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):
January 15, 2003

BANK OF AMERICA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

1-6523
(Commission File Number)

56-0906609
(IRS Employer Identification No.)

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

28255
(Zip Code)

(704) 386-8486
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS.

On January 15, 2003, Bank of America Corporation (the “Registrant”) announced financial results for the fourth quarter ended December 31, 2002, reporting net income of $2.61 billion and diluted earnings per common share of $1.69. A copy of the press release announcing the Registrant’s results for the fourth quarter and year ended December 31, 2002 is attached hereto as Exhibit 99.1 and incorporated by reference herein.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

The following exhibits are filed herewith:

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Press Release dated January 15, 2003 with respect to the Registrant’s financial results for the fourth quarter and year ended December 31, 2002
99.2	Supplemental Information prepared for use on January 15, 2003 in connection with financial results for the fourth quarter and year ended December 31, 2002
99.3	Script prepared for use on January 15, 2003 by James H. Hance, Jr., Vice Chairman and Chief Financial Officer, discussing financial results for the fourth quarter and year ended December 31, 2002 and financial and strategic goals for Fiscal Year 2003 (the “Script”)

ITEM 9. REGULATION FD DISCLOSURE.

On January 15, 2003, the Registrant held an investor conference and webcast to discuss financial results for the fourth quarter and year ended December 31, 2002 as well as financial and strategic goals for 2003. The Supplemental Information package for use at this conference is furnished herewith as Exhibit 99.2 and incorporated by reference in Item 9. The Script prepared for use by Mr. Hance at this conference is furnished herewith as Exhibit 99.3 and incorporated by reference in Item 9. All information in the Supplemental Information package and Script is presented as of January 15, 2003, and the Registrant does not assume any obligation to update said information in the future.

SIGNATURE

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

BANK OF AMERICA CORPORATION

By: /s/ MARC D. OKEN

Marc D. Oken
Executive Vice President and
Principal Financial Executive

Dated: January 15, 2003

EXHIBIT INDEX

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Exhibit 99.1

January 15, 2003

Investors may contact:
Kevin Stitt, Bank of America, 704.386.5667
Lee McEntire, Bank of America, 704.388.6780

Media may contact:
Eloise Hale, Bank of America, 704.387.0013
eloise.hale@bankofamerica.com

**Strong performance in consumer banking continues
to lead Bank of America growth in earnings**

Company reports fourth quarter and full-year earnings per share of $1.69 and $5.91

CHARLOTTE — Bank of America Corporation today reported fourth quarter net income of $2.61 billion, or $1.69 per share (diluted) up from $2.06 billion, or $1.28 per share, a year ago.

For the full year, Bank of America reported net income of $9.25 billion, or $5.91 per share (diluted). A year earlier, the company reported net income of $6.79 billion, or $4.18 per share.

In the fourth quarter and full year, the return on average common equity was 21.58 percent and 19.44 percent, respectively.

As previously announced, the company recorded after-tax income of $488 million resulting from a tax settlement during the quarter.

Fourth quarter results were driven by continued growth in consumer revenue from mortgage, debit and credit card, and deposits. These items were partially offset by a weak market-related revenue.

“We continue to benefit from our diversified business mix,” said Kenneth D. Lewis, chairman and chief executive officer. “Fourth quarter performance was led by the strong growth we saw throughout the year in consumer banking and by tight expense control.”

“Although the economy remains challenging,” continued Lewis, “it was a successful year. We made great progress on our customer-focused strategy. We added talent, launched new products that deepened relationships, improved our customers’ satisfaction scores and increased retention. This intense focus paid off and we will continue to execute this strategy for 2003.”

Excluding goodwill amortization in 2001, fourth quarter net income was up 18 percent. Excluding goodwill amortization and $1.25 billion in costs related to the exit of the company’s auto leasing and subprime real estate lending business in 2001, full-year net income was up 7 percent.

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<u>Fourth quarter financial summary (compared to a year earlier)</u>

Financial highlights

- Average total customer deposits grew 8 percent to $343 billion.
- Average consumer loans increased 19 percent to $196 billion.
- Mortgage banking income rose 23 percent to $206 million.
- Card income was up 17 percent to $736 million.
- The loan-to-domestic deposit ratio was 97 percent versus 99 percent a year earlier.
- Book value per share rose 8 percent from 2001 to $33.49.

Customer highlights

- During the fourth quarter, the company announced that it had entered into a definitive agreement with Santander Central Hispano to acquire 24.9 percent of its subsidiary, Grupo Financiero Santander Serfin, the most profitable and third largest bank in Mexico. The alliance will advance Bank of America's strategy to better serve the Hispanic market. The transaction is expected to close in the first quarter of 2003.
- The company increased consumer checking accounts by 528,000 in 2002, compared to an increase of 193,000 for 2001. The number of accounts increased by 127,000 in the fourth quarter. The company continues to attract and retain customers with its new My Access Checking™ product and through increased customer satisfaction.
- The number of customers expressing their highest level of satisfaction with the company continued to increase:

  Problem incidence decreased 24 percent
  Small-business satisfaction with the bank increased 20 percent
  Mortgage loan satisfaction increased 13 percent
  Checking account satisfaction increased 10 percent

More

Revenue

Fully taxable-equivalent revenue of $8.97 billion was relatively unchanged from the previous year.

Both fully taxable-equivalent net interest income and noninterest income remained relatively unchanged at $5.54 billion and $3.43 billion, respectively, from fourth quarter 2001 levels. Record refinance levels drove higher mortgage banking income results. Card income rose as a result of higher interchange and other fees. Total service charges increased 7 percent.

Other income was up due primarily to $172 million in gains on whole loan mortgage sales taken to manage prepayment risk. These improvements were offset by lower market-related revenues as investment banking and trading account profits declined a total of $286 million.

During the quarter, the company realized $304 million in net securities gains, down from $393 million in 2001, as the discretionary portfolio was repositioned in line with market conditions.

Efficiency

Expenses were down 9 percent from a year earlier to $4.83 billion, primarily due to tightened expense control, less litigation expense and using Six Sigma tools that resulted in productivity gains and efficiencies. Adjusted for the amortization of goodwill, expenses decreased 6 percent. The efficiency ratio was 53.9 percent.

Credit quality

Credit quality continued to be affected by uncertain economic and market conditions. Consumer credit quality continues to perform well while the franchise-based commercial portfolio improved during the quarter. The large corporate portfolio continued to experience credit issues in a few industries such as airlines, telecom and utilities as well as around specific events.

- Provision for credit losses was $1.17 billion.
- Net charge-offs were $1.17 billion, or 1.35 percent of loans and leases, down from $1.19 billion, or 1.42 percent, a year earlier. Included in the fourth quarter were losses associated with the bankruptcy of a major airline and with two credits in the utilities sector. Net charge-offs were 45 percent higher than the third quarter.
- Nonperforming assets were $5.26 billion, or 1.53 percent of loans, leases and foreclosed properties at Dec. 31, 2002, up 7 percent from $4.91 billion, or 1.49 percent, a year earlier. Nonperforming assets increased 3 percent from levels in the third quarter of 2002 due principally to increases in the large corporate portfolio.

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- The allowance for credit losses was 2.00 percent of loans and leases on Dec. 31, 2002, a decrease in coverage of 9 basis points from 2.09 percent a year ago. The allowance for credit losses, at $6.85 billion, represented 136 percent of nonperforming loans, virtually unchanged from the third quarter of 2002, and down from 153 percent a year earlier.

Capital management

Total shareholders' equity was $50.3 billion on Dec. 31, 2002, up 4 percent from a year ago, and represented 8 percent of period-end assets of $660 billion. The preliminary Tier 1 Capital Ratio was 8.22 percent, a decrease of 8 basis points from a year earlier.

During the quarter, Bank of America repurchased 9.7 million shares and issued 8.2 million shares as stock options were exercised. Average common shares outstanding were 1.50 billion, down 4 percent from 1.57 billion a year earlier, and were unchanged from the third quarter of 2002.

2002 full-year financial summary

Revenue

Fully taxable-equivalent revenue, at $35.1 billion, remained relatively unchanged from 2001.

Fully taxable-equivalent net interest income rose 4 percent to $21.5 billion. This growth was driven by a larger discretionary portfolio, the impact of interest rates, higher deposit balances and trading-related activities. These factors offset the impact of the exited subprime business in 2001. The net interest yield of 3.75 percent improved 7 basis points, reflecting a favorable change in loan mix and higher deposit levels. These factors somewhat offset the absence of the subprime business, and the yield impact of trading-related activities.

Noninterest income declined 5 percent to $13.6 billion. Solid growth in fee income from consumer products such as mortgages and debit and credit cards was unable to offset a sharp decline in equity investments and trading account profits due to the challenging economy. Other income was up, primarily due to higher levels of whole loan mortgage sale gains.

Efficiency

Noninterest expense decreased 11 percent to $18.4 billion from the prior year. This decline was driven by reduced litigation expense, lower business exit costs and lower personnel expense. Adjusted for the amortization of goodwill, expenses were down 8 percent.

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Credit quality

Provision expense was $3.70 billion in 2002, a 14 percent decline from 2001. Included in the 2001 expense was $395 million related to the exit of the subprime business. Excluding that charge, provision expense declined 5 percent.

Net charge-offs totaled $3.70 billion, or 1.10 percent of loans and leases, down from $4.24 billion, or 1.16 percent of loans and leases, in 2001. Net charge-offs in 2001 included $635 million in losses related to the exit of the subprime business. Excluding that loss, full year charge-offs rose 2 percent, led by higher losses in the card portfolio.

2002 full-year business segment results

To present comparable business segment results, earnings and expenses for 2001 have been adjusted to exclude goodwill amortization.

Consumer & Commercial Banking

Consumer & Commercial Banking (CCB) earned $6.09 billion, up 13 percent from a year earlier. Total revenue grew 9 percent while expenses increased 5 percent. Return on equity was 33.1 percent and Shareholder Value Added (SVA) grew 23 percent to $4.05 billion.

Net interest income increased 10 percent to $14.5 billion, driven by growth in consumer loans and deposits. Consumer loans grew 16 percent, primarily in residential mortgages and credit cards. Commercial loan levels declined 12 percent as companies paid down loan balances.

Average CCB deposits grew 6 percent, driven by growth in new checking accounts and improved account retention. Growth in consumer deposits continued to be led by increases in money market savings and checking account balances.

Noninterest income was up 8 percent to $8.45 billion, driven by higher consumer service charges from increased customer activity, mortgage activity, growth in new customers, increased use of debit and credit cards by customers and higher commercial account service charges.

Global Corporate and Investment Banking

Global Corporate and Investment Banking (GCIB) earned $1.72 billion, a 17 percent decline from last year. Revenue decreased 8 percent to $8.83 billion, while the provision for loan losses decreased 6 percent. Additionally, expenses declined 5 percent. Return on equity was 15.5 percent and SVA decreased 19 percent to $421 million.

Total trading-related revenue in GCIB, which includes trading-related net interest income and trading-account profits, was $2.80 billion, down 18 percent from 2001 results, primarily due to weaker demand for equity and fixed-income products.

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Despite the challenging environment, investment banking income only decreased 3 percent from 2001 to $1.48 billion. This result was driven by increased syndications and advisory fees, which offset weaker market demand for securities underwriting.

Asset Management

Asset Management earnings decreased 29 percent from a year ago to $404 million, primarily due to one large credit. Provision for credit losses rose to $318 million from $121 million a year earlier. Revenue of $2.40 billion was down 3 percent while expenses remained flat as the business continued to invest in distribution capabilities. Return on equity was 16.3 percent and SVA declined $199 million to $113 million.

Assets under management remained relatively unchanged at $310 billion. Asset Management grew its distribution capabilities to better serve the financial needs of clients across the franchise, surpassing its 20 percent goal of increasing the number of financial advisors and relationship managers in 2002.

