income

(Dollars in millions)

| | Nine Months Ended September 30 | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
|---|---|---|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2012 | 2012 | 2011 | 2011 |
| Global Principal Investments | **$ 422** | $ 188 | **$ 156** | $ (137) | $ 403 | $ 212 | $ (1,580) |
| Strategic and other investments | **97** | 3,747 | **9** | 74 | 14 | 2,897 | 2,960 |
| Total equity investment income (loss) included in All Other | **519** | 3,935 | **165** | (63) | 417 | 3,109 | 1,380 |
| Total equity investment income included in the business segments | **852** | 198 | **73** | 431 | 348 | 118 | 66 |
| **Total consolidated equity investment income** | **$ 1,371** | $ 4,133 | **$ 238** | $ 368 | $ 765 | $ 3,227 | $ 1,446 |

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

## Bank of America Corporation and Subsidiaries

# Outstanding Loans and Leases

(Dollars in millions)

| | September 30 2012 | June 30 2012 | September 30 2011 |
|---|---|---|---|
| **Consumer** | | | |
| Residential mortgage (1) | $ 247,340 | $ 252,635 | $ 266,516 |
| Home equity | 112,260 | 118,011 | 127,736 |
| Discontinued real estate (2) | 9,876 | 10,059 | 11,541 |
| U.S. credit card | 93,162 | 94,291 | 102,803 |
| Non-U.S. credit card | 13,320 | 13,431 | 16,086 |
| Direct/Indirect consumer (3) | 82,404 | 83,164 | 90,474 |
| Other consumer (4) | 2,714 | 2,568 | 2,810 |
| Total consumer loans excluding loans accounted for under the fair value option | 561,076 | 574,159 | 617,966 |
| Consumer loans accounted for under the fair value option (5) | 1,202 | 1,172 | 4,741 |
| **Total consumer** | 562,278 | 575,331 | 622,707 |
| **Commercial** | | | |
| U.S. commercial (6) | 205,384 | 197,718 | 192,642 |
| Commercial real estate (7) | 37,579 | 36,535 | 40,888 |
| Commercial lease financing | 22,855 | 21,692 | 21,350 |
| Non-U.S. commercial | 58,503 | 53,850 | 48,461 |
| Total commercial loans excluding loans accounted for under the option | 324,321 | 309,795 | 303,341 |
| Commercial loans accounted for under the fair value option (5) | 6,436 | 7,189 | 6,483 |
| **Total commercial** | 330,757 | 316,984 | 309,824 |
| **Total loans and leases** | $ 893,035 | $ 892,315 | $ 932,531 |

(1) Includes non-U.S. residential mortgages of $94 million, $92 million and $86 million at September 30, 2012, June 30, 2012 and September 30, 2011.

(2) Includes $8.8 billion, $9.0 billion and $10.3 billion of pay option loans, and $1.1 billion, $1.1 billion and $1.2 billion of subprime loans at September 30, 2012, June 30, 2012 and September 30, 2011. The Corporation no longer originates these products.

(3) Includes dealer financial services loans of $36.0 billion, $36.7 billion and $43.6 billion, consumer lending loans of $5.6 billion, $6.3 billion and $8.9 billion, U.S. securities-based lending margin loans of $26.7 billion, $25.7 billion and $22.3 billion, student loans of $5.0 billion, $5.4 billion and $6.1 billion, non-U.S. consumer loans of $7.9 billion, $7.8 billion and $7.8 billion, and other consumer loans of $1.2 billion, $1.3 billion and $1.8 billion at September 30, 2012, June 30, 2012 and September 30, 2011.

(4) Includes consumer finance loans of $1.5 billion, $1.5 billion and $1.7 billion, other non-U.S. consumer loans of $1.1 billion, $908 million and $992 million, and consumer overdrafts of $152 million, $127 million and $94 million at September 30, 2012, June 30, 2012 and September 30, 2011.

(5) Consumer loans accounted for under the fair value option were residential mortgages of $160 million, $172 million and $1.3 billion and discontinued real estate of $1.0 billion, $1.0 billion and $3.4 billion at September 30, 2012, June 30, 2012 and September 30, 2011. Commercial loans accounted for under the fair value option were U.S. commercial loans of $2.0 billion, $1.9 billion and $1.9 billion, non-U.S. commercial loans of $4.4 billion, $5.3 billion and $4.5 billion at September 30, 2012, June 30, 2012 and September 30, 2011 and commercial real estate loans of $75 million at September 30, 2011.

(6) Includes U.S. small business commercial loans, including card-related products, of $12.6 billion, $12.8 billion and $13.6 billion at September 30, 2012, June 30, 2012 and September 30, 2011.

(7) Includes U.S. commercial real estate loans of $36.0 billion, $35.0 billion and $39.3 billion, and non-U.S. commercial real estate loans of $1.6 billion, $1.5 billion and $1.6 billion at September 30, 2012, June 30, 2012 and September 30, 2011.

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

**Bank of America Corporation and Subsidiaries**

## Quarterly Average Loans and Leases by Business Segment

(Dollars in millions)

| | Third Quarter 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| **Consumer** | | | | | | | |
| Residential mortgage | $ 250,505 | $ — | $ 213 | $ — | $ 92 | $ 38,790 | $ 211,410 |
| Home equity | 116,184 | — | 102,324 | — | 104 | 13,540 | 216 |
| Discontinued real estate | 10,956 | — | 1,008 | — | — | — | 9,948 |
| U.S. credit card | 93,292 | 93,292 | — | — | — | — | — |
| Non-U.S. credit card | 13,329 | — | — | — | — | — | 13,329 |
| Direct/Indirect consumer | 82,635 | 6,022 | 78 | 36,283 | 22 | 35,010 | 5,220 |
| Other consumer | 2,654 | 690 | — | 4 | — | 8 | 1,952 |
| **Total consumer** | 569,555 | 100,004 | 103,623 | 36,287 | 218 | 87,348 | 242,075 |
| **Commercial** | | | | | | | |
| U.S. commercial | 201,072 | 31,568 | 84 | 125,910 | 18,732 | 17,268 | 7,510 |
| Commercial real estate | 36,929 | 2,294 | 1 | 31,947 | 225 | 1,445 | 1,017 |
| Commercial lease financing | 21,545 | — | — | 23,214 | 13 | 4 | (1,686) |
| Non-U.S. commercial | 59,758 | 15 | — | 50,032 | 8,769 | 27 | 915 |
| **Total commercial** | 319,304 | 33,877 | 85 | 231,103 | 27,739 | 18,744 | 7,756 |
| **Total loans and leases** | $ 888,859 | $ 133,881 | $ 103,708 | $ 267,390 | $ 27,957 | $ 106,092 | $ 249,831 |

| | Second Quarter 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| **Consumer** | | | | | | | |
| Residential mortgage | $ 255,349 | $ — | $ 211 | $ — | $ 101 | $ 37,718 | $ 217,319 |
| Home equity | 119,657 | — | 105,503 | — | 1 | 13,936 | 217 |
| Discontinued real estate | 11,144 | — | 901 | — | — | — | 10,243 |
| U.S. credit card | 95,018 | 95,018 | — | — | — | — | — |
| Non-U.S. credit card | 13,641 | — | — | — | — | — | 13,641 |
| Direct/Indirect consumer | 84,198 | 6,777 | 85 | 37,834 | 29 | 33,858 | 5,615 |
| Other consumer | 2,565 | 584 | — | 7 | — | 8 | 1,966 |
| **Total consumer** | 581,572 | 102,379 | 106,700 | 37,841 | 131 | 85,520 | 249,001 |
| **Commercial** | | | | | | | |
| U.S. commercial | 199,644 | 32,182 | 24 | 125,425 | 18,460 | 16,966 | 6,587 |
| Commercial real estate | 37,627 | 2,296 | 1 | 32,335 | 180 | 1,531 | 1,284 |
| Commercial lease financing | 21,446 | — | — | 23,123 | — | 4 | (1,681) |
| Non-U.S. commercial | 59,209 | 15 | — | 49,089 | 7,875 | 81 | 2,149 |
| **Total commercial** | 317,926 | 34,493 | 25 | 229,972 | 26,515 | 18,582 | 8,339 |
| **Total loans and leases** | $ 899,498 | $ 136,872 | $ 106,725 | $ 267,813 | $ 26,646 | $ 104,102 | $ 257,340 |

| | Third Quarter 2011 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | Global Banking | Global Markets | GWIM | All Other |
| **Consumer** | | | | | | | |
| Residential mortgage | $ 268,494 | $ — | $ 1,195 | $ — | $ 99 | $ 36,656 | $ 230,544 |
| Home equity | 129,125 | — | 112,781 | — | — | 15,029 | 1,315 |
| Discontinued real estate | 15,923 | — | 4,052 | — | — | 9 | 11,862 |
| U.S. credit card | 103,671 | 103,671 | — | — | — | — | — |
| Non-U.S. credit card | 25,434 | — | — | — | — | — | 25,434 |
| Direct/Indirect consumer | 90,280 | 9,492 | 100 | 42,254 | 505 | 31,390 | 6,539 |
| Other consumer | 2,795 | 1,746 | — | 22 | — | 5 | 1,022 |
| **Total consumer** | 635,722 | 114,909 | 118,128 | 42,276 | 604 | 83,089 | 276,716 |
| **Commercial** | | | | | | | |
| U.S. commercial | 191,439 | 34,040 | 1,949 | 119,159 | 9,586 | 17,829 | 8,876 |
| Commercial real estate | 42,931 | 2,526 | 2 | 36,458 | 432 | 1,653 | 1,860 |
| Commercial lease financing | 21,342 | — | — | 23,101 | 2 | 19 | (1,780) |
| Non-U.S. commercial | 50,598 | 17 | — | 47,180 | 2,124 | 196 | 1,081 |
| **Total commercial** | 306,310 | 36,583 | 1,951 | 225,898 | 12,144 | 19,697 | 10,037 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total loans and leases** | $ 942,032 | $ 151,492 | $ 120,079 | $ 268,174 | $ 12,748 | $ 102,786 | $ 286,753 |

