

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2000 - Commission File Number 1-6523

Bank of America Corporation  
(Exact name of registrant as specified in its charter)

Delaware

56-0906609

(State of incorporation)

(IRS Employer Identification No.)

Bank of America Corporate Center  
Charlotte, North Carolina

28255

(Address of principal executive  
offices)

(Zip Code)

(888) 279-3457

(Registrant's telephone number,  
including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>

<CAPTION>

| Title of each class<br><S>                 | Name of each exchange on which registered<br><C>   |
|--|--|
| Common Stock                               | New York Stock Exchange<br>London Stock Exchange<br>Pacific Stock Exchange<br>Tokyo Stock Exchange |
| 7 3/4% Debentures, due 2002                | American Stock Exchange  |
| 9 7/8% Subordinated Notes, due 2001        | New York Stock Exchange  |
| 8 1/2% Subordinated Notes, due 2007        | New York Stock Exchange  |
| 10 7/8% Subordinated Notes, due 2003       | New York Stock Exchange  |
| .25% Senior Basket-Indexed Notes, due 2006 | New York Stock Exchange  |

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or in any amendment to this Form 10-K. [ ]

The aggregate market value of the registrant's common stock ("Common Stock") held by non-affiliates is approximately \$83,761,700 (based on the March 7, 2001, closing price of Common Stock of \$52.75 per share). As of March 7, 2001, there were 1,606,704,482 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

<TABLE>

<CAPTION>

| Document of the Registrant<br><S>    | Form 10-K Reference Location<br><C> |
|--------------------------------------|-------------------------------------|
| Portions of the 2001 Proxy Statement | PART III                            |

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Bank of America Corporation

Form 10-K

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PART I

Item 1. BUSINESS

General

Bank of America Corporation (the "Corporation") is a Delaware corporation, a bank holding company and a financial holding company under the Gramm-Leach-Bliley Act. The Corporation and its subsidiaries are subject to supervision by various federal and state banking and other regulatory authorities. For additional information about the Corporation and its operations, see Table Two and the narrative comments under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition - Business Segment Operations." For additional information regarding regulatory matters, see "Government Supervision and Regulation" below.

The principal executive offices of the Corporation are located in the Bank of America Corporate Center, Charlotte, North Carolina 28255.

Primary Market Areas

Through its banking subsidiaries (the "Banks") and various nonbanking subsidiaries, the Corporation provides a diversified range of banking and non-

banking financial services and products, primarily throughout the Mid-Atlantic (Maryland, Virginia and the District of Columbia), the Midwest (Illinois, Iowa, Kansas and Missouri), the Southeast (Florida, Georgia, North Carolina, South Carolina and Tennessee), the Southwest (Arizona, Arkansas, New Mexico, Oklahoma and Texas), the Northwest (Oregon and Washington) and the West (California, Idaho and Nevada) regions of the United States and in selected international markets. Management believes that these are desirable regions in which to be located. Based on the most recent available data, personal income levels in the states in these regions as a whole rose 5.2 percent year-to-year through the third quarter of 2000, compared to growth of 4.2 percent in the rest of the United States. In addition, the population in these states as a whole rose an estimated 1.2 percent between 1999 and 2000, compared to growth of 1.0 percent in the rest of the United States. Through December 2000, the average rate of unemployment in these states was 4.0 percent, ranging from Virginia's 2.1 percent to the District of Columbia's 6.3 percent, compared to a rate of unemployment of 4.2 percent in the rest of the United States. These states created almost 1.6 million new jobs in 2000, 2.2 percent above year-end 1999, compared to growth of 1.8 percent in the rest of the United States. The number of housing permits authorized remained at historically high levels during 2000 but was down 6.4 percent from record high activity in 1999.

The Corporation has the leading bank deposit market share position in California, Florida, Georgia, Maryland, North Carolina, Texas and Washington. In addition, the Corporation ranks second in terms of bank deposit market share in Arizona, Arkansas, Kansas, Missouri, Nevada, New Mexico, South Carolina and the District of Columbia; third in Oklahoma and Virginia; fourth in Idaho and Oregon; fifth in Tennessee; ninth in Iowa; and tenth in Illinois.