Equity Investments

Equity Investments reported a net loss of $329 million, compared to a net loss of $115 million a year ago. In Principal Investing, cash gains of $432 million were offset by impairments of $710 million. In 2001, cash gains of $425 million offset impairments of $335 million.

One of the world's leading financial services companies, Bank of America is committed to making banking work for customers and clients like it never has before. Through innovative technologies and the ingenuity of its people, Bank of America provides individuals, small businesses and commercial, corporate and institutional clients across the United States and around the world new and better ways to manage their financial lives.

Shares of Bank of America (ticker: BAC), the second largest banking company in the United States by market capitalization, are listed on the New York, Pacific and London stock exchanges. The company's Web site is www.bankofamerica.com. News, speeches and other corporate information may be found at www.bankofamerica.com/newsroom.

Additional financial tables are available at www.bankofamerica.com/investor/.

Note: James H. Hance, Jr., vice chairman and chief financial officer, will discuss fourth quarter and full year results in a conference call at 9:30 a.m. (Eastern Time) today. The call can be accessed via a webcast available on the Bank of America Web site at http://www.bankofamerica.com/investor/.

Forward-Looking Statements

This press release contains forward-looking statements, including statements about the financial conditions, results of operations and earnings outlook of Bank of America Corporation. The forward-looking statements involve certain risks and uncertainties. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include, among others, the following: 1) projected business increases following process changes and other investments are lower than expected; 2) competitive pressure among financial services companies increases significantly; 3) general economic conditions are less favorable than expected; 4) changes in the interest rate environment reduce interest margins and impact funding sources; 5) changes in foreign exchange rates increases exposure; 6) changes in market rates and prices may adversely impact the value of financial products; 7) legislation or regulatory environments, requirements or changes adversely affect the businesses in which the company is engaged; 8) litigation liabilities, including costs, expenses, settlements and judgments, may adversely affect the company or its businesses; and 9) decisions to downsize, sell or close units or otherwise change the business mix of any of the company. For further information regarding Bank of America Corporation, please read the Bank of America reports filed with the SEC and available at www.sec.gov.

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Bank of America

(Dollars in millions, except per share data; shares in thousands)	Three Months Ended December 31 2002	Three Months Ended December 31 2001	Twelve Months Ended December 31 2002	Twelve Months Ended December 31 2001
Financial Summary(1)				
Earnings	**$ 2,614**	$ 2,057	**$ 9,249**	$ 6,792
Earnings per common share	**1.74**	1.31	**6.08**	4.26
Diluted earnings per common share	**1.69**	1.28	**5.91**	4.18
Dividends per common share	**0.64**	0.60	**2.44**	2.28
Closing market price per common share	**69.57**	62.95	**69.57**	62.95
Average common shares issued and outstanding	**1,499,557**	1,570,083	**1,520,042**	1,594,957
Average diluted common shares issued and outstanding	**1,542,482**	1,602,886	**1,565,467**	1,625,654
Summary Income Statement(1)				
Net interest income	**$ 5,374**	$ 5,417	**$ 20,923**	$ 20,290
Noninterest income	**3,430**	3,398	**13,571**	14,348
Total revenue	**8,804**	8,815	**34,494**	34,638
Provision for credit losses	**1,165**	1,401	**3,697**	4,287
Gains on sales of securities	**304**	393	**630**	475
Noninterest expense	**4,832**	5,324	**18,436**	20,709
Income before income taxes	**3,111**	2,483	**12,991**	10,117
Income tax expense	**497**	426	**3,742**	3,325
Net income	**$ 2,614**	$ 2,057	**$ 9,249**	$ 6,792
Summary Average Balance Sheet				
Loans and leases	**$ 343,099**	$ 333,354	**$ 336,819**	$ 365,447
Managed loans and leases	**347,970**	342,866	**343,109**	375,624
Securities	**83,751**	71,454	**75,298**	60,372
Earning assets	**601,881**	555,205	**573,521**	560,316
Total assets	**695,468**	651,797	**662,401**	649,547
Deposits	**381,381**	368,171	**371,479**	362,652
Common shareholders' equity	**48,015**	48,850	**47,552**	48,609
Total Shareholders' equity	**48,074**	48,916	**47,613**	48,678
Performance Indices(1)				
Return on average assets	**1.49%**	1.25%	**1.40%**	1.05%
Return on average common shareholders' equity	**21.58**	16.70	**19.44**	13.96
Credit Quality				
Net Charge-offs(2)	**$ 1,165**	$ 1,194	**$ 3,697**	$ 4,244
% of average loans and leases	**1.35%**	1.42%	**1.10%**	1.16%
Managed bankcard net charge-offs as a % of average managed bankcard receivables	**4.99**	4.90	**5.28**	4.76

	At December 31 2002	At December 31 2001
Balance Sheet Highlights		
Loans and leases	**$ 342,755**	$ 329,153
Securities	**69,148**	85,499
Earning assets	**562,432**	517,650
Total assets	**660,458**	621,764
Deposits	**386,458**	373,495
Common shareholders' equity	**50,261**	48,455
Book value per share	**33.49**	31.07
Total Shareholders' equity	**50,319**	48,520
Total equity to assets ratio (period end)	**7.62%**	7.80%
Risk-based capital ratios: (3)		
Tier 1	**8.22**	8.30
Total	**12.43**	12.67
Leverage ratio	**6.31**	6.56
Period-end common shares issued and outstanding	**1,500,691**	1,559,297
Allowance for credit losses	**$ 6,851**	$ 6,875
Allowance for credit losses as a % of loans and leases	**2.00%**	2.09%
Allowance for credit losses as a % of nonperforming loans	**136**	153
Nonperforming loans	**$ 5,037**	$ 4,506
Nonperforming assets	**5,262**	4,908
Nonperforming assets as a % of:		
Total assets	**.80%**	.79%
Loans, leases and foreclosed properties	**1.53**	1.49
Nonperforming loans as a % of loans and leases	**1.47**	1.37
Other Data		
Full-time equivalent employees	**133,944**	142,670
Number of banking centers	**4,208**	4,253
Number of ATM's	**13,013**	13,113

(1) The three months ended December 31, 2001 included goodwill amortization of $160 million. The impact on net income was $149 million, or $0.09 per share (diluted). The year ended December 31, 2001 included goodwill amortization of $662 million. The impact on net income was $616 million, or $0.38 per share (diluted).
(2) Net charge-offs in 2001 included $635 million related to the exit of certain consumer finance businesses.
(3) 2002 ratios are preliminary.

BUSINESS SEGMENT RESULTS

	Consumer and Commercial Banking	Asset Management	Global Corporate and Investment Banking	Equity Investments	Corporate Other
Twelve months ended December 31, 2002					
Total revenue	**$ 22,989**	**$ 2,399**	**$ 8,833**	**$ (433)**	**$ 1,294**
Net income	**6,088**	**404**	**1,723**	**(329)**	**1,363**
Shareholder value added	**4,054**	**113**	**421**	**(582)**	**(246)**
Return on equity	**33.1%**	**16.3%**	**15.5%**	**(15.5)%**	**n/m**
Average loans and leases	**$ 183,341**	**$ 23,251**	**$ 62,934**	**$ 440**	**$ 66,853**
Twelve months ended December 31, 2001					
Total revenue	$ 21,058	$ 2,475	$ 9,586	$ 29	$ 1,833
Net Income[4]	4,953	522	1,956	(115)	(524)
Shareholder value added	3,287	312	519	(388)	(643)
Return on equity	25.9%	23.5%	14.9%	(4.9)%	n/m
Average loans and leases	$ 178,116	$ 24,381	$ 82,321	$ 477	$ 80,152

n/m = not meaningful

(4) Includes goodwill amortization of $421 million for Consumer and Commercial Banking, $47 million for Asset Management, $108 million for Global Corporate and Investment Banking, $8 million for Equity Investments and $32 million for Corporate Other.

SUPPLEMENTAL FINANCIAL DATA (Non-GAAP basis)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2002	2001	2002	2001
Performance Metrics—Excluding exit charges [1,2]				
Earnings exluding exit charges	**$ 2,614**	$ 2,057	**$ 9,249**	$ 8,042
Return on average assets	**1.49%**	1.25%	**1.40%**	1.24%
Return on average common shareholders' equity	**21.58**	16.70	**19.44**	16.53
Efficiency ratio (taxable-equivalent basis)	**53.90**	59.80	**52.55**	55.47
Shareholder value added	**$ 1,214**	$ 793	**$ 3,760**	$ 3,087
Taxable-equivalent basis data				
Net interest income	**5,537**	5,505	**21,511**	20,633
Total revenue	**8,967**	8,903	**35,082**	34,981
Net interest yield	**3.66%**	3.95%	**3.75%**	3.68%
Efficiency ratio	**53.90**	59.80	**52.55**	59.20

(1) Excludes charges for provision for credit losses of $395 million and noninterest expense of $1.3 billion, both of which are related to the exit of certain consumer finance businesses in the third quarter of 2001. Noninterest expense charges consisted of goodwill write-offs, auto lease residual charges, real estate servicing asset charges and other transaction costs. The impact of business exit charges on net income for the year ended December 31, 2001 was $1.25 billion or $0.77 per share (diluted).

(2) See footnote (1) on page 1.

Exhibit 99.2

Bank of America

Supplemental Information
Fourth Quarter 2002

January 15, 2003

Results Overview

- Diluted EPS of $1.69, up 17% from prior quarter and 23% over the fourth quarter of 2001, excluding prior year goodwill amortization expense.
- Net income includes $.32 per diluted share tax benefit related to the settlement of the federal income tax returns through 1999.
- Net charge-offs increased $361 million from the prior quarter level due to losses associated with the bankruptcy of a major airline as well as increased weakness in the utility sector.
- Consumer and Commercial Banking revenue grew 3% over the prior quarter and 10% over the fourth quarter of 2001.
- Steady deposit growth continues as a result of material improvements in customer satisfaction from quality and productivity initiatives as well as new account growth.
- Revenue from our market sensitive businesses, Global Corporate and Investment Banking, Asset Management and Equity Investments, increased 9% from the prior quarter.

Bank of America Corporation

Consolidated Financial Highlights

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

	Year-to-Date 2002	Year-to-Date 2001	Fourth Quarter 2002	Third Quarter 2002	Second Quarter 2002	First Quarter 2002	Fourth Quarter 2001
Income statement							
Total revenue	$ 34,494	$ 34,638	$ 8,804	$ 8,522	$ 8,575	$ 8,593	$ 8,815
Provision for credit losses	3,697	4,287	1,165	804	888	840	1,401
Gains on sales of securities	630	475	304	189	93	44	393
Business exit costs	—	1,305	—	—	—	—	—
Other noninterest expense	18,436	19,404	4,832	4,620	4,490	4,494	5,324
Income tax expense	3,742	3,325	497	1,052	1,069	1,124	426
Net income	9,249	6,792	2,614	2,235	2,221	2,179	2,057
Diluted earnings per common share (1)	5.91	4.18	1.69	1.45	1.40	1.38	1.28
Average diluted common shares outstanding	1,565,467	1,625,654	1,542,482	1,546,347	1,592,250	1,581,848	1,602,886
Cash dividends paid per common share	$ 2.44	$ 2.28	$ 0.64	$ 0.60	$ 0.60	$ 0.60	$ 0.60
Performance ratios							
Return on average assets	1.40%	1.05%	1.49%	1.33%	1.38%	1.39%	1.25%
Return on average common shareholders' equity	19.44	13.96	21.58	19.02	18.47	18.64	16.70
Book value per share of common stock	$ 33.49	$ 31.07	$ 33.49	$ 32.07	$ 31.47	$ 31.15	$ 31.07
Market price per share of common stock:							
High for the period	$ 77.08	$ 65.54	$ 71.99	$ 71.94	$ 77.08	$ 69.61	$ 64.99
Low for the period	53.98	45.00	53.98	57.90	66.82	57.51	52.10
Closing price	69.57	62.95	69.57	63.80	70.36	68.02	62.95
Market capitalization	104,403	98,158	104,403	95,838	106,642	105,058	98,158
Number of banking centers	4,208	4,253	4,208	4,226	4,232	4,246	4,253
Number of ATM's	13,013	13,113	13,013	12,489	12,827	13,161	13,113
Full-time equivalent employees	133,944	142,670	133,944	134,135	135,489	137,240	142,670

(1) Includes goodwill amortization of $.38 per share for year-to-date 2001 and $.09 per share in the fourth quarter of 2001.