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

## Bank of America Corporation and Subsidiaries

# Commercial Credit Exposure by Industry (1, 2, 3)

(Dollars in millions)

| | Commercial Utilized | | | Total Commercial Committed | | |
|---|---|---|---|---|---|---|
| | **September 30 2012** | June 30 2012 | September 30 2011 | **September 30 2012** | June 30 2012 | September 30 2011 |
| Diversified financials | **$ 62,783** | $ 60,797 | $ 65,674 | **$ 96,651** | $ 93,272 | $ 92,226 |
| Real estate [4] | **45,495** | 44,420 | 49,924 | **61,447** | 59,886 | 63,168 |
| Government and public education | **40,493** | 41,816 | 45,111 | **49,855** | 53,991 | 60,001 |
| Capital goods | **23,764** | 22,850 | 23,746 | **48,285** | 45,987 | 47,351 |
| Retailing | **27,373** | 26,861 | 25,825 | **46,414** | 45,159 | 46,600 |
| Healthcare equipment and services | **28,508** | 30,171 | 30,901 | **44,003** | 45,385 | 47,916 |
| Materials | **23,402** | 19,236 | 18,807 | **41,661** | 36,710 | 37,399 |
| Banks | **35,740** | 34,209 | 36,285 | **39,637** | 38,310 | 40,221 |
| Energy | **16,145** | 14,030 | 14,068 | **35,149** | 31,487 | 31,031 |
| Consumer services | **21,855** | 22,672 | 23,828 | **34,893** | 35,795 | 37,987 |
| Food, beverage and tobacco | **14,287** | 14,441 | 14,682 | **32,183** | 31,019 | 28,825 |
| Commercial services and supplies | **18,089** | 18,388 | 21,010 | **28,878** | 29,564 | 31,467 |
| Utilities | **8,186** | 8,675 | 7,398 | **22,844** | 23,444 | 24,773 |
| Media | **11,406** | 11,099 | 11,220 | **20,676** | 20,215 | 20,766 |
| Transportation | **12,878** | 12,784 | 11,867 | **19,971** | 19,505 | 18,080 |
| Individuals and trusts | **13,946** | 13,937 | 15,398 | **17,195** | 17,298 | 19,335 |
| Pharmaceuticals and biotechnology | **5,691** | 4,457 | 3,784 | **14,340** | 11,555 | 11,026 |
| Insurance, including monolines | **8,384** | 8,832 | 10,776 | **14,024** | 15,312 | 17,719 |
| Technology hardware and equipment | **4,725** | 4,643 | 4,900 | **10,838** | 10,694 | 11,676 |
| Software and services | **4,550** | 4,464 | 3,568 | **10,410** | 10,134 | 9,003 |
| Telecommunication services | **4,024** | 3,792 | 4,368 | **10,018** | 9,756 | 10,508 |
| Religious and social organizations | **7,184** | 7,842 | 8,547 | **9,711** | 10,361 | 11,091 |
| Consumer durables and apparel | **4,140** | 3,997 | 4,648 | **8,312** | 8,192 | 9,221 |
| Automobiles and components | **2,937** | 3,277 | 2,825 | **7,360** | 7,583 | 7,356 |
| Food and staples retailing | **3,065** | 3,191 | 3,540 | **6,444** | 6,470 | 6,445 |
| Other | **4,391** | 4,558 | 4,827 | **7,232** | 7,338 | 7,354 |
| **Total commercial credit exposure by industry** | **$ 453,441** | $ 445,439 | $ 467,527 | **$ 738,431** | $ 724,422 | $ 748,545 |
| Net credit default protection purchased on total commitments [5] | | | | **$ (17,164)** | $ (18,697) | $ (21,602) |

(1) Includes loans and leases, standby letters of credit and financial guarantees, derivative assets, assets held-for-sale, commercial letters of credit, bankers' acceptances, securitized assets, foreclosed properties and other collateral acquired. Derivative assets are carried at fair value, reflect the effects of legally enforceable master netting agreements and have been reduced by the amount of cash collateral applied of $60.0 billion, $59.3 billion and $65.6 billion at September 30, 2012, June 30, 2012 and September 30, 2011. Not reflected in utilized and committed exposure is additional derivative collateral held of $17.6 billion, $17.1 billion and $17.0 billion which consists primarily of other marketable securities at September 30, 2012, June 30, 2012 and September 30, 2011.

(2) Total commercial utilized and total commercial committed exposure includes loans and letters of credit measured at fair value and are comprised of loans outstanding of $6.4 billion, $7.2 billion and $6.5 billion and issued letters of credit at notional value of $697 million, $748 million and $1.2 billion at September 30, 2012, June 30, 2012 and September 30, 2011. In addition, total commercial committed exposure includes unfunded loan commitments at notional value of $19.8 billion, $21.1 billion and $26.5 billion at September 30, 2012, June 30, 2012 and September 30, 2011.

(3) Includes U.S. small business commercial exposure.

(4) Industries are viewed from a variety of perspectives to best isolate the perceived risks. For purposes of this table, the real estate industry is defined based on the borrowers' or counterparties' primary business activity using operating cash flows and primary source of repayment as key factors.

(5) Represents net notional credit protection purchased.

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

## Net Credit Default Protection by Maturity Profile (1)

| | September 30 2012 | June 30 2012 |
|---|---|---|
| Less than or equal to one year | **15%** | 14% |
| Greater than one year and less than or equal to five years | **79** | 80 |
| Greater than five years | **6** | 6 |
| **Total net credit default protection** | **100%** | 100% |

(1) To mitigate the cost of purchasing credit protection, credit exposure can be added by selling credit protection. The distribution of maturities for net credit default protection purchased is shown above.

## Net Credit Default Protection by Credit Exposure Debt Rating (1)

(Dollars in millions)

| | September 30, 2012 | | June 30, 2012 | |
|---|---|---|---|---|
| Ratings (2, 3) | Net Notional (4) | Percent | Net Notional (4) | Percent |
| AAA | **$ (184)** | **1.1 %** | $ (209) | 1.1 % |
| AA | **(837)** | **4.9** | (707) | 3.8 |
| A | **(7,329)** | **42.7** | (8,051) | 43.1 |
| BBB | **(6,407)** | **37.3** | (6,972) | 37.3 |
| BB | **(1,128)** | **6.6** | (1,106) | 5.9 |
| B | **(946)** | **5.5** | (1,211) | 6.5 |
| CCC and below | **(486)** | **2.8** | (494) | 2.6 |
| NR (5) | **153** | **(0.9)** | 53 | (0.3) |
| **Total net credit default protection** | **$ (17,164)** | **100.0 %** | $ (18,697) | 100.0 % |

(1) To mitigate the cost of purchasing credit protection, credit exposure can be added by selling credit protection. The distribution of debt rating for net notional credit default protection purchased is shown as a negative and the net notional credit protection sold is shown as a positive amount.
(2) Ratings are refreshed on a quarterly basis.
(3) Ratings of BBB- or higher are considered to meet the definition of investment-grade.
(4) Represents net credit default protection (purchased) sold.
(5) "NR" is comprised of names that have not been rated.