#### Acquisition and Disposition Activity

As part of its operations, the Corporation regularly evaluates the potential acquisition of, and holds discussions with, various financial institutions and other businesses of a type eligible for financial holding company ownership or control. In addition, the Corporation regularly analyzes the values of, and submits bids for, the acquisition of customer-based funds and other liabilities and assets of such financial institutions and other businesses. The Corporation also regularly considers the potential disposition of certain of its assets, branches, subsidiaries or lines of businesses. As a general rule, the Corporation publicly announces any material acquisitions or dispositions when a definitive agreement has been reached.

For additional information regarding the Corporation's acquisition activity, see Note Two of the consolidated financial statements on page 72.

#### Government Supervision and Regulation

##### General

As a registered bank holding company and financial holding company, the Corporation is subject to the supervision of, and regular inspection by, the Board of Governors of the Federal Reserve System (the

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"Federal Reserve Board"). The Banks are organized as national banking associations, which are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency (the "Comptroller" or "OCC"), the Federal Deposit Insurance Corporation (the "FDIC"), the Federal Reserve Board and other federal and state regulatory agencies. In addition to banking laws, regulations and regulatory agencies, the Corporation and its subsidiaries and affiliates are subject to various other laws and regulations and supervision and examination by other regulatory agencies, all of which directly or indirectly affect the operations and management of the Corporation and its ability to make distributions to stockholders.

A financial holding company, and the companies under its control, are permitted to engage in activities considered "financial in nature" as defined by the Gramm-Leach-Bliley Act and Federal Reserve Board interpretations (including, without limitation, insurance and securities activities), and therefore may engage in a broader range of activities than permitted for bank holding companies and their subsidiaries. A financial holding company may engage directly or indirectly in activities considered financial in nature, either de novo or by acquisition, provided the financial holding company gives the Federal Reserve Board after-the-fact notice of the new activities. The Gramm-Leach-Bliley Act also permits national banks, such as the Banks, to engage in activities considered financial in nature through a financial subsidiary, subject to certain conditions and limitations and with the approval of the Comptroller.

##### Interstate Banking

Bank holding companies (including bank holding companies that also are financial holding companies) also are required to obtain the prior approval of the Federal Reserve Board before acquiring more than five percent of any class of voting stock of any bank which is not already majority-owned by the bank

holding company. Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Interstate Banking and Branching Act"), a bank holding company may acquire banks in states other than its home state without regard to the permissibility of such acquisitions under state law, but subject to any state requirement that the bank has been organized and operating for a minimum period of time, not to exceed five years, and the requirement that the bank holding company, after the proposed acquisition, controls no more than 10 percent of the total amount of deposits of insured depository institutions in the United States and no more than 30 percent or such lesser or greater amount set by state law of such deposits in that state.

Subject to certain restrictions, the Interstate Banking and Branching Act also authorizes banks to merge across state lines, with the surviving bank retaining interstate branches. The Interstate Banking and Branching Act also permits a bank to open new branches in a state in which it does not already have banking operations if such state enacts a law permitting de novo branching. The Corporation has consolidated its retail subsidiary banks into a single interstate bank (Bank of America, N.A.) headquartered in Charlotte, North Carolina, with full service branch offices in 21 states and the District of Columbia. In addition, the Corporation operates a limited purpose nationally chartered credit card bank (Bank of America, N.A. (USA)) headquartered in Phoenix, Arizona, and three nationally chartered bankers' banks: Bank of America Oregon, N.A., headquartered in Portland, Oregon; Bank of America California, N.A., headquartered in Walnut Creek, California; and Bank of America Georgia, N.A., headquartered in Atlanta, Georgia.

#### Changes in Regulations

Proposals to change the laws and regulations governing the banking industry are frequently introduced in Congress, in the state legislatures and before the various bank regulatory agencies. The likelihood and timing of any proposals or legislation and the impact they might have on the Corporation and its subsidiaries cannot be determined at this time.