	Year-to-Date 2002	Year-to-Date 2001	Fourth Quarter 2002	Third Quarter 2002	Second Quarter 2002	First Quarter 2002	Fourth Quarter 2001
Supplemental Financial Data							
Performance Metrics—Excludes exit charges (2)							
Earnings excluding exit charges	$ 9,249	$ 8,042	$ 2,614	$ 2,235	$ 2,221	$ 2,179	$ 2,057
Return on average assets	1.40%	1.24%	1.49 %	1.33 %	1.38 %	1.39 %	1.25 %
Return on average common shareholders' equity	19.44	16.53	21.58	19.02	18.47	18.64	16.70
Efficiency ratio (taxable-equivalent basis)	52.55	55.47	53.90	53.19	51.34	51.74	59.80
Shareholder value added	$ 3,760	$ 3,087	$ 1,214	$ 880	$ 834	$ 832	$ 793
Taxable-equivalent basis data							
Net interest income	$ 21,511	$ 20,633	$ 5,537	$ 5,465	$ 5,262	$ 5,247	$ 5,505
Total Revenue	35,082	34,981	8,967	8,685	8,743	8,687	8,903
Net interest yield	3.75%	3.68%	3.66 %	3.75 %	3.75 %	3.85 %	3.95 %
Efficiency ratio	52.55	59.20	53.90	53.19	51.34	51.74	59.80

(2) Excludes charges for provision for credit losses of $395 million and noninterest expense of $1.3 billion, both of which are related to the exit of certain consumer finance businesses in the third quarter of 2001. Noninterest expense charges consisted of goodwill write-offs, auto lease residual charges, real estate servicing asset charges and other transaction costs. The impact of business exit charges on net income for the year ended December 31, 2001 was $1.25 billion or $0.77 per share (diluted).

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

Bank of America Corporation

Consolidated Statement of Income

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

	Year-to-Date 2002	Year-to-Date 2001	Fourth Quarter 2002	Third Quarter 2002	Second Quarter 2002	First Quarter 2002	Fourth Quarter 2001
Interest income							
Interest and fees on loan and leases	$ 22,030	$ 27,166	$ 5,502	$ 5,553	$ 5,530	$ 5,445	$ 5,824
Interest and dividends on securities	4,035	3,706	1,061	1,104	924	946	1,075
Federal funds sold and securities purchased under agreements to resell	870	1,414	208	177	270	215	254
Trading account assets	3,811	3,623	979	1,006	948	878	912
Other interest income	1,415	2,384	371	345	312	387	740
Total interest income	32,161	38,293	8,121	8,185	7,984	7,871	8,805
Interest expense							
Deposits	5,434	8,886	1,292	1,414	1,384	1,344	1,713
Short-term borrowings	2,089	4,167	557	526	529	477	700
Trading account liabilities	1,260	1,155	289	342	344	285	268
Long-term debt	2,455	3,795	609	601	633	612	707
Total interest expense	11,238	18,003	2,747	2,883	2,890	2,718	3,388
Net interest income	20,923	20,290	5,374	5,302	5,094	5,153	5,417
Noninterest income							
Consumer service charges	2,986	2,865	802	761	732	691	745
Corporate service charges	2,290	2,078	571	586	566	567	540
Total service charges	5,276	4,943	1,373	1,347	1,298	1,258	1,285
Consumer investment and brokerage services	1,544	1,546	370	373	420	381	382
Corporate investment and brokerage services	693	566	171	174	178	170	151
Total investment and brokerage services	2,237	2,112	541	547	598	551	533
Mortgage banking income	751	593	206	218	135	192	167
Investment banking income	1,545	1,579	422	318	464	341	473
Equity investment gains/(losses)	(280)	291	(54)	(216)	(36)	26	(49)
Card income	2,620	2,422	736	686	621	577	630
Trading account profits (1)	778	1,842	99	71	263	345	334
Other income	644	566	107	249	138	150	25
Total noninterest income	13,571	14,348	3,430	3,220	3,481	3,440	3,398
Total revenue	34,494	34,638	8,804	8,522	8,575	8,593	8,815
Provision for credit losses (2)	3,697	4,287	1,165	804	888	840	1,401
Gains on sales of securities	630	475	304	189	93	44	393
Noninterest expense							
Personnel	9,682	9,829	2,482	2,368	2,386	2,446	2,590
Occupancy	1,780	1,774	450	457	441	432	465
Equipment	1,124	1,115	292	291	279	262	280
Marketing	753	682	203	210	170	170	166
Professional fees	525	564	186	126	122	91	153
Amortization of intangibles	218	878	54	54	55	55	213
Data processing	1,017	776	291	295	226	205	224
Telecommunications	481	484	120	119	123	119	116
Business exit costs (2)	—	1,305	—	—	—	—	—
Other general operating	2,856	3,302	754	700	688	714	1,117
Total noninterest expense	18,436	20,709	4,832	4,620	4,490	4,494	5,324
Income before income taxes	12,991	10,117	3,111	3,287	3,290	3,303	2,483
Income tax expense	3,742	3,325	497	1,052	1,069	1,124	426
Net income	$ 9,249	$ 6,792	$ 2,614	$ 2,235	$ 2,221	$ 2,179	$ 2,057
Income available to common shareholders	9,244	6,787	2,613	2,233	2,220	2,178	2,056
Per common share information							
Earnings	6.08	4.26	1.74	1.49	1.45	1.41	1.31
Diluted earnings (3)	5.91	4.18	1.69	1.45	1.40	1.38	1.28
Dividends	2.44	2.28	0.64	0.60	0.60	0.60	0.60
Average common shares issued and outstanding	1,520,042	1,594,957	1,499,557	1,504,017	1,533,783	1,543,471	1,570,083
Average diluted common shares issued and outstanding	1,565,468	1,625,654	1,542,482	1,546,347	1,592,250	1,581,848	1,602,886

(1) Trading account profits for 2001 included the $83 million transition adjustment loss resulting from adoption of Statement of Financial Accounting Standards No.133, "Accounting for Derivative Instruments and Hedging Activities," on January 1, 2001.

(2) Results include provision for credit losses of $395 million and business exit costs of $1.3 billion, both of which are related to the exit of certain consumer finance businesses in the third quarter of 2001.

(3) Includes goodwill amortization of $.38 per share in year-to-date 2001 and $.09 per share in the fourth quarter of 2001.

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

Bank of America Corporation

Consolidated Balance Sheet

(Dollars in millions)

	December 31 2002	September 30 2002	December 31 2001
Assets			
Cash and cash equivalents	$ 24,973	$ 24,469	$ 26,837
Time deposits placed and other short-term investments	6,813	6,397	5,932
Federal funds sold and securities purchased under agreements to resell	44,878	40,371	28,108
Trading account assets	63,996	56,907	47,344
Derivative assets	34,310	32,838	22,147
Securities:			
Available-for-sale	68,122	88,571	84,450
Held-to-maturity	1,026	1,010	1,049
Total securities	69,148	89,581	85,499
Loans and leases	342,755	341,091	329,153
Allowance for credit losses	(6,851)	(6,861)	(6,875)
Loans and leases, net of allowance for credit losses	335,904	334,230	322,278
Premises and equipment, net	6,717	6,758	6,414
Mortgage banking assets	2,110	2,129	3,886
Goodwill	11,389	11,389	10,854
Core deposits and other intangibles	1,095	1,127	1,294
Other assets	59,125	53,812	61,171
Total assets	$ 660,458	$ 660,008	$ 621,764
Liabilities			
Deposits in domestic offices:			
Noninterest-bearing	$ 122,686	$ 116,847	$ 112,064
Interest-bearing	232,320	228,174	220,703
Deposits in foreign offices:			
Noninterest-bearing	1,673	1,928	1,870
Interest-bearing	29,779	30,466	38,858
Total deposits	386,458	377,415	373,495
Federal funds purchased and securities sold under agreements to repurchase	65,079	61,823	47,727
Trading account liabilities	25,574	26,031	19,452
Derivative liabilities	23,566	23,701	14,868
Commercial paper	114	149	1,558
Other short-term borrowings	25,120	34,272	20,659
Accrued expenses and other liabilities	17,052	22,393	27,459
Long-term debt	61,145	59,954	62,496
Trust preferred securities	6,031	6,031	5,530
Total liabilities	610,139	611,769	573,244
Shareholders' equity			
Preferred stock, $0.01 par value; authorized—100,000,000 shares; issued and outstanding 1,356,749, 1,391,749 and 1,514,478 shares	58	60	65
Common stock, $0.01 par value; authorized—5,000,000,000 shares; issued and outstanding 1,500,691,103, 1,502,161,891 and 1,559,297,220 shares	496	674	5,076
Retained earnings	48,517	46,870	42,980
Accumulated other comprehensive income	1,232	613	437
Other	16	22	(38)
Total shareholders' equity	50,319	48,239	48,520
Total liabilities and shareholders' equity	$ 660,458	$ 660,008	$ 621,764

Capital Management

(Dollars in millions)

	4Q01	1Q02	2Q02	3Q02	4Q02*
Tier 1 capital	$ 41,979	$ 42,078	$ 41,097	$ 41,732	$ 43,105
Total capital	64,124	64,158	63,108	63,505	65,169
Net risk-weighted assets	506,020	496,227	508,008	513,085	524,175
Tier 1 capital ratio	8.30%	8.48%	8.09%	8.13%	8.22%
Total capital ratio	12.67	12.93	12.42	12.38	12.43
Ending equity / ending assets	7.80	7.77	7.48	7.31	7.62
Ending capital / ending assets	8.69	8.66	8.35	8.22	8.53
Average equity / average assets	7.50	7.44	7.47	6.97	6.91

**Preliminary*

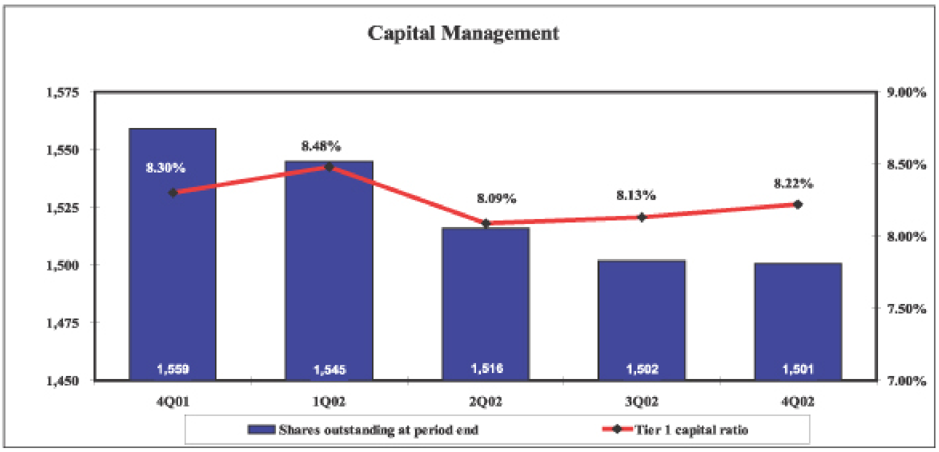
Share Repurchase Program

109 million common shares were repurchased in 2002 as a part of ongoing share repurchase programs.

10 million common shares were repurchased during the fourth quarter of 2002.

24 million shares remain outstanding under the current authorized program (17 million net of outstanding put options).

50 million shares were issued in 2002 with 8 million shares issued during the fourth quarter, mostly due to stock incentive plans.