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

## Bank of America Corporation and Subsidiaries

# Selected Emerging Markets [1]

| (Dollars in millions) | Loans and Leases, and Loan Commitments | Other Financing [2] | Net Counterparty Exposure [3] | Securities/ Other Investments [4] | Total Cross-border Exposure [5] | Local Country Exposure Net of Local Liabilities [6] | **Total Selected Emerging Market Exposure at September 30, 2012** | Increase (Decrease) from June 30, 2012 |
|---|---|---|---|---|---|---|---|---|
| **Region/Country** | | | | | | | | |
| **Asia Pacific** | | | | | | | | |
| India | $ 4,679 | $ 1,047 | $ 456 | $ 3,412 | $ 9,594 | $ 163 | **$ 9,757** | $ 251 |
| South Korea | 1,023 | 845 | 315 | 2,190 | 4,373 | 1,822 | **6,195** | (1,076) |
| China [7] | 2,835 | 109 | 913 | 2,060 | 5,917 | 257 | **6,174** | (1,535) |
| Hong Kong | 735 | 377 | 203 | 679 | 1,994 | 1,077 | **3,071** | (1,016) |
| Taiwan | 499 | 14 | 172 | 1,062 | 1,747 | 904 | **2,651** | 245 |
| Singapore | 311 | 173 | 401 | 1,153 | 2,038 | — | **2,038** | (754) |
| Macau | 531 | 3 | — | 3 | 537 | — | **537** | 153 |
| Thailand | 58 | 10 | 48 | 404 | 520 | — | **520** | (477) |
| Other Asia Pacific [8] | 313 | 124 | 160 | 784 | 1,381 | 4 | **1,385** | 88 |
| **Total Asia Pacific** | $ 10,984 | $ 2,702 | $ 2,668 | $ 11,747 | $ 28,101 | $ 4,227 | **$ 32,328** | $ (4,121) |
| **Latin America** | | | | | | | | |
| Brazil | $ 3,023 | $ 177 | $ 270 | $ 2,311 | $ 5,781 | $ 3,011 | **$ 8,792** | $ 1,342 |
| Mexico | 2,071 | 372 | 197 | 1,086 | 3,726 | — | **3,726** | 225 |
| Chile | 1,287 | 43 | 276 | 66 | 1,672 | 22 | **1,694** | 266 |
| Peru | 380 | 199 | 26 | 63 | 668 | — | **668** | 276 |
| Other Latin America [8] | 534 | 200 | 16 | 173 | 923 | 158 | **1,081** | (1) |
| **Total Latin America** | $ 7,295 | $ 991 | $ 785 | $ 3,699 | $ 12,770 | $ 3,191 | **$ 15,961** | $ 2,108 |
| **Middle East and Africa** | | | | | | | | |
| United Arab Emirates | $ 2,397 | $ 35 | $ 189 | $ 82 | $ 2,703 | $ — | **$ 2,703** | $ 226 |
| South Africa | 651 | 55 | 191 | 98 | 995 | — | **995** | 275 |
| Saudi Arabia | 167 | 64 | 441 | 4 | 676 | 23 | **699** | (11) |
| Other Middle East and Africa [8] | 796 | 94 | 96 | 157 | 1,143 | 8 | **1,151** | 47 |
| **Total Middle East and Africa** | $ 4,011 | $ 248 | $ 917 | $ 341 | $ 5,517 | $ 31 | **$ 5,548** | $ 537 |
| **Central and Eastern Europe** | | | | | | | | |
| Russian Federation | $ 1,775 | $ 407 | $ 22 | $ 293 | $ 2,497 | $ 9 | **$ 2,506** | $ (20) |
| Turkey | 1,342 | 480 | 25 | 516 | 2,363 | 85 | **2,448** | 133 |
| Other Central and Eastern Africa [8] | 101 | 281 | 146 | 474 | 1,002 | — | **1,002** | 103 |
| **Total Central and Eastern Europe** | $ 3,218 | $ 1,168 | $ 193 | $ 1,283 | $ 5,862 | $ 94 | **$ 5,956** | $ 216 |
| **Total emerging market exposure** | $ 25,508 | $ 5,109 | $ 4,563 | $ 17,070 | $ 52,250 | $ 7,543 | **$ 59,793** | $ (1,260) |

(1) There is no generally accepted definition of emerging markets. The definition that we use includes all countries in Asia Pacific excluding Japan, Australia and New Zealand; all countries in Latin America excluding Cayman Islands and Bermuda; all countries in Middle East and Africa; and all countries in Central and Eastern Europe. At September 30, 2012 and June 30, 2012, there was $2.1 billion and $2.9 billion in emerging market exposure accounted for under the fair value option.

(2) Includes acceptances, due froms, standby letters of credit, commercial letters of credit and formal guarantees.

(3) Net counterparty exposure includes the fair value of derivatives including the counterparty risk associated with credit default protection and secured financing transactions. Derivatives have been reduced by $1.9 billion in collateral, predominantly in cash, pledged under legally enforceable netting agreements. Secured financing transactions have been reduced by eligible cash or securities pledged. The notional amount of reverse repurchase transactions was $2.9 billion at September 30, 2012.

(4) Securities exposures are reduced by hedges and short positions on a single-name basis to but not below zero.

(5) Cross-border exposure includes amounts payable to the Corporation by borrowers or counterparties with a country of residence other than the one in which the credit is booked, regardless of the currency in which the claim is denominated, consistent with FFIEC reporting requirements.

(6) Local country exposure includes amounts payable to the Corporation by borrowers with a country of residence in which the credit is booked regardless of the currency in which the claim is denominated. Local funding or liabilities are subtracted from local exposures consistent with FFIEC reporting requirements. Total amount of available local liabilities funding local country exposure was $17.1 billion and $17.3 billion at September 30, 2012 and June 30, 2012. Local liabilities at September 30, 2012 in Asia Pacific, Latin America, and Middle East and Africa were $15.8 billion, $915 million and $334 million, respectively, of which $6.4 billion was in Singapore, $2.4 billion in China, $2.3 billion in Hong Kong, $1.6 billion in India and $1.1 billion in Korea. There were no other countries with available local liabilities funding local country exposure greater than $1 billion.

(7) Securities/other investments includes investment of $1.2 billion in China Construction Bank.

(8) No country included in Other Asia Pacific, Other Latin America, Other Middle East and Africa, and Other Central and Eastern Europe had total non-U.S. exposure of more than $500 million.

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

## Selected European Countries

| (Dollars in millions) | Funded Loans and Loan Equivalents (1) | Unfunded Loan Commitments | Net Counterparty Exposure (2) | Securities/ Other Investments (3) | Country Exposure at September 30, 2012 | Hedges and Credit Default Protection (4) | **Net Country Exposure at September 30, 2012 (5)** | Increase (Decrease) from June 30, 2012 |
|---|---|---|---|---|---|---|---|---|
| **Greece** | | | | | | | | |
| Sovereign | $ — | $ — | $ — | $ 5 | $ 5 | $ — | **$ 5** | $ (1) |
| Financial Institutions | — | — | 1 | 6 | 7 | (12) | **(5)** | (23) |
| Corporates | 191 | 124 | 24 | 12 | 351 | (35) | **316** | (151) |
| **Total Greece** | $ 191 | $ 124 | $ 25 | $ 23 | $ 363 | $ (47) | **$ 316** | $ (175) |
| **Ireland** | | | | | | | | |
| Sovereign | $ 17 | $ — | $ 25 | $ 1 | $ 43 | $ (30) | **$ 13** | $ (29) |
| Financial Institutions | 142 | 138 | 166 | 44 | 490 | (20) | **470** | (517) |
| Corporates | 985 | 230 | 61 | 46 | 1,322 | (6) | **1,316** | (115) |
| **Total Ireland** | $ 1,144 | $ 368 | $ 252 | $ 91 | $ 1,855 | $ (56) | **$ 1,799** | $ (661) |
| **Italy** | | | | | | | | |
| Sovereign | $ — | $ — | $ 1,748 | $ 720 | $ 2,468 | $ (1,597) | **$ 871** | $ 390 |
| Financial Institutions | 1,708 | 277 | 275 | 131 | 2,391 | (843) | **1,548** | (242) |
| Corporates | 1,874 | 2,889 | 177 | 433 | 5,373 | (998) | **4,375** | 1,892 |
| **Total Italy** | $ 3,582 | $ 3,166 | $ 2,200 | $ 1,284 | $ 10,232 | $ (3,438) | **$ 6,794** | $ 2,040 |
| **Portugal** | | | | | | | | |
| Sovereign | $ — | $ — | $ 34 | $ — | $ 34 | $ (68) | **$ (34)** | $ (13) |
| Financial Institutions | 7 | — | 2 | 32 | 41 | (42) | **(1)** | (76) |
| Corporates | 408 | 8 | 9 | 32 | 457 | (413) | **44** | (64) |
| **Total Portugal** | $ 415 | $ 8 | $ 45 | $ 64 | $ 532 | $ (523) | **$ 9** | $ (153) |
| **Spain** | | | | | | | | |
| Sovereign | $ 34 | $ — | $ 57 | $ 231 | $ 322 | $ (52) | **$ 270** | $ 526 |
| Financial Institutions | 56 | 5 | 79 | 97 | 237 | (163) | **74** | (201) |
| Corporates | 1,738 | 930 | 77 | 274 | 3,019 | (735) | **2,284** | 573 |
| **Total Spain** | $ 1,828 | $ 935 | $ 213 | $ 602 | $ 3,578 | $ (950) | **$ 2,628** | $ 898 |
| **Total** | | | | | | | | |
| Sovereign | $ 51 | $ — | $ 1,864 | $ 957 | $ 2,872 | $ (1,747) | **$ 1,125** | $ 873 |
| Financial Institutions | 1,913 | 420 | 523 | 310 | 3,166 | (1,080) | **2,086** | (1,059) |
| Corporates | 5,196 | 4,181 | 348 | 797 | 10,522 | (2,187) | **8,335** | 2,135 |
| **Total selected European exposure** | $ 7,160 | $ 4,601 | $ 2,735 | $ 2,064 | $ 16,560 | $ (5,014) | **$ 11,546** | $ 1,949 |

(1) Includes loans, leases, overdrafts, acceptances, due froms, standby letters of credit, commercial letters of credit and formal guarantees, which have not been reduced by collateral, hedges or credit default protection. Funded loans are reported net of charge-offs, prior to any impairment provision.