#### Capital and Operational Requirements

The Federal Reserve Board, the Comptroller and the FDIC have issued substantially similar risk-based and leverage capital guidelines applicable to United States banking organizations. In addition, these regulatory agencies may from time to time require that a banking organization maintain capital above the minimum levels, whether because of its financial condition or actual or anticipated growth. The Federal Reserve Board risk-based guidelines define a three-tier capital framework. Tier 1 capital consists of common and qualifying preferred shareholders' equity, less certain intangibles and other adjustments. Tier 2 capital consists of preferred stock not qualifying as Tier 1 capital, subordinated and other qualifying debt, and the

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allowance for credit losses up to 1.25 percent of risk-weighted assets. Tier 3 capital includes subordinated debt that is unsecured, fully paid, has an original maturity of at least two years, is not redeemable before maturity without prior approval by the Federal Reserve Board and includes a lock-in clause precluding payment of either interest or principal if the payment would cause the issuing bank's risk-based capital ratio to fall or remain below the required minimum. The sum of Tier 1 and Tier 2 capital less investments in unconsolidated subsidiaries represents qualifying total capital, at least 50 percent of which must consist of Tier 1 capital. Risk-based capital ratios are calculated by dividing Tier 1 and total capital by risk-weighted assets. Assets and off-balance sheet exposures are assigned to one of four categories of risk-weights, based primarily on relative credit risk. The minimum Tier 1 capital ratio is four percent and the minimum total capital ratio is eight percent. The Corporation's Tier 1 and total risk-based capital ratios under these guidelines at December 31, 2000 were 7.5 percent and 11.04 percent, respectively. At December 31, 2000, the Corporation had no subordinated debt that qualified as Tier 3 capital.

The leverage ratio is determined by dividing Tier 1 capital by adjusted average total assets. Although the stated minimum ratio is three percent, most banking organizations are required to maintain ratios of at least 100 to 200 basis points above three percent. The Corporation's leverage ratio at December 31, 2000 was 6.12 percent. The Corporation meets its leverage ratio requirement.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), among other things, identifies five capital categories for insured depository institutions (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized) and requires the respective federal regulatory agencies to implement systems for "prompt corrective action" for insured depository institutions that do not meet minimum capital requirements within such categories. FDICIA imposes progressively more restrictive constraints on operations, management and capital distributions, depending on the category in which an institution is classified. Failure to meet the capital guidelines could also subject a banking institution to capital raising requirements. An "undercapitalized" bank must

develop a capital restoration plan and its parent holding company must guarantee that bank's compliance with the plan. The liability of the parent holding company under any such guarantee is limited to the lesser of five percent of the bank's assets at the time it became "undercapitalized" or the amount needed to comply with the plan. Furthermore, in the event of the bankruptcy of the parent holding company, such guarantee would take priority over the parent's general unsecured creditors. In addition, FDICIA requires the various regulatory agencies to prescribe certain non-capital standards for safety and soundness relating generally to operations and management, asset quality and executive compensation and permits regulatory action against a financial institution that does not meet such standards.

The various regulatory agencies have adopted substantially similar regulations that define the five capital categories identified by FDICIA, using the total risk-based capital, Tier 1 risk-based capital and leverage capital ratios as the relevant capital measures. Such regulations establish various degrees of corrective action to be taken when an institution is considered undercapitalized. Under the regulations, a "well capitalized" institution must have a Tier 1 risk-based capital ratio of at least six percent, a total risk-based capital ratio of at least 10 percent and a leverage ratio of at least five percent and not be subject to a capital directive order. Under these guidelines, each of the Banks is considered well capitalized.

Regulators also must take into consideration (a) concentrations of credit risk; (b) interest rate risk (when the interest rate sensitivity of an institution's assets does not match the sensitivity of its liabilities or its off-balance-sheet position); and (c) risks from non-traditional activities, as well as an institution's ability to manage those risks, when determining the adequacy of an institution's capital. This evaluation will be made as a part of the institution's regular safety and soundness examination. In addition, the Corporation, and any Bank with significant trading activity, must incorporate a measure for market risk in their regulatory capital calculations.