Bank of America Corporation

Average Balances and Interest Rates - Taxable-Equivalent Basis

(Dollars in millions)

	Fourth Quarter 2002			Third Quarter 2002			Fourth Quarter 2001		
	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	$ 8,853	$ 56	2.49%	$ 10,396	$ 63	2.41%	$ 7,255	$ 64	3.47%
Federal funds sold and securities purchased under agreements to resell	49,169	208	1.68	40,294	178	1.76	38,825	253	2.60
Trading account assets	84,181	994	4.71	85,129	1,017	4.76	67,535	920	5.43
Total securities (1)	83,751	1,078	5.15	76,484	1,120	5.85	71,454	1,090	6.10
Loans and leases (2)									
Commercial—domestic	105,333	1,777	6.70	106,039	1,728	6.47	121,399	2,138	6.99
Commercial—foreign	20,538	180	3.48	21,256	206	3.85	23,789	278	4.63
Commercial real estate—domestic	20,359	245	4.77	20,576	265	5.10	23,051	316	5.45
Commercial real estate—foreign	426	4	3.93	425	4	3.92	375	4	4.49
Total commercial	146,656	2,206	5.97	148,296	2,203	5.90	168,614	2,736	6.44
Residential mortgage	108,019	1,699	6.28	104,590	1,733	6.61	78,366	1,385	7.05
Home equity lines	23,347	300	5.10	23,275	314	5.35	22,227	340	6.07
Direct/Indirect consumer	30,643	523	6.76	30,029	530	7.01	30,363	583	7.61
Consumer finance	8,943	174	7.75	10,043	201	7.97	13,035	296	9.04
Bankcard	23,535	613	10.33	22,263	583	10.38	18,656	498	10.58
Foreign consumer	1,956	17	3.48	1,988	19	3.83	2,093	21	4.02
Total consumer	196,443	3,326	6.74	192,188	3,380	7.00	164,740	3,123	7.54
Total loans and leases	343,099	5,532	6.41	340,484	5,583	6.52	333,354	5,859	6.99
Other earning assets	32,828	417	5.07	27,461	387	5.61	36,782	707	7.67
Total earning assets (3)	601,881	8,285	5.48	580,248	8,348	5.73	555,205	8,893	6.37
Cash and cash equivalents	21,242			20,202			23,182		
Other assets, less allowance for credit losses	72,345			68,699			73,410		
Total assets	$695,468			$669,149			$651,797		
Interest-bearing liabilities									
Domestic interest-bearing deposits:									
Savings	$ 22,142	35	0.63	$ 22,047	36	0.64	$ 20,132	42	0.83
NOW and money market deposit accounts	137,229	325	0.94	132,939	362	1.08	121,758	426	1.39
Consumer CDs and IRAs	66,266	728	4.36	67,179	746	4.40	71,895	898	4.96
Negotiable CDs, public funds and other time deposits	3,400	17	1.97	4,254	51	4.73	5,196	44	3.39
Total domestic interest-bearing deposits	229,037	1,105	1.91	226,419	1,195	2.09	218,981	1,410	2.56
Foreign interest-bearing deposits (4)									
Banks located in foreign countries	15,286	104	2.70	17,044	123	2.85	20,771	170	3.22
Governments and official institutions	1,737	7	1.68	2,188	10	1.85	2,965	20	2.74
Time, savings, and other	17,929	76	1.68	18,686	86	1.83	21,858	113	2.06
Total foreign interest-bearing deposits	34,952	187	2.12	37,918	219	2.29	45,594	303	2.63
Total interest-bearing deposits	263,989	1,292	1.94	264,337	1,414	2.12	264,575	1,713	2.57
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	123,434	558	1.79	108,281	526	1.93	87,291	700	3.18
Trading account liabilities	30,445	289	3.77	33,038	342	4.11	29,921	268	3.55
Long-term debt and trust preferred securities	65,702	609	3.71	64,880	601	3.71	68,141	707	4.15
Total interest-bearing liabilities (3)	483,570	2,748	2.26	470,536	2,883	2.44	449,928	3,388	2.99
Noninterest-bearing sources:									
Noninterest-bearing deposits	117,392			109,596			103,596		
Other liabilities	46,432			42,365			49,357		
Shareholders' equity	48,074			46,652			48,916		
Total liabilities and shareholders' equity	$695,468			$669,149			$651,797		
Net interest spread			3.22			3.29			3.38
Impact of noninterest-bearing sources			0.44			0.46			0.57
Net interest income/yield on earning assets		$ 5,537	3.66%		$ 5,465	3.75%		$ 5,505	3.95%

(1) The average balance and yield on securities are based on the average of historical amortized cost balances.

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

(3) Interest income includes the impact of interest rate risk management contracts, which increased interest income by $517 million and $397 million in the fourth and third quarters of 2002 and $473 million in the fourth quarter of 2001, respectively. These amounts were substantially offset by corresponding decreases in the income earned on the underlying assets. Interest expense includes the impact of interest rate risk management contracts, which (increased) interest expense by $(62) million and $(69) million in the fourth and third quarters of 2002 and $(40) million in the fourth quarter of 2001, respectively. These amounts were substantially offset by corresponding decreases in the interest paid on the underlying liabilities.

(4) Primarily consists of time deposits in denominations of $100,000 or more.

Bank of America Corporation

Average Balances and Interest Rates - Taxable-Equivalent Basis

(Dollars in millions)

	Year-to-Date 2002			Year-to-Date 2001		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Earning assets						
Time deposits placed and other short-term investments	$ 10,038	$ 243	2.42%	$ 6,723	$ 318	4.73%
Federal funds sold and securities purchased under agreements to resell	45,640	870	1.91	35,202	1,414	4.02
Trading account assets	79,562	3,860	4.85	66,418	3,653	5.50
Total securities (1)	75,298	4,100	5.44	60,372	3,761	6.23
Loans and leases(2)						
Commercial—domestic	109,724	7,370	6.72	133,569	9,879	7.40
Commercial—foreign	21,287	824	3.87	26,492	1,567	5.90
Commercial real estate—domestic	21,161	1,043	4.93	24,607	1,700	6.91
Commercial real estate—foreign	408	17	4.23	348	20	6.08
Total commercial	152,580	9,254	6.06	185,016	13,166	7.12
Residential mortgage	97,204	6,423	6.61	81,472	5,920	7.27
Home equity lines	22,807	1,213	5.32	22,013	1,625	7.38
Direct/Indirect consumer	30,264	2,145	7.09	30,374	2,466	8.12
Consumer finance	10,533	856	8.12	27,709	2,242	8.09
Bankcard	21,410	2,195	10.25	16,641	1,879	11.29
Foreign consumer	2,021	74	3.68	2,222	127	5.80
Total consumer	184,239	12,906	7.01	180,431	14,259	7.90
Total loans and leases	336,819	22,160	6.58	365,447	27,425	7.50
Other earning assets	26,164	1,517	5.80	26,154	2,065	7.90
Total earning assets(3)	573,521	32,750	5.71	560,316	38,636	6.90
Cash and cash equivalents	21,166			22,542		
Other assets, less allowance for credit losses	67,714			66,689		
Total assets	$662,401			$649,547		
Interest-bearing liabilities						
Domestic interest-bearing deposits:						
Savings	$ 21,691	138	0.64	$ 20,208	213	1.05
NOW and money market deposit accounts	131,841	1,369	1.04	114,657	2,498	2.18
Consumer CDs and IRAs	67,695	2,968	4.39	74,458	3,853	5.17
Negotiable CDs, public funds and other time deposits	4,237	128	3.03	5,848	290	4.96
Total domestic interest-bearing deposits	225,464	4,603	2.04	215,171	6,854	3.19
Foreign interest-bearing deposits (4)						
Banks located in foreign countries	15,464	442	2.86	23,397	1,053	4.49
Governments and official institutions	2,316	43	1.86	3,615	152	4.21
Time, savings, and other	18,769	346	1.84	22,940	827	3.62
Total foreign interest-bearing deposits	36,549	831	2.27	49,952	2,032	4.07
Total interest-bearing deposits	262,013	5,434	2.07	265,123	8,886	3.35
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	104,153	2,089	2.01	92,476	4,167	4.51
Trading account liabilities	31,600	1,261	3.99	29,995	1,155	3.85
Long-term debt and trust preferred securities	66,045	2,455	3.72	69,622	3,795	5.45
Total interest-bearing liabilities(3)	463,811	11,239	2.42	457,216	18,003	3.94
Noninterest-bearing sources:						
Noninterest-bearing deposits	109,466			97,529		
Other liabilities	41,511			46,124		
Shareholders' equity	47,613			48,678		
Total liabilities and shareholders' equity	$662,401			$649,547		
Net interest spread			3.29			2.96
Impact of noninterest-bearing sources			0.46			0.72
Net interest income/yield on earning assets		$ 21,511	3.75%		$ 20,633	3.68%

(1) *The average balance and yield on securities are based on the average of historical amortized cost balances.*

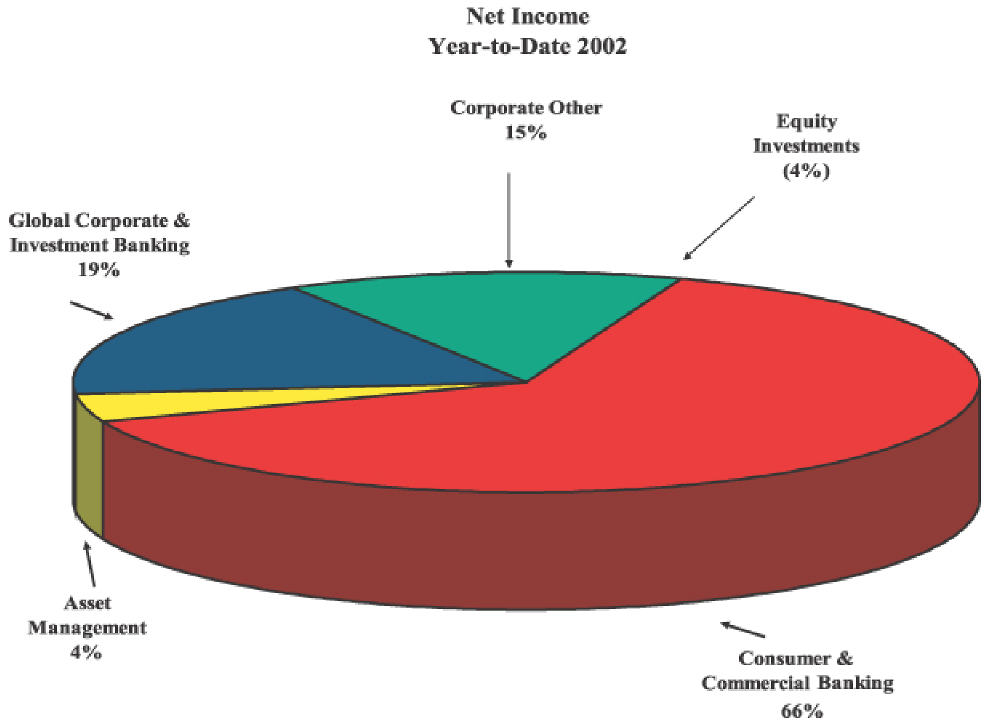
(2) *Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.*

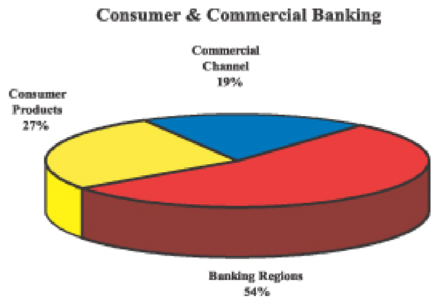
(3) *Interest income includes the impact of interest rate risk management contracts, which increased interest income by $2 billion and $978 million in 2002 and 2001, respectively. These amounts were substantially offset by corresponding decreases in the income earned on the underlying assets. Interest expense includes the impact of interest rate risk management contracts, which (increased) decreased interest expense by $(141) million and $63 million in 2002 and 2001, respectively. These amounts were substantially offset by corresponding decreases (increases) in the interest paid on the underlying liabilities.*