(2) Net counterparty exposure includes the fair value of derivatives including the counterparty risk associated with credit default protection and secured financing transactions. Derivatives have been reduced by $4.3 billion in collateral, predominantly in cash, pledged under legally enforceable netting agreements. Secured financing transactions have been reduced by eligible cash or securities pledged. The notional amount of reverse repurchase transactions was $647 million at September 30, 2012. Counterparty exposure has not been reduced by hedges or credit default protection.

(3) Securities exposures are reduced by hedges and short positions on a single-name basis to but not below zero.

(4) Represents credit default protection purchased net of credit default protection sold used to mitigate the risk to exposures listed that comprise Country Exposure as listed, including $(3.0) billion in net credit default protection purchased to hedge loans and securities, $(2.0) billion in additional credit default protection to hedge derivative assets and $(71) million in other short positions. Amounts are calculated based on the credit default protection notional amount assuming zero recovery adjusted for any fair value receivable or payable.

(5) Represents country exposure less the fair value of hedges and credit default protection.

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

**Bank of America Corporation and Subsidiaries**

# Nonperforming Loans, Leases and Foreclosed Properties

(Dollars in millions)

| | September 30 2012 | June 30 2012 | March 31 2012 | December 31 2011 | September 30 2011 |
|---|---|---|---|---|---|
| Residential mortgage [1] | **$ 14,883** | $ 14,621 | $ 15,049 | $ 15,970 | $ 16,430 |
| Home equity [1, 2] | **4,201** | 4,207 | 4,360 | 2,453 | 2,333 |
| Discontinued real estate [1] | **265** | 257 | 269 | 290 | 308 |
| Direct/Indirect consumer | **36** | 35 | 41 | 40 | 52 |
| Other consumer | **1** | 1 | 5 | 15 | 24 |
| Total consumer | **19,386** | 19,121 | 19,724 | 18,768 | 19,147 |
| U.S. commercial | **1,609** | 1,841 | 2,048 | 2,174 | 2,518 |
| Commercial real estate | **2,028** | 2,498 | 3,404 | 3,880 | 4,474 |
| Commercial lease financing | **33** | 39 | 38 | 26 | 23 |
| Non-U.S. commercial | **139** | 194 | 140 | 143 | 145 |
| | **3,809** | 4,572 | 5,630 | 6,223 | 7,160 |
| U.S. small business commercial | **139** | 143 | 121 | 114 | 139 |
| Total commercial | **3,948** | 4,715 | 5,751 | 6,337 | 7,299 |
| Total nonperforming loans and leases | **23,334** | 23,836 | 25,475 | 25,105 | 26,446 |
| Foreclosed properties | **1,224** | 1,541 | 2,315 | 2,603 | 2,613 |
| **Total nonperforming loans, leases and foreclosed properties [3, 4, 5]** | **$ 24,558** | $ 25,377 | $ 27,790 | $ 27,708 | $ 29,059 |
| | | | | | |
| Fully-insured home loans past due 90 days or more and still accruing | **$ 21,817** | $ 22,287 | $ 21,176 | $ 21,164 | $ 20,299 |
| Consumer credit card past due 90 days or more and still accruing | **1,695** | 1,847 | 2,160 | 2,412 | 2,544 |
| Other loans past due 90 days or more and still accruing | **807** | 865 | 984 | 1,060 | 1,163 |
| **Total loans past due 90 days or more and still accruing [4, 6, 7]** | **$ 24,319** | $ 24,999 | $ 24,320 | $ 24,636 | $ 24,006 |
| | | | | | |
| Nonperforming loans, leases and foreclosed properties/Total assets [8] | **1.14%** | 1.18% | 1.28% | 1.31% | 1.32% |
| Nonperforming loans, leases and foreclosed properties/Total loans, leases and foreclosed properties [8] | **2.77** | 2.87 | 3.10 | 3.01 | 3.15 |
| Nonperforming loans and leases/Total loans and leases [8] | **2.64** | 2.70 | 2.85 | 2.74 | 2.87 |
| | | | | | |
| Commercial utilized reservable criticized exposure [9] | **$ 17,374** | $ 20,442 | $ 24,457 | $ 27,247 | $ 30,901 |
| Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure [9] | **4.69%** | 5.64% | 6.77% | 7.41% | 8.51% |
| Total commercial utilized criticized exposure/Commercial utilized exposure [9] | **5.03** | 5.92 | 6.86 | 7.47 | 8.35 |

(1) During the third quarter of 2012, we changed the treatment of loans discharged as part of a Chapter 7 bankruptcy to write down these loans to collateral value and classify as nonperforming. As a result of this change, we reclassified $557 million of residential mortgage loans, $483 million of home equity loans and $10 million of discontinued real estate loans to nonperforming as of September 30, 2012. Prior period amounts have not been restated.
(2) During the first quarter of 2012, the bank regulatory agencies jointly issued interagency supervisory guidance on nonaccrual status for junior-lien consumer real estate loans. In accordance with this regulatory interagency guidance, we classify junior-lien home equity loans as nonperforming when the first-lien loan becomes 90 days past due even if the junior-lien loan is performing. As a result of this change, we reclassified $1.9 billion of performing home equity loans to nonperforming as of March 31, 2012. Prior period amounts have not been restated.
(3) Balances do not include past due consumer credit card, consumer loans secured by real estate where repayments are insured by the Federal Housing Administration and individually insured long-term stand-by agreements (fully-insured home loans), and in general, other consumer and commercial loans not secured by real estate.
(4) Balances do not include purchased credit-impaired loans even though the customer may be contractually past due. Purchased credit-impaired loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the loan.

| (5) Balances do not include the following: | September 30 2012 | June 30 2012 | March 31 2012 | December 31 2011 | September 30 2011 |
|---|---|---|---|---|---|
| Nonperforming loans held-for-sale | **$ 1,397** | $ 1,363 | $ 1,491 | $ 1,730 | $ 1,750 |
| Nonperforming loans accounted for under the fair value option | **458** | 453 | 798 | 786 | 2,032 |
| Nonaccruing troubled debt restructured loans removed from the purchased credit-impaired portfolio prior to January 1, 2010 | **540** | 461 | 459 | 477 | 474 |

(6) Balances do not include loans held-for-sale past due 90 days or more and still accruing of $26 million, $31 million, $49 million, $41 million and $67 million at September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011, respectively. At September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011, there were no loans accounted for under the fair value option past due 90 days or more and still accruing interest.
(7) These balances are excluded from total nonperforming loans, leases and foreclosed properties.
(8) Total assets and total loans and leases do not include loans accounted for under the fair value option of $7.6 billion, $8.4 billion, $9.2 billion, $8.8 billion and $11.2 billion at September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011, respectively.
(9) Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The reservable criticized exposure excludes loans held-for-sale, exposure accounted for under the fair value option and other nonreservable exposure.

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

## Bank of America Corporation and Subsidiaries

# Nonperforming Loans, Leases and Foreclosed Properties Activity (1)

(Dollars in millions)

| | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|
| **Nonperforming Consumer Loans:** | | | | | |
| **Balance, beginning of period** | **$ 19,121** | $ 19,724 | $ 18,768 | $ 19,147 | $ 19,478 |
| Additions to nonperforming loans: | | | | | |
| New nonperforming loans | **3,306** | 3,259 | 3,308 | 3,757 | 4,036 |
| Impact of change in treatment of bankruptcies (2) | **1,050** | n/a | n/a | n/a | n/a |
| Impact of regulatory interagency guidance (3) | **n/a** | n/a | 1,853 | n/a | n/a |
| Reductions in nonperforming loans: | | | | | |
| Paydowns | **(822)** | (858) | (1,153) | (803) | (944) |
| Returns to performing status (4) | **(1,310)** | (1,271) | (913) | (1,018) | (1,072) |
| Charge-offs (5) | **(1,827)** | (1,541) | (1,737) | (1,833) | (1,972) |
| Transfers to foreclosed properties | **(132)** | (192) | (402) | (482) | (379) |
| Total net additions/(reductions) to nonperforming loans | **265** | (603) | 956 | (379) | (331) |
| **Total nonperforming consumer loans, end of period** | **19,386** | 19,121 | 19,724 | 18,768 | 19,147 |
| Foreclosed properties | **799** | 1,108 | 1,805 | 1,991 | 1,892 |
| **Total nonperforming consumer loans and foreclosed properties, end of period** | **$ 20,185** | $ 20,229 | $ 21,529 | $ 20,759 | $ 21,039 |
| | | | | | |
| **Nonperforming Commercial Loans and Leases (6):** | | | | | |
| **Balance, beginning of period** | **$ 4,715** | $ 5,751 | $ 6,337 | $ 7,299 | $ 8,105 |
| Additions to nonperforming loans and leases: | | | | | |
| New nonperforming loans and leases | **474** | 788 | 599 | 1,084 | 1,231 |
| Advances | **42** | 14 | 24 | 20 | 18 |
| Reductions in nonperforming loans and leases: | | | | | |
| Paydowns | **(548)** | (806) | (573) | (949) | (721) |
| Sales | **(113)** | (392) | (137) | (211) | (554) |
| Return to performing status (7) | **(262)** | (152) | (145) | (358) | (143) |
| Charge-offs (8) | **(221)** | (379) | (291) | (386) | (412) |
| Transfers to foreclosed properties | **(93)** | (109) | (63) | (128) | (205) |
| Transfers to loans held-for-sale | **(46)** | — | — | (34) | (20) |
| Total net reductions in nonperforming loans and leases | **(767)** | (1,036) | (586) | (962) | (806) |
| **Total nonperforming commercial loans and leases, end of period** | **3,948** | 4,715 | 5,751 | 6,337 | 7,299 |
| Foreclosed properties | **425** | 433 | 510 | 612 | 721 |
| **Total nonperforming commercial loans, leases and foreclosed properties, end of period** | **$ 4,373** | $ 5,148 | $ 6,261 | $ 6,949 | $ 8,020 |