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#### Distributions

The Corporation's funds for cash distributions to its stockholders are derived from a variety of sources, including cash and temporary investments. The primary source of such funds, and funds used to pay principal and interest on its indebtedness, however, is dividends received from the Banks. Each of the Banks is subject to various regulatory policies and requirements relating to the payment of dividends, including requirements to maintain capital above regulatory minimums. The appropriate federal regulatory authority is authorized to determine under certain circumstances relating to the financial condition of a bank or bank holding company that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof.

In addition, the ability of the Corporation and the Banks to pay dividends may be affected by the various minimum capital requirements and the capital and non-capital standards established under FDICIA, as described above. The right of the Corporation, its stockholders and its creditors to participate in any distribution of the assets or earnings of its subsidiaries is further subject to the prior claims of creditors of the respective subsidiaries.

#### Source of Strength

According to Federal Reserve Board policy, bank holding companies are expected to act as a source of financial strength to each subsidiary bank and to commit resources to support each such subsidiary. This support may be required at times when a bank holding company may not be able to provide such support. Similarly, under the cross-guarantee provisions of the Federal Deposit Insurance Act, in the event of a loss suffered or anticipated by the FDIC - either as a result of default of a banking subsidiary or related to FDIC assistance provided to a subsidiary in danger of default - the other Banks may be assessed for the FDIC's loss, subject to certain exceptions.

#### Competition

The activities in which the Corporation and its four major business segments (Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking, and Equity Investments) engage are highly competitive. Generally, the lines of activity and markets served involve competition with other banks, thrifts, credit unions and other nonbank financial institutions, such as investment banking firms, investment advisory firms, brokerage firms, investment companies and insurance companies. The Corporation also competes against banks and thrifts owned by nonregulated diversified corporations and other entities which offer financial services, located both domestically and internationally and through alternative delivery channels such as the Internet. The methods of competition center around various factors, such as customer services, interest rates on loans and deposits, lending limits and customer convenience, such as location of offices.

The commercial banking business in the various local markets served by the

Corporation's business segments is highly competitive. The four major business segments compete with other banks, thrifts, finance companies and other businesses which provide similar services. The business segments actively compete in commercial lending activities with local, regional and international banks and nonbank financial organizations, some of which are larger than certain of the Corporation's nonbanking subsidiaries and the Banks. In its consumer lending operations, the competitors of the business segments include other banks, thrifts, credit unions, finance companies and other nonbank organizations offering financial services. In the investment banking, investment advisory and brokerage business, the Corporation's nonbanking subsidiaries compete with other banking and investment banking firms, investment advisory firms, brokerage firms, investment companies and other organizations offering similar services. The Corporation's mortgage banking units compete with banks, thrifts, government agencies, mortgage brokers and other nonbank organizations offering mortgage banking services. In the trust business, the Banks compete with other banks, investment counselors and insurance companies in national markets for institutional funds and corporate pension and profit sharing accounts. The Banks also compete with other banks, trust companies, insurance agents, thrifts, financial counselors and other fiduciaries for personal trust business. The Corporation and its four major business segments also actively compete for funds. A primary source of funds for the Banks is deposits, and competition for deposits includes other deposit-taking organizations, such as banks, thrifts, and credit unions, as well as money market mutual funds.

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The Corporation's ability to expand into additional states remains subject to various federal and state laws. See "Government Supervision and Regulation - General" for a more detailed discussion of interstate banking and branching legislation and certain state legislation.

#### Employees

As of December 31, 2000, there were 142,724 full-time equivalent employees within the Corporation and its subsidiaries. Of the foregoing employees, 78,500 were employed within Consumer and Commercial Banking, 5,764 were employed within Asset Management, 8,816 were employed within Global Corporate and Investment Banking and 280 were employed within Equity Investments. The remainder were employed elsewhere within the Corporation and its subsidiaries.

Approximately 5,000 non-officer employees in the State of Washington are subject to a collective bargaining agreement. These employees work for the Washington Division of Bank of America, N.A. None of the other domestic employees within the Corporation is subject to a collective bargaining agreement. Management considers its employee relations to be good.