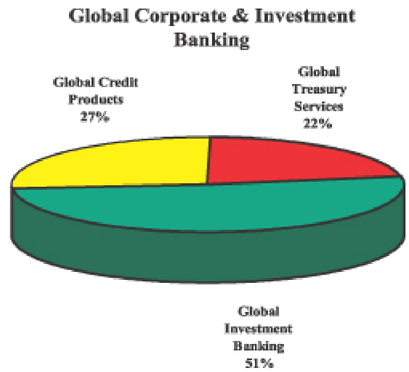
(4) *Primarily consists of time deposits in denominations of $100,000 or more.*

Bank of America Corporation
Business Segment View

(Dollars in millions)







Bank of America Corporation

Consumer and Commercial Banking Segment Results

(Dollars in millions)

Key Measures	Year-to-Date 2002	Year-to-Date 2001	Quarterly 4 Qtr 02	3 Qtr 02	2 Qtr 02	1 Qtr 02	4 Qtr 01
Total Revenue*	$ 22,989	$ 21,058	$ 6,079	$ 5,902	$ 5,531	$ 5,477	$ 5,549
Provision for Credit Losses	1,805	1,582	509	420	449	427	536
Net Income(1)	6,088	4,953	1,649	1,579	1,444	1,416	1,257
Shareholder Value Added	4,054	3,286	1,134	1,075	937	908	840
Return on Average Equity	33.1%	25.9%	35.5%	34.6%	31.5%	30.8%	26.2%
Efficiency Ratio*	50.3	54.2	48.7	51.0	50.4	51.1	54.2
Selected Average Balance Sheet Components							
Total Loans and Leases	$183,341	$178,116	$185,196	$183,035	$182,863	$182,238	$179,548
Total Deposits	283,261	266,035	292,262	283,772	280,169	276,663	273,256
Total Earning Assets	287,883	264,153	313,364	285,267	278,199	274,297	270,678
Period end (in billions)							
Mortgage Servicing Portfolio	$ 264.5	$ 299.1	$ 264.5	$ 278.7	$ 287.8	$ 289.9	$ 299.1
Mortgage Originations							
Retail	60.0	46.4	22.2	15.3	9.5	13.0	16.9
Wholesale	28.1	19.8	9.7	8.6	4.9	4.9	6.0
Correspondent	—	10.4	—	—	—	—	0.1

Consumer and Commercial Banking Sub-Segment Results

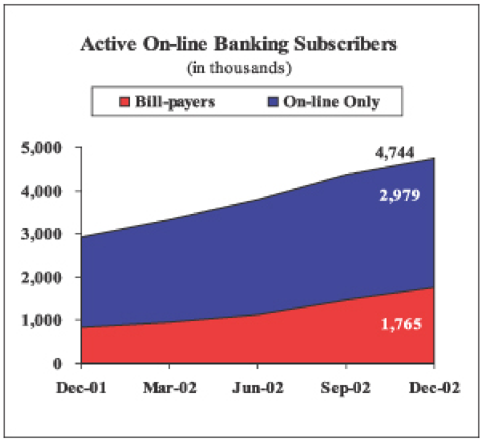
Key Measures	Year-to-Date 2002	Year-to-Date 2001	Quarterly 4 Qtr 02	3 Qtr 02	2 Qtr 02	1 Qtr 02	4 Qtr 01
Banking Regions							
Total Revenue*	$13,356	$12,404	$3,462	$3,428	$3,289	$3,177	$3,203
Net Income(2)	3,281	2,616	884	837	815	745	654
Shareholder Value Added	2,084	1,774	575	537	517	455	440
Efficiency Ratio*	58.7%	62.5%	56.8%	59.7%	57.6%	60.7%	63.0%
Consumer Products							
Total Revenue*	$ 6,123	$ 5,131	$1,699	$1,589	$1,396	$1,439	$1,432
Net Income(3)	1,640	1,317	456	437	350	397	368
Shareholder Value Added	1,292	998	369	350	263	310	286
Efficiency Ratio*	38.2%	41.2%	37.8%	38.0%	40.5%	36.5%	38.4%
Commercial Channel							
Total Revenue*	$ 3,510	$ 3,523	$ 918	$ 885	$ 846	$ 861	$ 914
Net Income (4)	1,167	1,020	309	305	279	274	235
Shareholder Value Added	678	514	190	188	157	143	114
Efficiency Ratio*	39.4%	43.9%	38.0%	40.6%	39.0%	39.9%	48.3%

* *Taxable-equivalent basis*

(1) *Includes goodwill amortization of $421 million in year-to-date 2001; $105 million in the fourth quarter of 2001.*
(2) *Includes goodwill amortization of $348 million in year-to-date 2001; $87 million in the fourth quarter of 2001.*
(3) *Includes goodwill amortization of $28 million in year-to-date 2001; $7 million in the fourth quarter of 2001.*
(4) *Includes goodwill amortization of $45 million in year-to-date 2001; $11 million in the fourth quarter of 2001.*

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

E-Commerce & BankofAmerica.com

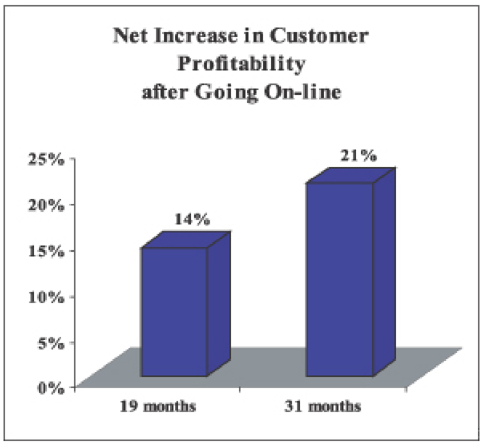


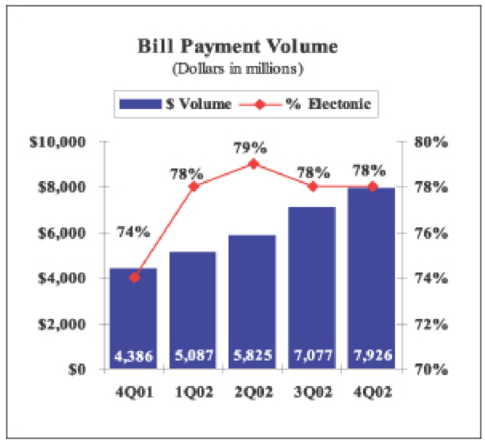
Bank of America has the largest active online banking customer base with over 4.7 million subscribers. This represents an active customer penetration rate of 32%.

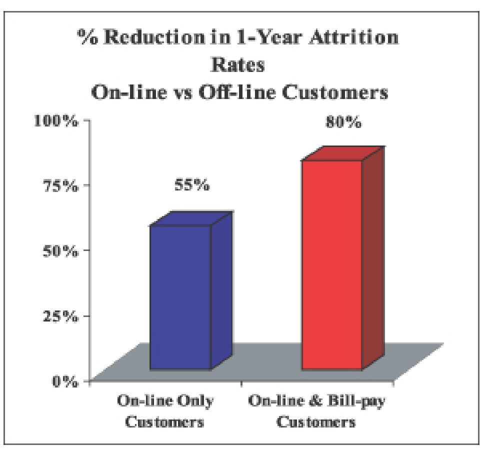
Bank of America uses a strict Active User standard—customers must have used our online services within the last 90 days.

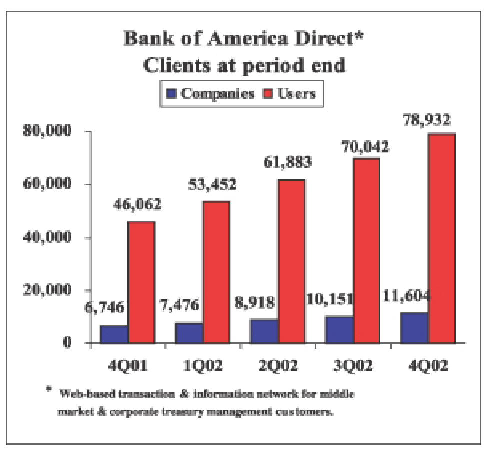
1.8 million **active** bill pay users paid nearly $8 billion worth of bills this quarter. The number of active bill pay users has more than doubled since the beginning of the year, driven by Bank of America's free bill pay promotion.

Currently, over 200 companies are presenting over 2.3 million e-bills per quarter.









Bank of America Corporation

Consumer Credit Card Results

Included within Consumer Products

(Dollars in millions)

Key Measures	Year-to-Date 2002	Year-to-Date 2001	Quarterly 4 Qtr 02	Quarterly 3 Qtr 02	Quarterly 2 Qtr 02	Quarterly 1 Qtr 02	Quarterly 4 Qtr 01
Outstandings:							
Held (Period-End)	$24,729	$19,884	$ 24,729	$ 23,062	$ 21,155	$ 19,535	$ 19,884
Managed (Period-End)	29,461	27,185	29,461	28,057	27,089	26,558	27,185
Held (Average)	21,410	16,641	23,535	22,263	20,402	19,383	18,656
Managed (Average)	27,352	24,637	28,406	27,540	26,902	26,539	26,040
Managed Income Statement:							
Total Revenue	$ 3,566	$ 3,079	$ 975	$ 925	$ 821	$ 845	$ 835
Provision Expense	1,541	1,380	385	392	393	371	350
Noninterest Expense	952	865	235	244	239	234	228
Net Income Before Taxes	1,073	834	355	289	189	240	257
Shareholder Value Added (SVA)	$ 495	$ 342	$ 175	$ 138	$ 75	$ 107	$ 109
Credit Quality:							
Charge-off $:							
Held	$ 1,094	$ 672	$ 299	$ 285	$ 269	$ 241	$ 208
Managed	1,443	1,174	357	356	375	355	322
Charge-off %:							
Held	5.11 %	4.04 %	5.03 %	5.09 %	5.28 %	5.05 %	4.43 %
Managed	5.28	4.76	4.99	5.13	5.59	5.43	4.90
Managed Delinquency %:							
30+	3.94 %	4.12 %	3.94 %	3.63 %	3.78 %	4.16 %	4.12 %
90+	1.71	1.75	1.71	1.66	1.76	1.95	1.75

Bank of America Corporation

Global Corporate and Investment Banking Segment Results

(Dollars in millions)

Key Measures	Year-to-Date 2002	Year-to-Date 2001	Quarterly 4 Qtr 02	3 Qtr 02	2 Qtr 02	1 Qtr 02	4 Qtr 01
Total Revenue*	$ 8,833	$ 9,586	$ 2,094	$ 2,038	$ 2,362	$ 2,339	$ 2,390
Provision for Credit Losses	1,209	1,292	526	203	216	264	498
Net Income(1)	1,723	1,956	230	427	562	504	435
Shareholder Value Added	421	519	(94)	107	237	171	102
Return on Average Equity	15.5%	14.9%	8.3%	15.6%	20.3%	17.7%	14.2%
Efficiency Ratio*	56.4	56.0	59.0	58.3	53.9	54.8	56.6
Selected Average Balance Sheet Components							
Total Loans and Leases	$ 62,934	$ 82,321	$ 60,242	$ 60,821	$ 63,926	$ 66,840	$ 71,711
Total Deposits	64,769	66,983	65,884	66,166	63,770	63,212	66,076
Total Earning Assets	201,164	193,141	207,534	203,326	201,213	192,392	186,445