(1) For amounts excluded from nonperforming loans, leases and foreclosed properties, see footnotes to Nonperforming Loans, Leases and Foreclosed Properties table on page 42.
(2) During the third quarter of 2012, we changed the treatment of loans discharged from Chapter 7 bankruptcy to write down these loans to collateral value and classify as nonperforming. As a result of this change, we reclassified a net $1.1 billion of consumer real estate loans to nonperforming as of September 30, 2012. Prior period amounts have not be restated.
(3) During the first quarter of 2012, the bank regulatory agencies jointly issued interagency supervisory guidance on nonaccrual status for junior-lien consumer real estate loans. In accordance with this regulatory interagency guidance, we classify junior-lien home equity loans as nonperforming when the first-lien loan becomes 90 days past due even if the junior-lien loan is performing. As a result of this change, we reclassified $1.9 billion of performing home equity loans to nonperforming as of March 31, 2012. Prior period amounts have not been restated.
(4) Consumer loans may be returned to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected, or when the loan otherwise becomes well-secured and is in the process of collection. Certain troubled debt restructurings are classified as nonperforming at the time of restructure and may only be returned to performing status after considering the borrower's sustained repayment performance for a reasonable period, generally six months.
(5) Our policy is not to classify consumer credit card and consumer loans not secured by real estate as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity and accordingly are excluded from this table.
(6) Includes U.S. small business commercial activity.
(7) Commercial loans and leases may be returned to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected or when the loan otherwise becomes well-secured and is in the process of collection. Troubled debt restructurings are generally classified as performing after a sustained period of demonstrated payment performance.
(8) Small business card loans are not classified as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity and accordingly are excluded from this table.

n/a = not applicable

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

**Bank of America Corporation and Subsidiaries**

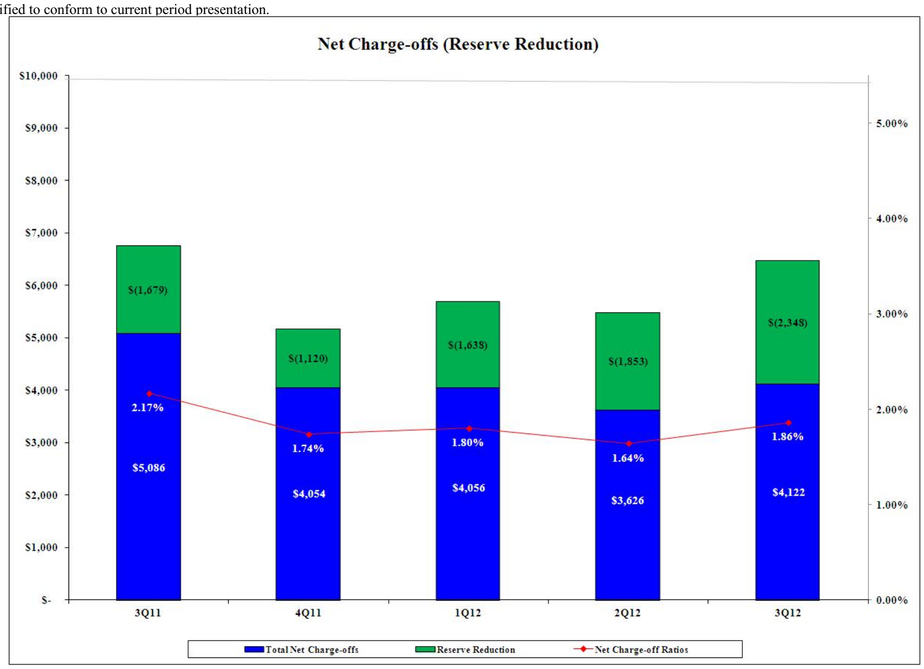
## Quarterly Net Charge-offs and Net Charge-off Ratios (1, 2, 3, 4)

(Dollars in millions)

| | Third Quarter 2012 | | Second Quarter 2012 | | First Quarter 2012 | | Fourth Quarter 2011 | | Third Quarter 2011 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Charge-offs** | **Amount** | **Percent** | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| Residential mortgage | **$ 707** | **1.12 %** | $ 734 | 1.16 % | $ 898 | 1.39 % | $ 834 | 1.25 % | $ 989 | 1.47 % |
| Home equity | **1,621** | **5.55** | 892 | 3.00 | 957 | 3.13 | 939 | 2.95 | 1,092 | 3.35 |
| Discontinued real estate | **15** | **0.59** | 16 | 0.65 | 16 | 0.59 | 22 | 0.76 | 24 | 0.80 |
| U.S. credit card | **1,079** | **4.60** | 1,244 | 5.27 | 1,331 | 5.44 | 1,432 | 5.55 | 1,639 | 6.28 |
| Non-U.S. credit card | **124** | **3.70** | 135 | 3.97 | 203 | 5.78 | (36) | (0.89) | 374 | 5.83 |
| Direct/Indirect consumer | **161** | **0.78** | 181 | 0.86 | 226 | 1.03 | 284 | 1.24 | 301 | 1.32 |
| Other consumer | **63** | **9.53** | 49 | 7.71 | 56 | 8.59 | 63 | 9.04 | 56 | 7.81 |
| **Total consumer** | **3,770** | **2.64** | 3,251 | 2.25 | 3,687 | 2.48 | 3,538 | 2.28 | 4,475 | 2.82 |
| U.S. commercial (5) | **55** | **0.12** | 94 | 0.20 | 66 | 0.15 | 78 | 0.17 | 78 | 0.18 |
| Commercial real estate | **91** | **0.97** | 77 | 0.83 | 132 | 1.36 | 200 | 1.95 | 296 | 2.73 |
| Commercial lease financing | **(12)** | **(0.22)** | 14 | 0.25 | (9) | (0.16) | 32 | 0.59 | (1) | (0.01) |
| Non-U.S. commercial | **9** | **0.06** | 7 | 0.06 | (5) | (0.04) | 18 | 0.15 | 18 | 0.15 |
| | **143** | **0.19** | 192 | 0.26 | 184 | 0.25 | 328 | 0.44 | 391 | 0.54 |
| U.S. small business commercial | **209** | **6.59** | 183 | 5.74 | 185 | 5.63 | 188 | 5.55 | 220 | 6.36 |
| **Total commercial** | **352** | **0.45** | 375 | 0.49 | 369 | 0.48 | 516 | 0.66 | 611 | 0.81 |
| **Total net charge-offs** | **$ 4,122** | **1.86** | $ 3,626 | 1.64 | $ 4,056 | 1.80 | $ 4,054 | 1.74 | $ 5,086 | 2.17 |
| **By Business Segment** | | | | | | | | | | |
| Consumer & Business Banking | **$ 1,499** | **4.45 %** | $ 1,669 | 4.91 % | $ 1,766 | 5.02 % | $ 1,925 | 5.19 % | $ 2,179 | 5.71 % |
| Consumer Real Estate Services | **1,567** | **6.08** | 845 | 3.21 | 915 | 3.39 | 894 | 3.14 | 1,036 | 3.58 |
| Global Banking | **116** | **0.18** | 159 | 0.24 | 171 | 0.25 | 304 | 0.45 | 374 | 0.56 |
| Global Markets | **—** | **—** | — | — | 7 | 0.17 | 10 | 0.26 | — | — |
| Global Wealth & Investment Management | **97** | **0.37** | 88 | 0.34 | 94 | 0.37 | 113 | 0.44 | 135 | 0.52 |
| All Other | **843** | **1.34** | 865 | 1.35 | 1,103 | 1.68 | 808 | 1.17 | 1,362 | 1.89 |
| **Total net charge-offs** | **$ 4,122** | **1.86** | $ 3,626 | 1.64 | $ 4,056 | 1.80 | $ 4,054 | 1.74 | $ 5,086 | 2.17 |

(1) Net charge-off ratios are calculated as annualized net charge-offs divided by average outstanding loans and leases excluding loans accounted for under the fair value option during the period for each loan and lease category.
(2) Excludes write-offs of consumer purchased credit-impaired loans of $1.7 billion for the three months ended September 30, 2012.
(3) During the three months ended September 30, 2012, the Corporation changed the treatment of loans discharged from Chapter 7 bankruptcy to write down these loans to collateral value irrespective of the borrower's payment status. As a result of this change, the Corporation charged-off $478 million of current or less than 60 days delinquent loans.
(4) Includes $435 million of charge-offs incurred during the three months ended September 30, 2012 as a result of National Mortgage Settlement activities.
(5) Excludes U.S. small business commercial loans.