#### Item 2. PROPERTIES

As of December 31, 2000, the principal offices of the Corporation, and its Consumer and Commercial Banking, Asset Management and Equity Investments business segments, were located in the 60-story Bank of America Corporate Center in Charlotte, North Carolina, which is owned by a subsidiary of the Corporation. The Corporation occupies approximately 514,000 square feet and leases approximately 601,000 square feet to third parties at market rates, which represents substantially all of the space in this facility. As of December 31, 2000, the principal offices of Global Corporate and Investment Banking were located at 555 California Street in San Francisco, California. A subsidiary of the Corporation has a 50 percent ownership interest in this building through a joint venture partnership, and the Corporation leases approximately 418,000 square feet in this building from the partnership.

The Corporation also leases or owns a significant amount of space worldwide, in addition to these facilities in Charlotte and San Francisco. As of December 31, 2000, the Corporation and its subsidiaries owned or leased approximately 11,259 locations in 46 states, the District of Columbia and 37 foreign countries.

#### Item 3. LEGAL PROCEEDINGS

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to a number of pending and threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants. In certain of these actions and proceedings, substantial money damages are asserted against the Corporation and its subsidiaries and certain of these actions and proceedings are based on alleged violations of consumer protection, securities, environmental, banking and other laws.

The Corporation and certain present and former officers and directors have been named as defendants in a number of actions filed in several federal courts that have been consolidated for pretrial purposes before a Missouri federal court. The amended complaint in the consolidated actions alleges, among other things, that the defendants failed to disclose material facts about losses of the former BankAmerica Corporation ("BankAmerica") relating to D.E. Shaw Securities Group, L.P. ("D.E. Shaw") and related entities until mid-October 1998, in violation of various federal and state laws. The amended com-

plaint also alleges that the proxy statement-prospectus of August 4, 1998 falsely stated that the merger ("Merger") of BankAmerica and the Corporation's predecessor, NationsBank Corporation ("NationsBank"), would be one of equals and alleges a scheme to have NationsBank gain control over the newly merged entity. The Missouri federal court has certified classes consisting generally of persons who were stockholders of NationsBank or BankAmerica on September 30, 1998, or were entitled to vote on the Merger, or who purchased or acquired securities of the Corporation or its predecessors between August 4, 1998 and October 13, 1998. The amended complaint substantially survived a motion to dismiss, and discovery is underway. Claims against certain director-defendants were dismissed with leave to replead. The court has preliminarily ordered the parties to be ready for trial by September 2001. A former NationsBank stockholder who opted out of the federal class action has recently commenced an action asserting claims substantially similar to the claims relating to D.E. Shaw set forth in the consolidated action. The Corporation has moved to consolidate the individual action with the federal class action. Similar class actions (including one limited to California residents raising the claim that the proxy statement-prospectus of August 4, 1998 falsely stated that the Merger would be one of equals) were filed in California state court, alleging violations of the California Corporations Code and other state

laws. The action on behalf of California residents was certified as a class. A lower court order dismissing that action was recently reversed on appeal, and discovery in that action has commenced. The remaining California actions have been consolidated, but have not been certified as class actions. The Missouri federal court has enjoined prosecution of those consolidated class actions as a class action. The plaintiffs who were enjoined have appealed that injunction to the United States Court of Appeals for the Eighth Circuit. The Corporation believes the actions lack merit and will defend them vigorously. The amount of any ultimate exposure cannot be determined with certainty at this time.

Management believes that the actions and proceedings and the losses, if any, resulting from the final outcome thereof, will not be material in the aggregate to the Corporation's financial position or results of operations.

#### Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of stockholders during the quarter ended December 31, 2000.

#### Item 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to the Instructions to Form 10-K and Item 401(b) of Regulation S-K, the name, age and position of each current executive officer and the principal accounting officer of the Corporation are listed below along with such officer's business experience during the past five years. Officers are appointed annually by the Board of Directors at the meeting of directors immediately following the annual meeting of stockholders.

Edward J. Brown III, age 52, President, Global Corporate and Investment Banking. Mr. Brown was named to his present position in December 2000. From September 1998 to December 2000, he served as President, Global Capital Raising and Global Capital Markets. Prior to that time, from June 1997 to September 1998, he served as President, Global Finance, and from 1988 to June 1997, he served as President, Corporate Banking. He first became an officer in 1974. He also serves as a director of Bank of America, N.A.