Global Corporate and Investment Banking Sub-Segment Results

Key Measures	Year-to-Date 2002	Year-to-Date 2001	Quarterly 4 Qtr 02	3 Qtr 02	2 Qtr 02	1 Qtr 02	4 Qtr 01
Global Investment Banking							
Total Revenue*	$4,816	$5,387	$ 1,303	$ 914	$ 1,256	$ 1,343	$ 1,259
Net Income(2)	887	1,025	290	99	224	274	188
Shareholder Value Added	466	597	181	(8)	118	175	89
Efficiency Ratio*	70.7%	69.4%	64.7%	86.4%	70.6%	65.9%	74.9%
Global Credit Products							
Total Revenue*	$2,369	$2,685	$ 434	$ 716	$ 658	$ 561	$ 726
Net Income(3)	457	631	(116)	242	209	122	158
Shareholder Value Added	(368)	(329)	(316)	43	3	(98)	(63)
Efficiency Ratio*	22.0%	21.9%	29.4%	17.7%	20.5%	23.5%	19.4%
Global Treasury Services							
Total Revenue*	$1,648	$1,514	$ 357	$ 408	$ 448	$ 435	$ 405
Net Income(4)	379	300	56	86	129	108	89
Shareholder Value Added	323	251	41	72	116	94	76
Efficiency Ratio*	63.9%	68.9%	74.3%	66.5%	56.0%	61.0%	66.1%

* *Taxable-equivalent basis*

(1) *Includes goodwill amortization of $109 million in year-to-date 2001; $27 million in the fourth quarter of 2001.*
(2) *Includes goodwill amortization of $56 million in year-to-date 2001; $14 million in the fourth quarter of 2001.*
(3) *Includes goodwill amortization of $43 million in year-to-date 2001; $11 million in the fourth quarter of 2001.*
(4) *Includes goodwill amortization of $10 million in year-to-date 2001; $2 million in the fourth quarter of 2001.*

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

Bank of America Corporation

Asset Management Segment Results

(Dollars in millions)

Key Measures	Year-to-Date 2002	Year-to-Date 2001	Quarterly 4 Qtr 02	Quarterly 3 Qtr 02	Quarterly 2 Qtr 02	Quarterly 1 Qtr 02	Quarterly 4 Qtr 01
Total Revenue*	$ 2,399	$ 2,475	$ 600	$ 581	$ 620	$ 598	$ 625
Provision for Credit Losses	318	121	31	118	143	26	34
Net Income[(1)]	404	522	119	72	71	142	133
Shareholder Value Added	113	312	38	(3)	3	75	80
Return on Average Equity	16.3%	23.5%	17.4%	11.3%	12.2%	24.9%	23.7%
Efficiency Ratio*	61.4	62.1	64.9	61.8	60.2	58.8	61.7
Selected Average Balance Sheet Components							
Total Loans and Leases	$23,251	$24,381	$22,227	$22,964	$23,666	$24,171	$24,537
Total Deposits	12,030	11,897	12,531	11,967	11,776	11,837	11,936
Total Earning Assets	23,900	25,457	22,971	23,566	24,266	24,822	25,285
Period end (in billions)							
Assets under Management	$ 310.3	$ 314.2	$ 310.3	$ 271.9	$ 295.2	$ 314.9	$ 314.2
Client Brokerage Assets	90.9	99.4	90.9	87.1	90.5	96.6	99.4
Assets in Custody	46.6	46.9	46.6	42.1	41.0	46.0	46.9
Total Client Assets	$ 447.8	$ 460.5	$ 447.8	$ 401.1	$ 426.7	$ 457.5	$ 460.5

* *Taxable-equivalent basis*

(1) Includes goodwill amortization of $47 million in year-to-date 2001; $12 million in the fourth quarter of 2001.

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

Bank of America Corporation

Equity Investments Segment Results

(Dollars in millions)

	Year-to-Date		Quarterly				
Key Measures	**2002**	**2001**	**4 Qtr 02**	**3 Qtr 02**	**2 Qtr 02**	**1 Qtr 02**	**4 Qtr 01**
Total Revenue*	($ 433)	$ 29	($ 95)	($ 230)	($ 82)	($ 26)	($ 90)
Provision for Credit Losses	7	8	7	—	—	—	9
Net Income (1)	(329)	(115)	(81)	(159)	(56)	(33)	(98)
Shareholder Value Added	(582)	(388)	(144)	(222)	(121)	(95)	(165)
Return on Average Equity	(15.5)%	(4.9)%	(15.2)%	(30.5)%	(10.3)%	(6.4)%	(17.1)%
Efficiency Ratio*	(21.7)	n/m	(29.8)	(12.0)	(11.7)	(109.2)	(69.9)
Selected Average Balance Sheet Components							
Total Loans and Leases	$ 440	$ 477	$ 438	$ 446	$ 448	$ 427	$ 444
Total Deposits	—	13	—	—	—	—	—
Total Earning Assets	441	489	438	446	448	433	453
Period end							
Investment Balances for Principal Investing	$ 5,395	$5,469	$ 5,395	$ 5,429	$ 5,429	$ 5,519	$ 5,469

* *Taxable-equivalent basis*

(1) Includes goodwill amortization of $7 million in year-to-date 2001; $2 million in the fourth quarter of 2001.

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

Bank of America Corporation

Corporate Other Results(1)

(Dollars in millions)

Key Measures	Year-to-Date 2002	Year-to-Date 2001(2)	Quarterly 4 Qtr 02	3 Qtr 02	2 Qtr 02	1 Qtr 02	4 Qtr 01
Total Revenue*	$ 1,294	$ 1,833	$ 289	$ 394	$ 312	$ 299	$ 429
Provision for Credit Losses	358	1,284	92	63	80	123	324
Net Income(3)	1,363	(524)	697	316	200	150	330
Shareholder Value Added	(246)	(642)	280	(77)	(222)	(227)	(64)
Selected Average Balance Sheet Components							
Total Loans and Leases	$ 66,853	$ 80,152	$ 74,996	$ 73,218	$ 64,780	$ 54,126	$ 57,114
Total Deposits	11,419	17,724	10,704	12,028	10,271	12,691	16,903
Total Earning Assets	150,203	144,204	171,271	158,036	138,750	132,241	145,361

* *Taxable-equivalent basis*

(1) *Corporate Other consists primarily of gains and losses associated with managing the balance sheet of the Corporation, certain consumer finance and commercial lending businesses being liquidated, and certain residential mortgages originated by the mortgage group or otherwise acquired and held for asset/liability management purposes.*

(2) *Results include provision for credit losses of $395 million and noninterest expense of $1.3 billion, both of which are related to the exit of certain consumer finance businesses in the third quarter of 2001. Net income includes goodwill amortization of $32 million in year-to-date 2001; $3 million in the fourth quarter of 2001.*

(3) *Includes $488 million tax benefit related to the settlement of federal income tax returns through 1999 in the fourth quarter of 2002.*

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

Bank of America Corporation

Customer Segment View [1]

(Dollars in millions)

Net Income
Year-to-Date

Customer Segments:	**2002**	**2001[2]**	**% Increase (Decrease)**
Consumer	$ 3,351	$ 2,982	12.4 %
Premier	526	476	10.5
Private	289	450	(35.8)
Small Business	986	859	14.8
Commercial	1,340	1,176	13.9
Corporate	1,723	2,064	(16.5)
Equity Investments	(329)	(107)	n/m
Corporate Other [3]	1,363	(492)	n/m
Total Net Income	$ 9,249	$ 7,408	24.9

(1) *See Form Third Quarter 2002 10Q for customer segment descriptions.*

(2) *Excludes goodwill amortization.*

(3) *2002 includes $488 million tax benefit related to the settlement of federal income tax returns through 1999. 2001 includes $1.25 billion of after-tax costs related to the exit of certain consumer finance businesses.*

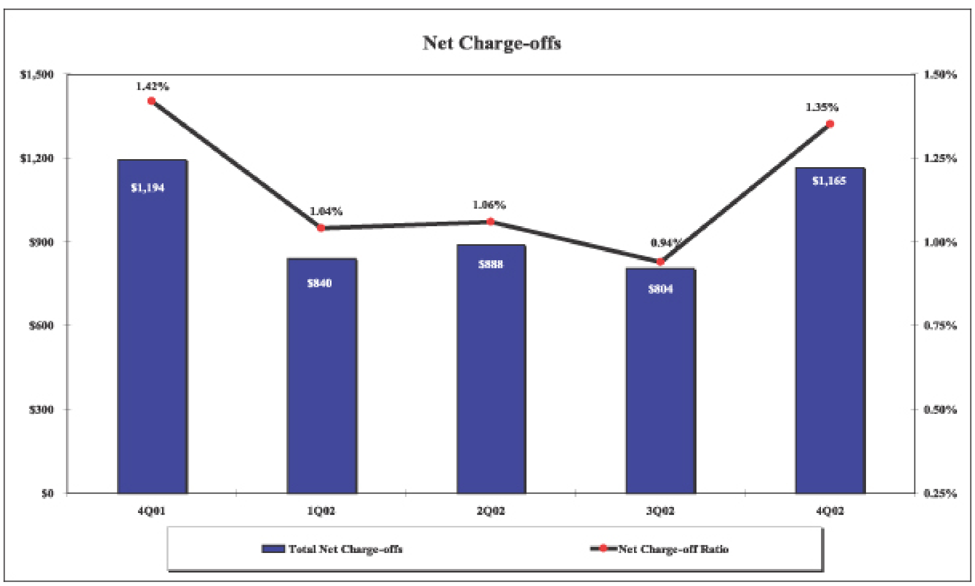
Bank of America Corporation

Net Charge-offs and Net Charge-off Ratios

(Dollars in millions)

	4Q01		1Q02		2Q02		3Q02		4Q02	
	Amt.	Ratio	Amt.	Ratio	Amt.	Ratio	Amt.	Ratio	Amt.	Ratio
Commercial—domestic	$ 714	2.33 %	$ 370	1.29 %	$ 383	1.38 %	$ 240	0.90 %	$ 478	1.80 %
Commercial—foreign	60	1.00	49	0.90	119	2.23	148	2.77	205	3.95
Commercial real estate—domestic	17	0.29	14	0.25	8	0.14	6	0.12	9	0.20
Total Commercial	791	1.86	433	1.09	510	1.32	394	1.05	692	1.87
Residential mortgage	6	0.03	11	0.05	8	0.03	5	0.02	18	0.07
Home equity lines	5	0.10	8	0.15	7	0.12	5	0.08	6	0.10
Direct/indirect consumer	83	1.08	64	0.86	38	0.50	48	0.63	60	0.78
Consumer finance	81	2.46	75	2.49	49	1.77	54	2.13	77	3.44
Bankcard	208	4.43	241	5.05	269	5.28	285	5.09	299	5.03
Other consumer domestic	18	n/m	7	n/m	7	n/m	11	n/m	11	n/m
Foreign consumer	2	0.25	1	0.16	—	—	2	0.32	2	0.38
Total Consumer	403	0.97	407	0.99	378	0.84	410	0.85	473	0.95
Total Net Charge-offs	$1,194	1.42	$ 840	1.04	$ 888	1.06	$ 804	0.94	$ 1,165	1.35
By Business Segment:										
Consumer & Commercial Banking	$ 536	1.18 %	$ 427	0.95 %	$ 449	0.99 %	$ 420	0.91 %	$ 509	1.09 %
Global Corporate & Investment Banking	498	2.76	264	1.60	216	1.35	203	1.32	526	3.46
Asset Management	34	0.55	26	0.44	143	2.43	118	2.04	30	0.54
Equity Investments	9	7.76	—	—	—	—	—	—	7	6.26
Corporate Other	117	0.81	123	0.92	80	0.50	63	0.34	93	0.50
Total Net Charge-offs	$1,194	1.42	$ 840	1.04	$ 888	1.06	$ 804	0.94	$ 1,165	1.35

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



Bank of America Corporation

Net Charge-offs and Net Charge-off Ratios

(Dollars in millions)

	Year-to-Date 2002		Year-to-Date 2001		Year-to-Date 2001 excl. Business Exit[(1)]	
	Amt.	Ratio	Amt.	Ratio	Amt.	Ratio
Commercial—domestic	$1,471	1.34%	$1,949	1.46%	$ 1,949	1.46%
Commercial—foreign	521	2.45	208	0.78	208	0.78
Commercial real estate—domestic	37	0.18	39	0.16	39	0.16
Total Commercial	2,029	1.33	2,196	1.19	2,196	1.19
Residential mortgage	42	0.04	26	0.03	26	0.03
Home equity lines	26	0.11	19	0.09	19	0.09
Direct/indirect consumer	210	0.69	250	0.82	250	0.82
Consumer finance	255	2.42	1,026	3.70	391	1.41
Bankcard	1,094	5.11	672	4.04	672	4.04
Other consumer domestic	36	n/m	50	n/m	50	n/m
Foreign consumer	5	0.25	5	0.22	5	0.22
Total Consumer	1,668	0.91	2,048	1.14	1,413	0.78
Total Net Charge-offs	$3,697	1.10	4,244	1.16	3,609	0.99
By Business Segment:						
Consumer & Commercial Banking	$1,805	0.98%	$1,581	0.89%	$ 1,581	0.89%
Global Corporate & Investment Banking	1,209	1.92	1,292	1.57	1,292	1.57
Asset Management	317	1.37	121	0.50	121	0.50
Equity Investments	7	1.57	8	1.73	8	1.73
Corporate Other	359	0.54	1,242	1.55	607	0.76
Total Net Charge-offs	$3,697	1.10	$4,244	1.16	$ 3,609	0.99

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

(1) Excludes $635 million related to exit of certain consumer finance businesses in the third quarter of 2001.