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



**Bank of America Corporation and Subsidiaries**

## Year-to-Date Net Charge-offs and Net Charge-off Ratios (1, 2, 3, 4)

(Dollars in millions)

| | Nine Months Ended September 30 | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| **Net Charge-offs** | **Amount** | **Percent** | Amount | Percent |
| Residential mortgage | **$ 2,339** | **1.22 %** | $ 2,998 | 1.51 % |
| Home equity | **3,470** | **3.88** | 3,534 | 3.57 |
| Discontinued real estate | **47** | **0.61** | 70 | 0.75 |
| U.S. credit card | **3,654** | **5.11** | 5,844 | 7.33 |
| Non-U.S. credit card | **462** | **4.50** | 1,205 | 6.02 |
| Direct/Indirect consumer | **568** | **0.89** | 1,192 | 1.77 |
| Other consumer | **168** | **8.62** | 139 | 6.74 |
| **Total consumer** | **10,708** | **2.46** | 14,982 | 3.15 |
| U.S. commercial (3) | **215** | **0.16** | 117 | 0.09 |
| Commercial real estate | **300** | **1.06** | 747 | 2.19 |
| Commercial lease financing | **(7)** | **(0.04)** | (8) | (0.05) |
| Non-U.S. commercial | **11** | **0.03** | 134 | 0.44 |
| | **519** | **0.23** | 990 | 0.47 |
| U.S. small business commercial | **577** | **5.98** | 807 | 7.62 |
| **Total commercial** | **1,096** | **0.47** | 1,797 | 0.81 |
| **Total net charge-offs** | **$ 11,804** | **1.77** | $ 16,779 | 2.41 |
| | | | | |
| **By Business Segment** | | | | |
| Consumer & Business Banking | **$ 4,934** | **4.80 %** | $ 7,843 | 6.73 % |
| Consumer Real Estate Services | **3,327** | **4.21** | 3,363 | 3.83 |
| Global Banking | **446** | **0.22** | 954 | 0.50 |
| Global Markets | **7** | **0.04** | (1) | (0.01) |
| Global Wealth & Investment Management | **279** | **0.36** | 352 | 0.46 |
| All Other | **2,811** | **1.46** | 4,268 | 1.99 |
| **Total net charge-offs** | **$ 11,804** | **1.77** | $ 16,779 | 2.41 |

(1) Net charge-off ratios are calculated as annualized net charge-offs divided by average outstanding loans and leases excluding loans accounted for under the fair value option during the period for each loan and lease category.

(2) Excludes write-offs of consumer purchased credit-impaired loans of $1.7 billion for the nine months ended September 30, 2012.

(3) During the three months ended September 30, 2012, the Corporation changed the treatment of loans discharged from Chapter 7 bankruptcy to write down these loans to collateral value irrespective of the borrower's payment status. As a result of this change, the Corporation charged-off $478 million of current or less than 60 days delinquent loans.

(4) Includes $435 million of charge-offs incurred during the three months ended September 30, 2012 as a result of National Mortgage Settlement activities.

(5) Excludes U.S. small business commercial loans.

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)

| Allowance for loan and lease losses | September 30, 2012 Amount | Percent of Total | Percent of Loans and Leases Outstanding (1) | June 30, 2012 Amount | Percent of Total | Percent of Loans and Leases Outstanding (1) | September 30, 2011 Amount | Percent of Total | Percent of Loans and Leases Outstanding (1) |
|---|---|---|---|---|---|---|---|---|---|
| Residential mortgage | **$ 5,576** | **21.26%** | **2.25%** | $ 5,899 | 19.48% | 2.33% | $ 5,832 | 16.62% | 2.19% |
| Home equity | **8,949** | **34.11** | **7.97** | 11,994 | 39.60 | 10.16 | 12,998 | 37.05 | 10.18 |
| Discontinued real estate | **2,009** | **7.66** | **20.34** | 2,071 | 6.84 | 20.59 | 1,902 | 5.42 | 16.48 |
| U.S. credit card | **4,898** | **18.67** | **5.26** | 5,228 | 17.26 | 5.54 | 6,780 | 19.33 | 6.59 |
| Non-U.S. credit card | **712** | **2.71** | **5.35** | 777 | 2.57 | 5.79 | 1,314 | 3.75 | 8.17 |
| Direct/Indirect consumer | **791** | **3.02** | **0.96** | 875 | 2.89 | 1.05 | 1,281 | 3.65 | 1.42 |
| Other consumer | **120** | **0.46** | **4.43** | 144 | 0.47 | 5.59 | 150 | 0.43 | 5.35 |
| **Total consumer** | **23,055** | **87.89** | **4.11** | 26,988 | 89.11 | 4.70 | 30,257 | 86.25 | 4.90 |
| U.S. commercial (2) | **1,908** | **7.27** | **0.93** | 2,016 | 6.66 | 1.02 | 2,627 | 7.49 | 1.36 |
| Commercial real estate | **894** | **3.41** | **2.38** | 967 | 3.19 | 2.65 | 1,860 | 5.30 | 4.55 |
| Commercial lease financing | **81** | **0.31** | **0.35** | 80 | 0.26 | 0.37 | 100 | 0.28 | 0.47 |
| Non-U.S. commercial | **295** | **1.12** | **0.50** | 237 | 0.78 | 0.44 | 238 | 0.68 | 0.49 |
| **Total commercial (3)** | **3,178** | **12.11** | **0.98** | 3,300 | 10.89 | 1.07 | 4,825 | 13.75 | 1.59 |
| **Allowance for loan and lease losses** | **26,233** | **100.00%** | **2.96** | 30,288 | 100.00% | 3.43 | 35,082 | 100.00% | 3.81 |
| **Reserve for unfunded lending commitments** | **518** | | | 574 | | | 790 | | |
| **Allowance for credit losses** | **$ 26,751** | | | $ 30,862 | | | $ 35,872 | | |

**Asset Quality Indicators**

| | September 30, 2012 | June 30, 2012 | September 30, 2011 |
|---|---|---|---|
| Allowance for loan and lease losses/Total loans and leases (4) | **2.96%** | 3.43% | 3.81% |
| Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total loans and leases (excluding purchased credit-impaired loans) (4, 5) | **2.23** | 2.50 | 3.02 |
| Allowance for loan and lease losses/Total nonperforming loans and leases (6) | **112** | 127 | 133 |
| Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases (5) | **82** | 90 | 101 |
| Ratio of the allowance for loan and lease losses/Annualized net charge-offs | **1.60** | 2.08 | 1.74 |
| Ratio of the allowance for loan and lease losses (excluding purchased credit-impaired loans)/Annualized net charge-offs (5) | **1.17** | 1.46 | 1.33 |

(1) Ratios are calculated as allowance for loan and lease losses as a percentage of loans and leases outstanding excluding loans accounted for under the fair value option. Consumer loans accounted for under the fair value option includes residential mortgage loans of $160 million, $172 million and $1.3 billion, and discontinued real estate loans of $1.0 billion, $1.0 billion and $3.4 billion at September 30, 2012, June 30, 2012 and September 30, 2011. Commercial loans accounted for under the fair value option includes U.S. commercial loans of $2.0 billion, $1.9 billion and $1.9 billion, non-U.S. commercial loans of $4.4 billion, $5.3 billion and $4.5 billion at September 30, 2012, June 30, 2012 and September 30, 2011, and commercial real estate loans of $75 million at September 30, 2011.

(2) Includes allowance for U.S. small business commercial loans of $701 million, $812 million and $935 million at September 30, 2012, June 30, 2012 and September 30, 2011, respectively.

(3) Includes allowance for loan and lease losses for impaired commercial loans of $391 million, $422 million and $798 million at September 30, 2012, June 30, 2012 and September 30, 2011, respectively.

(4) Total loans and leases do not include loans accounted for under the fair value option of $7.6 billion, $8.4 billion and $11.2 billion at September 30, 2012, June 30, 2012 and September 30, 2011, respectively.

(5) Excludes valuation allowance on purchased credit-impaired loans of $7.1 billion, $9.0 billion and $8.2 billion at September 30, 2012, June 30, 2012 and September 30, 2011, respectively.

(6) Allowance for loan and lease losses includes $13.9 billion, $16.3 billion and $18.3 billion allocated to products (primarily the Card Services portfolios within *Consumer & Business Banking* and purchased credit-impaired loans) that are excluded from nonperforming loans and leases at September 30, 2012, June 30, 2012 and September 30, 2011, respectively. Excluding these amounts, allowance for loan and lease losses as a percentage of total nonperforming loans and leases was 53 percent, 59 percent and 63 percent at September 30, 2012, June 30, 2012 and September 30, 2011, respectively.