Bank of America Corporation

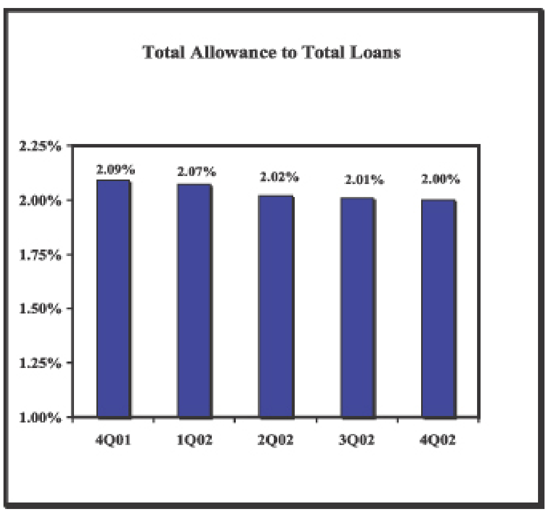
Nonperforming Assets

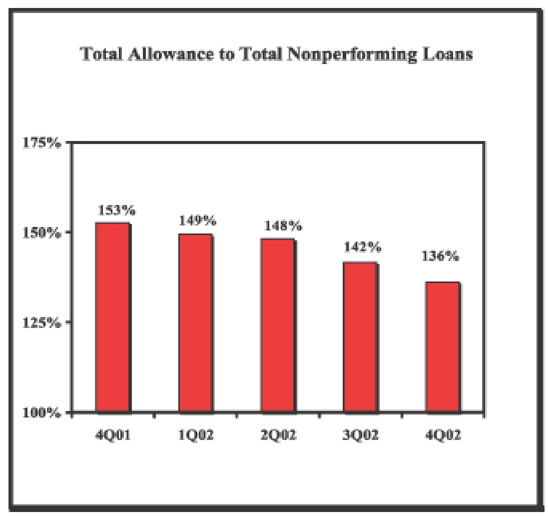
(Dollars in millions)

	4Q01	1Q02	2Q02	3Q02	4Q02
Commercial—domestic	$3,123	$3,207	$2,847	$3,132	$2,781
Commercial—foreign	461	583	980	854	1,359
Commercial real estate—domestic	240	216	202	172	161
Commercial real estate—foreign	3	2	3	3	3
Total Commercial	3,827	4,008	4,032	4,161	4,304
Residential mortgage	556	477	503	585	612
Home equity lines	80	73	64	57	66
Direct/Indirect consumer	27	26	27	31	30
Consumer finance	9	8	8	8	19
Foreign consumer	7	9	8	7	6
Total Consumer	679	593	610	688	733
Total Nonperforming Loans	4,506	4,601	4,642	4,849	5,037
Foreclosed properties	402	391	297	282	225
Total Nonperforming Assets (1)	$4,908	$4,992	$4,939	$5,131	$5,262
Loans past due 90 days or more and still accruing	$ 680	$ 662	$ 605	$ 726	$ 764
Nonperforming Assets / Total Assets	0.79%	0.81%	0.77%	0.78%	0.80%
Nonperforming Assets / Total Loans, Leases and Foreclosed Properties	1.49	1.51	1.45	1.50	1.53
Nonperforming Loans / Total Loans and Leases	1.37	1.39	1.36	1.42	1.47
Allowance for Loan Losses	$6,875	$6,869	$6,873	$6,861	$6,851
Allowance / Total Loans	2.09%	2.07%	2.02%	2.01%	2.00%
Allowance / Total Nonperforming Loans	153	149	148	142	136

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

(1) *Balances do not include $120 million, $184 million, $221 million, $304 million and $1.0 billion of nonperforming assets included in other assets at December 31, 2002, September 30, 2002, June 30, 2002, March 31, 2002 and December 31, 2001, respectively.*





Bank of America Corporation

Regional Foreign Exposure

(Dollars in Millions)

Region/Country	Loans and Loan Commitments	Other Financing(1)	Derivatives (Net Positive Mark-To-Market)	Securities / Other Investments(2)	Total Crossborder(3)	Gross Local Country Exposure(4)	Total Binding Exposure 12/31/2002	Increase / (Decrease) from 09/30/2002	Increase / (Decrease) from 12/31/2001
Asia									
China	$ 80	$ 14	$ 54	$ 35	$ 183	$ 61	$ 244	$ 48	$ (31)
Hong Kong	157	56	82	109	404	3,400	3,804	(65)	(451)
India	405	48	70	32	555	818	1,373	(119)	(407)
Indonesia	82	—	17	15	114	6	120	(28)	(155)
Japan	358	54	454	2,133	2,999	617	3,616	80	371
Korea (South)	154	322	20	8	504	732	1,236	(10)	26
Malaysia	9	3	1	2	15	225	240	(21)	(106)
Pakistan	7	—	—	—	7	—	7	(2)	(12)
Philippines	30	31	4	10	75	81	156	(46)	(166)
Singapore	170	7	86	10	273	1,395	1,668	347	270
Taiwan	294	205	35	52	586	503	1,089	(51)	176
Thailand	36	10	19	26	91	172	263	(23)	(125)
Other	3	17	1	—	21	75	96	(20)	(24)
Total	$ 1,785	$ 767	$ 843	$ 2,432	$ 5,827	$ 8,085	$ 13,912	$ 90	$ (634)
Central and Eastern Europe									
Russia Federation	$ —	$ —	—	$ 5	$ 5	—	$ 5	$ (9)	$ 5
Turkey	30	9	—	19	58	—	58	(7)	(69)
Other	14	23	45	191	273	28	301	(128)	35
Total	$ 44	$ 32	$ 45	$ 215	$ 336	$ 28	$ 364	$ (144)	$ (29)
Latin America									
Argentina	$ 249	$ 47	2	$ 78	$ 376	89	$ 465	$ (41)	$ (280)
Brazil	298	240	55	152	745	430	1,175	(372)	(1,299)
Chile	118	9	8	6	141	—	141	(25)	(108)
Colombia	76	6	5	1	88	—	88	(34)	(51)
Mexico	708	168	128	400	1,404	185	1,589	(303)	(638)
Venezuela	105	4	6	114	229	3	232	(10)	(9)
Other	104	89	3	29	225	—	225	(92)	(71)
Total	$ 1,658	$ 563	$ 207	$ 780	$ 3,208	$ 707	$ 3,915	$ (877)	$ (2,456)
Total	$ 3,487	$ 1,362	$ 1,095	$ 3,427	$ 9,371	$ 8,820	$ 18,191	$ (931)	$ (3,119)

(1) Includes acceptances, standby letters of credit, commercial letters of credit and formal guarantees.

(2) Amounts outstanding in the table above for Philippines, Argentina, Mexico, Venezuela and Latin America Other have been reduced by $12 million, $90 million, $505 million, $131 million and $37 million, respectively, at December 31, 2002, and $10 million, $0, $436 million, $105 million and $32 million, respectively, at December 31, 2001. Such amounts represent the fair value of U.S. Treasury securities held as collateral outside the country of exposure.

(3) Cross-border exposure includes amounts payable to the Corporation by residents of countries other than the one in which the credit is booked, regardless of the currency in which the claim is denominated, consistent with the FFIEC 009 reporting rules.

(4) Gross local country exposure includes amounts payable to the Corporation by residents of countries in which the credit is booked, regardless of the currency in which the claim is denominated. Management does not net local funding or liabilities against local exposures as allowed by the FFIEC.

Exhibit 99.3

4th QUARTER 2002 EARNINGS REVIEW
JANUARY 15, 2003
NEW YORK CITY

Thanks Kevin. Good morning and welcome to our review of fourth quarter earnings. A belated happy new year to everyone and thanks for your interest today. My remarks will cover two areas: First, a summary of the results for the fourth quarter with some elaboration on the full year, and second, a summary of our outlook for 2003. As always, I realize you are anxious to get to the numbers, but I would be remiss in not recognizing the performance of our people at Bank of America for their efforts in meeting many of the goals we laid out for them over the past two years. In the face of some fairly strong economic headwinds, our associates achieved not just attractive financial results but succeeded in building very visible momentum toward becoming a more customer-focused company. These efforts and the discipline established in our various businesses are laying the groundwork for even better days ahead. Thanks to all for a lot of hard work.

Reported earnings for the fourth quarter were $1.69 per diluted share or approximately $2.6 billion. Included in the earnings was the impact from a settlement with the IRS that resulted in a reduction in previously accrued taxes and was highlighted in a press release on December 23. The impact equaled $488 million or approximately $.32 per share. Also highlighted in the release and affecting earnings as well, was a higher provision for credit losses. Provision and charge-offs during the quarter were $1.165 billion versus $804 million in the third quarter. Total revenue for the fourth quarter increased approximately 3 percent from the third quarter as all four of our business units produced increases (which hasn’t happened in a while). Overall expenses rose 5 percent for the corporation from third quarter levels due mainly to severance charges of $128 million and some seasonal volume-related expense increases.

Total credit quality costs continued to remain high for the entire year, in line with our comments to you last January. Total commercial net charge-offs were down 8 percent full year to full year. Managed consumer net losses were up 5 percent, after adjusting for the business exit costs in 2001, as a result of a larger credit card portfolio. Excluding credit card, remaining consumer net charge-offs fell year to year.

Average core domestic deposits are up more than 3 percent from the third quarter and $26 billion or more than 8 percent from a year ago. Liquidity and funding continue to improve as the loan-to-domestic-deposit ratio ended the year at 97 percent versus 99 percent at the end of ‘01 and 126 percent just two years ago. Period-end book value of $33.49 per share rose 8 percent from last year and the preliminary Tier 1 ratio closed the year at 8.22 percent. During the quarter we repurchased 10 million shares bringing total repurchases to 109 million shares for the whole year.

Before we talk about the individual businesses, let’s discuss net interest income and yields. In the fourth quarter, on an FTE basis, net interest income rose $72 million while the net interest yield compressed 9 basis points. Driving the increase in net interest income were higher levels in the discretionary portfolio, trading assets and core funding somewhat offset by the impact of lower rates. As we mentioned in December, we added to the discretionary portfolio during the quarter in order to offset the impact of lower rates. The average net swap book position increased approximately $17 billion during the quarter while the average securities portfolio increased $7 billion. The net interest yield compression was driven by higher levels of discretionary assets accompanied by compression in the overall deposit gathering businesses. During the quarter we generated approximately $304 million in securities gains as we repositioned the discretionary portfolio to reduce convexity risk and take advantage of interest rate fluctuations. Similar to the third quarter, we also sold some whole mortgage loans to manage prepayment risk due to lower interest rates. These loan sales generated approximately $172 million in gains in the fourth quarter versus $190 million in the third quarter. At the end of the quarter the market value of our securities and swap book increased $1.6 billion from the end of the third quarter to $4.7 billion.