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

## Exhibit A: Non-GAAP Reconciliations

### Bank of America Corporation and Subsidiaries

# Reconciliations to GAAP Financial Measures

(Dollars in millions)

The Corporation evaluates its business based on a fully taxable-equivalent basis, a non-GAAP financial measure. The Corporation believes managing the business with net interest income on a fully taxable-equivalent basis provides a more accurate picture of the interest margin for comparative purposes. Total revenue, net of interest expense, includes net interest income on a fully taxable-equivalent basis and noninterest income. The Corporation views related ratios and analyses (i.e., efficiency ratios and net interest yield) on a fully taxable-equivalent basis. To derive the fully taxable-equivalent basis, net interest income is adjusted to reflect tax exempt income on an equivalent before-tax basis with a corresponding increase in income tax expense. This measure ensures comparability of net interest income arising from taxable and tax-exempt sources. The efficiency ratio measures the costs expended to generate a dollar of revenue, and net interest yield evaluates the basis points the Corporation earns over the cost of funds.

The Corporation also evaluates its business based on the following ratios that utilize tangible equity, a non-GAAP financial measure. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of average common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible shareholders' equity measures the Corporation's earnings contribution as a percentage of average shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible common equity ratio represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible equity ratio represents total ending shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity (i.e., capital). In addition, profitability, relationship and investment models all use return on average tangible shareholders' equity as key measures to support our overall growth goals.

In addition, the Corporation evaluates its business segment results based on return on average economic capital, a non-GAAP financial measure. Return on average economic capital for the segments is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents average allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). It also believes the use of this non-GAAP financial measure provides additional clarity in assessing the segments.

In certain presentations, earnings and diluted earnings per common share, the efficiency ratio, return on average assets, return on common shareholders' equity, return on average tangible common shareholders' equity and return on average tangible shareholders' equity are calculated excluding the impact of goodwill impairment charges of $581 million and $2.6 billion recorded in the fourth and second quarters of 2011. Accordingly, these are non-GAAP financial measures.

See the tables below and on pages48-50 for reconciliations of these non-GAAP financial measures with financial measures defined by GAAP for the three months endedSeptember 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011 and the nine months ended September 30, 2012 and 2011 The Corporation believes the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate supplemental financial data differently.

| | Nine Months Ended September 30 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | 2011 | **Third Quarter 2012** | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
| **Reconciliation of net interest income to net interest income on a fully taxable-equivalent basis** | | | | | | | |
| Net interest income | **$ 30,332** | $ 33,915 | **$ 9,938** | $ 9,548 | $ 10,846 | $ 10,701 | $ 10,490 |
| Fully taxable-equivalent adjustment | **670** | 714 | **229** | 234 | 207 | 258 | 249 |
| **Net interest income on a fully taxable-equivalent basis** | **$ 31,002** | $ 34,629 | **$ 10,167** | $ 9,782 | $ 11,053 | $ 10,959 | $ 10,739 |
| **Reconciliation of total revenue, net of interest expense to total revenue, net of interest expense on a fully taxable-equivalent basis** | | | | | | | |
| Total revenue, net of interest expense | **$ 64,674** | $ 68,566 | **$ 20,428** | $ 21,968 | $ 22,278 | $ 24,888 | $ 28,453 |
| Fully taxable-equivalent adjustment | **670** | 714 | **229** | 234 | 207 | 258 | 249 |
| **Total revenue, net of interest expense on a fully taxable-equivalent basis** | **$ 65,344** | $ 69,280 | **$ 20,657** | $ 22,202 | $ 22,485 | $ 25,146 | $ 28,702 |
| **Reconciliation of total noninterest expense to total noninterest expense, excluding goodwill impairment charges** | | | | | | | |
| Total noninterest expense | **$ 53,733** | $ 60,752 | **$ 17,544** | $ 17,048 | $ 19,141 | $ 19,522 | $ 17,613 |
| Goodwill impairment charges | **—** | (2,603) | **—** | — | — | (581) | — |
| **Total noninterest expense, excluding goodwill impairment charges** | **$ 53,733** | $ 58,149 | **$ 17,544** | $ 17,048 | $ 19,141 | $ 18,941 | $ 17,613 |
| **Reconciliation of income tax expense (benefit) to income tax expense (benefit) on a fully taxable-equivalent basis** | | | | | | | |
| Income tax expense (benefit) | **$ 1,520** | $ (2,117) | **$ 770** | $ 684 | $ 66 | $ 441 | $ 1,201 |
| Fully taxable-equivalent adjustment | **670** | 714 | **229** | 234 | 207 | 258 | 249 |
| **Income tax expense (benefit) on a fully taxable-equivalent basis** | **$ 2,190** | $ (1,403) | **$ 999** | $ 918 | $ 273 | $ 699 | $ 1,450 |
| **Reconciliation of net income (loss) to net income, excluding goodwill impairment charges** | | | | | | | |
| Net income (loss) | **$ 3,456** | $ (545) | **$ 340** | $ 2,463 | $ 653 | $ 1,991 | $ 6,232 |
| Goodwill impairment charges | **—** | 2,603 | **—** | — | — | 581 | — |
| **Net income, excluding goodwill impairment charges** | **$ 3,456** | $ 2,058 | **$ 340** | $ 2,463 | $ 653 | $ 2,572 | $ 6,232 |
| **Reconciliation of net income (loss) applicable to common shareholders to net income (loss) applicable to common shareholders, excluding goodwill impairment charges** | | | | | | | |
| Net income (loss) applicable to common shareholders | **$ 2,393** | $ (1,499) | **$ (33)** | $ 2,098 | $ 328 | $ 1,584 | $ 5,889 |
| Goodwill impairment charges | **—** | 2,603 | **—** | — | — | 581 | — |
| **Net income (loss) applicable to common shareholders, excluding goodwill impairment charges** | **$ 2,393** | $ 1,104 | **$ (33)** | $ 2,098 | $ 328 | $ 2,165 | $ 5,889 |

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

## Exhibit A: Non-GAAP Reconciliations (continued)

### Bank of America Corporation and Subsidiaries

# Reconciliations to GAAP Financial Measures

(Dollars in millions)

| | Nine Months Ended September 30 2012 | Nine Months Ended September 30 2011 | Third Quarter 2012 | Second Quarter 2012 | First Quarter 2012 | Fourth Quarter 2011 | Third Quarter 2011 |
|---|---|---|---|---|---|---|---|
| **Reconciliation of average common shareholders' equity to average tangible common shareholders' equity** | | | | | | | |
| Common shareholders' equity | **$ 216,073** | $ 212,512 | **$ 217,273** | $ 216,782 | $ 214,150 | $ 209,324 | $ 204,928 |
| Goodwill | **(69,973)** | (72,903) | **(69,976)** | (69,976) | (69,967) | (70,647) | (71,070) |
| Intangible assets (excluding mortgage servicing rights) | **(7,531)** | (9,386) | **(7,194)** | (7,533) | (7,869) | (8,566) | (9,005) |
| Related deferred tax liabilities | **2,627** | 2,939 | **2,556** | 2,626 | 2,700 | 2,775 | 2,852 |
| **Tangible common shareholders' equity** | **$ 141,196** | $ 133,162 | **$ 142,659** | $ 141,899 | $ 139,014 | $ 132,886 | $ 127,705 |
| **Reconciliation of average shareholders' equity to average tangible shareholders' equity** | | | | | | | |
| Shareholders' equity | **$ 234,726** | $ 229,385 | **$ 236,039** | $ 235,558 | $ 232,566 | $ 228,235 | $ 222,410 |
| Goodwill | **(69,973)** | (72,903) | **(69,976)** | (69,976) | (69,967) | (70,647) | (71,070) |
| Intangible assets (excluding mortgage servicing rights) | **(7,531)** | (9,386) | **(7,194)** | (7,533) | (7,869) | (8,566) | (9,005) |
| Related deferred tax liabilities | **2,627** | 2,939 | **2,556** | 2,626 | 2,700 | 2,775 | 2,852 |
| **Tangible shareholders' equity** | **$ 159,849** | $ 150,035 | **$ 161,425** | $ 160,675 | $ 157,430 | $ 151,797 | $ 145,187 |
| **Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity** | | | | | | | |
| Common shareholders' equity | **$ 219,838** | $ 210,772 | **$ 219,838** | $ 217,213 | $ 213,711 | $ 211,704 | $ 210,772 |
| Goodwill | **(69,976)** | (70,832) | **(69,976)** | (69,976) | (69,976) | (69,967) | (70,832) |
| Intangible assets (excluding mortgage servicing rights) | **(7,030)** | (8,764) | **(7,030)** | (7,335) | (7,696) | (8,021) | (8,764) |
| Related deferred tax liabilities | **2,494** | 2,777 | **2,494** | 2,559 | 2,628 | 2,702 | 2,777 |
| **Tangible common shareholders' equity** | **$ 145,326** | $ 133,953 | **$ 145,326** | $ 142,461 | $ 138,667 | $ 136,418 | $ 133,953 |
| **Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity** | | | | | | | |
| Shareholders' equity | **$ 238,606** | $ 230,252 | **$ 238,606** | $ 235,975 | $ 232,499 | $ 230,101 | $ 230,252 |
| Goodwill | **(69,976)** | (70,832) | **(69,976)** | (69,976) | (69,976) | (69,967) | (70,832) |
| Intangible assets (excluding mortgage servicing rights) | **(7,030)** | (8,764) | **(7,030)** | (7,335) | (7,696) | (8,021) | (8,764) |
| Related deferred tax liabilities | **2,494** | 2,777 | **2,494** | 2,559 | 2,628 | 2,702 | 2,777 |
| **Tangible shareholders' equity** | **$ 164,094** | $ 153,433 | **$ 164,094** | $ 161,223 | $ 157,455 | $ 154,815 | $ 153,433 |
| **Reconciliation of period-end assets to period-end tangible assets** | | | | | | | |
| Assets | **$ 2,166,162** | $ 2,219,628 | **$ 2,166,162** | $ 2,160,854 | $ 2,181,449 | $ 2,129,046 | $ 2,219,628 |
| Goodwill | **(69,976)** | (70,832) | **(69,976)** | (69,976) | (69,976) | (69,967) | (70,832) |
| Intangible assets (excluding mortgage servicing rights) | **(7,030)** | (8,764) | **(7,030)** | (7,335) | (7,696) | (8,021) | (8,764) |
| Related deferred tax liabilities | **2,494** | 2,777 | **2,494** | 2,559 | 2,628 | 2,702 | 2,777 |
| **Tangible assets** | **$ 2,091,650** | $ 2,142,809 | **$ 2,091,650** | $ 2,086,102 | $ 2,106,405 | $ 2,053,760 | $ 2,142,809 |