Let me say a few words about the results of our individual businesses. As it has all year, the Consumer and Commercial Bank continues to be the engine that drives our progress. CCB earned $1.6 billion or 80 percent of the corporation's **pre-tax** earnings in the quarter with a return on equity of 36 percent. This is an earnings increase of 4 percent from the third quarter and 21 percent versus results in the fourth quarter a year ago after adjusting for amortization in 2001. Revenue is up 3 percent from the third quarter and 10 percent from a year ago. Continued operating leverage improvement lowered the efficiency ratio below 50 percent.

All year long, we have had success in growing accounts. In the fourth quarter alone, net new checking accounts increased 127,000 bringing the year-to-date additions to approximately 528,000. The number of active online bank customers is approaching the 5 million level which represents growth of 63 percent for the year. And, importantly, our active bill pay customers have grown more than 100 percent in 2002 to 1.8 million with bill payments of nearly $8 billion this quarter. The increase in checking accounts is driven by greater customer satisfaction, focused-marketing and new products. Customer satisfaction, as defined by the Top 2 box scores, continued to grow in the fourth quarter and for the full year represented an increase of 10.4 percent. An important factor driving the increase is a 24 percent reduction in errors reported by customers.

Fee income in the Consumer and Commercial Bank increased 5 percent over third quarter results and 11 percent versus results a year ago. Service charges rose 4 percent from the third quarter and 9 percent from last year. Card income increased 7 percent from the third quarter and 17 percent from last year primarily reflecting higher interchange fees and other fee income from both debit and credit cards. If you look at total revenue on a managed basis, including net interest income, card services revenue increased 16 percent to almost $5 billion for 2002 from results the previous year. Mortgage banking income continued to remain high at $206 million driven by high levels of refi production. For the year, originations were up 33 percent to $88 billion (excluding the correspondent business exited last year) as we continue to focus on direct-to-customer business. Loan Solutions is becoming an increasingly important tool for our branch associates in generating mortgages. In the fourth quarter, total mortgages funded through Loan Solutions were double the amount funded in the first nine months of 2002.

Last quarter we mentioned that we were**starting** to see some stability in commercial banking (specifically our middle market customer base with sales between $10 million and $500 million). While we made a point that we **weren't** calling it yet a trend, we feel more comfortable now that the middle market is exhibiting signs of improvement. The first seven months of 2002 reflected a sharp decline in business flows (loans dropped 9 percent). From August through November the sector exhibited some stability. In December, we started to see signs that business flows are up. We believe that 2003 will be a continuation of December and are looking for middle market loan growth this year of approximately 5 percent.

Credit quality costs for the Consumer and Commercial Bank, as a whole, reflected some seasonal uptick but continued to remain below results a year ago. Net charge-offs in commercial banking increased $36 million from third quarter but are down $98 million from results a year ago. Commercial banking non-performing loans are down, both from last quarter and from a year ago.

The managed credit card portfolio is performing quite nicely and within expectations in light of the current economic environment. Managed losses are flat with third quarter and rose $35 million from the fourth quarter of last year, in line with portfolio growth. 30-day and 90-day delinquency rates moved up from third quarter levels due to seasonality but remain under levels from a year ago. Excluding credit card, remaining consumer and small business charge-offs within CCB increased $38 million but were still lower than fourth quarter a year ago. I will discuss our credit quality outlook in a couple minutes but we continue to believe that both the consumer and middle market areas will be stable to improving in 2003.

Turning to the Global Corporate and Investment Bank, earnings in the fourth quarter decreased almost $200 million from third quarter results due primarily to the higher provision for loan losses. Total revenues actually increased 3 percent from third quarter levels driven by better results in investment banking. Investment banking fees rose 34 percent to $407 million from the third quarter. The increase was driven by increases in securities underwriting, syndications and advisory services. Securities underwriting increased 45 percent from a sluggish third quarter to $175 million, driven by increases in equity and high yield. Syndication fees increased 19 percent to $130 million. Advisory Services increased 42 percent to $88 million as Banc of America Securities continued to take market share in M&A along with growth in debt restructuring. On a full-year basis, investment banking fees of $1.5 billion were down only 3 percent from results in 2001. Better results in syndications and advisory could not offset weaker market demand in securities underwriting. Despite the decline, we felt that compared to our competitors we fared very well in this most difficult market environment.

Total trading-related revenue for the fourth quarter was $684 million, an increase of 19 percent from the third quarter. Foreign exchange revenue was $141 million, up 11 percent from the prior quarter. Revenue from interest rate contracts of $247 million more than doubled from third quarter results. Fixed income dropped 33 percent to $186 million as a tightening in credit spreads reversed the value of certain credit default swaps and other hedges of credit exposure that had a positive impact in prior quarters. Equities dropped slightly to $76 million and commodities increased to $34 million.

As far as credit quality for the Global and Corporate Bank, provision and net charge-offs increased $323 million from third quarter levels. Recoveries dropped $60 million from the third quarter while gross charge-offs increased $263 million. Driving the increased charge-offs were one credit in the airline industry (approximately half the gross increase) and two credits in the utilities sector. Losses were also incurred during the quarter in “other income” from writedowns of approximately $50 million related to partnership interests with leverage leases to the airline industry. Total large corporate nonperforming assets increased $313 million of which the two largest loans were European telecom and media credits. Loans in GCIB continued to decrease, as expected, and ended the quarter at $58 billion, down an additional $2 billion from third quarter.

Our third core business segment is Asset Management. Total revenue was up 3 percent for the quarter versus third quarter due mainly to higher brokerage fees. For the year, total revenue was down 3 percent from 2001 which we think is noteworthy given the double digit drops in the major indices. Total expense levels were flat for the year. This is net of our continued investment in our distribution capability. Asset Management exceeded its goal for the year of expanding both financial advisors and relationship managers by 20 percent. Assets under management increased to $310 billion from third quarter levels reflecting some seasonality. For the full year, assets under management finished the year relatively unchanged from levels a year ago helped by a 7 percent increase in money market and other short-term funds.

Our fourth and final business segment is Equity Investments. Noninterest income in the fourth quarter was a negative $59 million compared to a negative $193 million in the third quarter. In Principal Investing, cash gains were approximately $111 million offset by impairments of $174 million. Impairments in 2002 totaled approximately $708 million versus $335 million for all of 2001. The impairments were driven by continued weakness in select sectors including domestic and international telecom.

Now, let me spend the rest of my time today discussing our outlook for this year. This is the third year in a row where economic uncertainty makes prognostication very difficult and risky. I feel like Bill Murray in "Groundhog Day" in that every morning I wake up it's January and I have to talk to the investment community about the year ahead. We believe that current underlying economic fundamentals are sound and GDP growth in 2003 will be positively influenced by productivity gains, low inflation, pro-active economic policies, a strong banking system and efficient capital markets. However, one risk we are not handicapping but which is a possibility is the geo-political risk of war. For the first half of 2003, we believe GDP growth may be in the range of 2 percent to 2.5 percent with a pickup in the second half to a range of 3 percent to 3.5 percent. Unemployment levels should stay around the 6 percent level with maybe a slight increase before abating. Any pressure on the Fed to raise rates won't materialize until late in the year if not early 2004.

Compared to yearend loan levels, we are looking for modest loan growth in 2003 (low to mid single digit) as consumer lending and a recovery in the commercial markets outpace further targeted reduction in large corporate loans. Consumer lending growth will continue to leverage the banking center network—focusing on mortgages, home equity loans and credit cards. We believe small business lending will increase along with middle market lending, as I mentioned earlier. Large corporate loans at yearend are close to our comfort levels in aggregate but we still have some room for additional selective reductions and will continue to work on reducing concentration levels. One headwind we don't have to face as much this year as last year, is the dramatic decrease in loans that we experienced in 2002 from the business exits in 2001 as well as the significant decrease in large corporate loans. Other earning assets will fluctuate around yearend levels as trading assets and investment securities could easily move higher or lower depending on market conditions and use of swaps for asset/liability management purposes.

With modest loan growth and some compression in the margin due to lower rates, we are looking for net interest income to be flat to up 1 percent. The balance sheet is currently positioned to be slightly asset sensitive to a rise in rates with some curve flattening. The impact of a gradual rate change of 100 basis points plus or minus over 12 months will impact net interest income by approximately two percent either way. You should note that this asset sensitive position bodes well for revenue growth as rates rise. Given the cut in rates by the Fed in November, we expect to see a reduction in net interest income in the first quarter from fourth quarter levels as deposit compression continues. This effect should be fully reflected in first quarter results. Another factor impacting net interest income in the first quarter will be two less days in the quarter.

On the fee side, we are looking for continued positive trends in our consumer and commercial business in the areas of service charges, card income and mortgage banking income. Mortgage banking income should benefit from continued low rates and the full year impact from the completed franchise-wide rollout of Loan Solutions. Asset management is expected to show double digit increases in fee revenue given the investments made in distribution in 2002, continuing investments in 2003 and stable market conditions. In Global Corporate and Investment Banking we are looking for some increases in global cash management and only a modest pickup in market sensitive revenues. Equity investments should experience a nice pickup in 2003 by merely having lower impairments but we think the improvement will be better than that as a rebound in the economy should generate higher cash gains than last year. To sum up, fee revenue growth before the impact of equity investment gains is expected to be in the high single digits for 2003. 1. This improvement is not driven as much by economic recovery as it is by momentum created in 2002 and initiatives we currently have in place. Factoring in the improvement in equity investment gains to positive from negative should move the total fee increase to the low teens.

On the expense front, we will continue to invest resources in those businesses that will produce long-term and profitable revenue growth. But having said that, expense growth will correlate with revenue growth. While we don't think we can achieve our goal of 4 percent operating leverage in the current environment, we think we can get into the 2 to 3 percent range. This guidance obviously includes the impact from our decision to expense 2003 options and adjust our pension plan assumptions. Over the past few years we have moved aggressively to cut back expense levels if projected revenue growth did not materialize. We were much quicker last year than in previous years in pulling back expense growth and will be just as vigilant in 2003 in monitoring economic trends.

Turning to credit quality, our outlook remains essentially the same as we have been outlining for you in the past. While we feel positive about the consumer and middle market areas, we are not comfortable with certain segments of the large corporate book. That is why we are targeting quarterly charge-offs on average in 2003 to remain high—somewhere in the range of the first three quarters of last year which is about $800 and $900 million per quarter. Higher credit card receivables, while benefiting net interest income, will drive an increase in consumer charge-offs. Both middle market and large corporate charge-offs should improve from last year's results. We have already seen an improvement on the middle market side and expect to start to see lower charge-offs on the large corporate side starting in the first quarter of this year. However, as I mentioned, we are still concerned about large corporate credit and expect the lumpiness in charge-offs and NPAs to continue for the first six months of this year. The industries and areas driving this lumpiness would be utilities and to a more limited extent, telecom, media, airlines and Latin America. Provision expense is expected to track net charge-offs. Nonperforming assets levels should be coming down as the year progresses but the quarterly results will fluctuate depending on the level of recoveries, charge-offs and one-off events.

Addressing capital trends, we expect to keep our Tier 1 ratio at current high levels. We will have plenty of room to pay an attractive dividend and still buy back shares. When you take all these comments into consideration, you should arrive at an earnings number that should be close to the current consensus of approximately $6.20. Much of what I just said is dependent on what the economy does, so if you have differing views, then I suggest you factor those differences into the numbers. Earnings for the last two years were very close to what the consensus was each year in early January. However, our path to the actual number was somewhat different than the scenarios we laid out for you in January as we managed through the changing economic environment. This is when the value of our business model is most evident as the diversity of earnings streams from the various businesses helps us earn through unexpected challenges. I am sure this year will be no different. With that, let me now open the floor up for questions—I appreciate your attention