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

**Exhibit A: Non-GAAP Reconciliations (continued)**

**Bank of America Corporation and Subsidiaries**

## Reconciliations to GAAP Financial Measures

(Dollars in millions)

| | Nine Months Ended September 30 | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
|---|---|---|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2012 | 2012 | 2011 | 2011 |
| **Reconciliation of return on average economic capital** | | | | | | | |
| **Consumer & Business Banking** | | | | | | | |
| Reported net income | **$ 3,893** | $ 6,204 | **$ 1,285** | $ 1,155 | $ 1,453 | $ 1,242 | $ 1,664 |
| Adjustment related to intangibles[1] | **10** | 15 | **3** | 4 | 3 | 5 | 6 |
| **Adjusted net income** | **$ 3,903** | $ 6,219 | **$ 1,288** | $ 1,159 | $ 1,456 | $ 1,247 | $ 1,670 |
| Average allocated equity | **$ 53,462** | $ 52,875 | **$ 53,982** | $ 53,452 | $ 52,947 | $ 53,004 | $ 52,381 |
| Adjustment related to goodwill and a percentage of intangibles | **(30,485)** | (30,650) | **(30,447)** | (30,485) | (30,522) | (30,587) | (30,600) |
| **Average economic capital** | **$ 22,977** | $ 22,225 | **$ 23,535** | $ 22,967 | $ 22,425 | $ 22,417 | $ 21,781 |
| **Consumer Real Estate Services** | | | | | | | |
| Reported net loss | **$ (2,786)** | $ (18,023) | **$ (877)** | $ (766) | $ (1,143) | $ (1,442) | $ (1,121) |
| Adjustment related to intangibles[1] | **—** | — | **—** | — | — | — | — |
| Goodwill impairment charge | **—** | 2,603 | **—** | — | — | — | — |
| **Adjusted net loss** | **$ (2,786)** | $ (15,420) | **$ (877)** | $ (766) | $ (1,143) | $ (1,442) | $ (1,121) |
| Average allocated equity | **$ 14,077** | $ 16,688 | **$ 13,332** | $ 14,116 | $ 14,791 | $ 14,757 | $ 14,240 |
| Adjustment related to goodwill and a percentage of intangibles (excluding mortgage servicing rights) | **—** | (1,804) | **—** | — | — | — | — |
| **Average economic capital** | **$ 14,077** | $ 14,884 | **$ 13,332** | $ 14,116 | $ 14,791 | $ 14,757 | $ 14,240 |
| **Global Banking** | | | | | | | |
| Reported net income | **$ 4,292** | $ 4,709 | **$ 1,295** | $ 1,407 | $ 1,590 | $ 1,337 | $ 1,206 |
| Adjustment related to intangibles[1] | **3** | 5 | **1** | 1 | 1 | 1 | 2 |
| **Adjusted net income** | **$ 4,295** | $ 4,714 | **$ 1,296** | $ 1,408 | $ 1,591 | $ 1,338 | $ 1,208 |
| Average allocated equity | **$ 45,967** | $ 47,820 | **$ 46,223** | $ 45,958 | $ 45,719 | $ 46,087 | $ 47,682 |
| Adjustment related to goodwill and a percentage of intangibles | **(24,856)** | (24,529) | **(24,852)** | (24,856) | (24,861) | (24,899) | (24,724) |
| **Average economic capital** | **$ 21,111** | $ 23,291 | **$ 21,371** | $ 21,102 | $ 20,858 | $ 21,188 | $ 22,958 |
| **Global Markets** | | | | | | | |
| Reported net income (loss) | **$ 900** | $ 1,753 | **$ (359)** | $ 461 | $ 798 | $ (768) | $ (553) |
| Adjustment related to intangibles[1] | **7** | 9 | **2** | 3 | 2 | 3 | 3 |
| **Adjusted net income (loss)** | **$ 907** | $ 1,762 | **$ (357)** | $ 464 | $ 800 | $ (765) | $ (550) |
| Average allocated equity | **$ 17,504** | $ 23,636 | **$ 17,068** | $ 17,132 | $ 18,317 | $ 19,805 | $ 21,609 |
| Adjustment related to goodwill and a percentage of intangibles | **(4,636)** | (4,616) | **(4,651)** | (4,608) | (4,648) | (4,651) | (4,655) |
| **Average economic capital** | **$ 12,868** | $ 19,020 | **$ 12,417** | $ 12,524 | $ 13,669 | $ 15,154 | $ 16,954 |
| **Global Wealth & Investment Management** | | | | | | | |
| Reported net income | **$ 1,639** | $ 1,424 | **$ 542** | $ 547 | $ 550 | $ 266 | $ 362 |
| Adjustment related to intangibles[1] | **18** | 23 | **6** | 6 | 6 | 7 | 7 |
| **Adjusted net income** | **$ 1,657** | $ 1,447 | **$ 548** | $ 553 | $ 556 | $ 273 | $ 369 |
| Average allocated equity | **$ 18,027** | $ 17,772 | **$ 18,871** | $ 17,974 | $ 17,228 | $ 17,845 | $ 17,826 |
| Adjustment related to goodwill and a percentage of intangibles | **(10,620)** | (10,708) | **(10,600)** | (10,621) | (10,641) | (10,663) | (10,691) |
| **Average economic capital** | **$ 7,407** | $ 7,064 | **$ 8,271** | $ 7,353 | $ 6,587 | $ 7,182 | $ 7,135 |

For footnote see page50.

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

## Exhibit A: Non-GAAP Reconciliations (continued)

### Bank of America Corporation and Subsidiaries

# Reconciliations to GAAP Financial Measures

(Dollars in millions)

| | Nine Months Ended September 30 | | Third Quarter | Second Quarter | Third Quarter |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2012 | 2011 |
| **Consumer & Business Banking** | | | | | |
| Deposits | | | | | |
| Reported net income | $ 702 | $ 1,063 | $ 207 | $ 187 | $ 280 |
| Adjustment related to intangibles[1] | 1 | 2 | — | 1 | 1 |
| **Adjusted net income** | $ 703 | $ 1,065 | $ 207 | $ 188 | $ 281 |
| Average allocated equity | $ 24,078 | $ 23,692 | $ 25,047 | $ 23,982 | $ 23,819 |
| Adjustment related to goodwill and a percentage of intangibles | (17,926) | (17,952) | (17,920) | (17,926) | (17,947) |
| **Average economic capital** | $ 6,152 | $ 5,740 | $ 7,127 | $ 6,056 | $ 5,872 |
| Card Services | | | | | |
| Reported net income | $ 2,962 | $ 4,783 | $ 994 | $ 929 | $ 1,267 |
| Adjustment related to intangibles[1] | 9 | 13 | 3 | 3 | 5 |
| **Adjusted net income** | $ 2,971 | $ 4,796 | $ 997 | $ 932 | $ 1,272 |
| Average allocated equity | $ 20,553 | $ 21,302 | $ 20,463 | $ 20,525 | $ 20,755 |
| Adjustment related to goodwill and a percentage of intangibles | (10,461) | (10,603) | (10,429) | (10,460) | (10,561) |
| **Average economic capital** | $ 10,092 | $ 10,699 | $ 10,034 | $ 10,065 | $ 10,194 |
| Business Banking | | | | | |
| Reported net income | $ 229 | $ 358 | $ 84 | $ 39 | $ 117 |
| Adjustment related to intangibles[1] | — | — | — | — | — |
| **Adjusted net income** | $ 229 | $ 358 | $ 84 | $ 39 | $ 117 |
| Average allocated equity | $ 8,831 | $ 7,881 | $ 8,472 | $ 8,945 | $ 7,807 |
| Adjustment related to goodwill and a percentage of intangibles | (2,098) | (2,095) | (2,098) | (2,099) | (2,092) |
| **Average economic capital** | $ 6,733 | $ 5,786 | $ 6,374 | $ 6,846 | $ 5,715 |

(1) Represents cost of funds, earnings credits and certain expenses related to intangibles.

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