James H. Hance, Jr., age 56, Vice Chairman and Chief Financial Officer. Mr. Hance was named Chief Financial Officer in August 1988, and was named Vice Chairman in October 1993. He first became an officer in 1987. He also serves as a director of the Corporation and as Vice Chairman and a director of Bank of America, N.A.

Kenneth D. Lewis, age 53, President and Chief Operating Officer. Mr. Lewis was named President in January 1999 and Chief Operating Officer in October 1999. Prior to that time, he served as President, Consumer and Commercial Banking, from October 1998 to January 1999, and as President from October 1993 to October 1998. He first became an officer in 1971. Mr. Lewis also serves as a director of the Corporation and as President and a director of Bank of America, N.A.

Hugh L. McColl, Jr., age 65, Chairman of the Board and Chief Executive Officer. Mr. McColl has served as Chairman of the Board for at least five years except from January 7, 1997 until September 30, 1998. He first became an officer in 1962. He also serves as a director of the Corporation and as Chairman, Chief Executive Officer and a director of Bank of America, N.A.

Marc D. Oken, age 54, Executive Vice President and Principal Financial Executive. Mr. Oken was named to his present position in October 1998. From June 1989 to October 1998, he served as Chief Accounting Officer. He first became an officer in 1989.

F. William Vandiver, Jr., age 58, Corporate Risk Management Executive. Mr.

Vandiver was named to his present position in October 1998. From June 1997 to October 1998, he served as Chairman, Corporate Risk Policy. Prior to that time, from January 1996 to June 1997, he served as President, Global Finance. He first became an officer in 1968. He also serves as Vice Chairman and a director of Bank of America, N.A.

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## PART II

### Item 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

The principal market on which the Common Stock is traded is the New York Stock Exchange. The Common Stock is also listed on the London Stock Exchange and the Pacific Stock Exchange, and certain shares are listed on the Tokyo Stock Exchange. The following table sets forth the high and low sales prices of the Common Stock on the New York Stock Exchange for the periods indicated:

<TABLE>  
<CAPTION>

| <S>  | Quarter<br><C> | High<br><C> | Low<br><C> |
|------|----------------|-------------|------------|
| 1999 | first          | \$74 1/2    | \$59 1/2   |
|      | second         | 76 1/8      | 61 1/2     |
|      | third          | 76 3/8      | 53 1/4     |
|      | fourth         | 67 1/2      | 47 5/8     |
| 2000 | first          | 55 3/16     | 42 5/16    |
|      | second         | 61          | 42 63/64   |
|      | third          | 57 5/8      | 43 5/8     |
|      | fourth         | 54 3/4      | 36 5/16    |

</TABLE>

As of March 2, 2001, there were 256,883 record holders of Common Stock. During 1999 and 2000, the Corporation paid dividends on the Common Stock on a quarterly basis. The following table sets forth dividends declared per share of Common Stock for the periods indicated:

<TABLE>  
<CAPTION>

| <S>  | Quarter<br><C> | Dividend<br><C> |
|------|----------------|-----------------|
| 1999 | first          | \$.45           |
|      | second         | .45             |
|      | third          | .45             |
|      | fourth         | .50             |
| 2000 | first          | .50             |
|      | second         | .50             |
|      | third          | .50             |
|      | fourth         | .56             |

</TABLE>

For additional information regarding the Corporation's ability to pay dividends, see "Government Supervision and Regulation - Distributions" and Note Fourteen of the consolidated financial statements on page 91.

### Item 6. SELECTED FINANCIAL DATA

See Table One in Item 7 for Selected Financial Data.

### Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On September 30, 1998, Bank of America Corporation (the Corporation), formerly NationsBank Corporation (NationsBank), completed its merger (the Merger) with the former BankAmerica Corporation (BankAmerica). In addition, on January 9, 1998, the Corporation completed its merger with Barnett Banks, Inc. (Barnett). The BankAmerica and Barnett mergers were each accounted for as a pooling of interests and, accordingly, all financial information has been restated for all periods presented.

This report on Form 10-K contains certain forward-looking statements that are subject to risks and uncertainties and include information about possible or assumed future results of operations. Many possible events or factors could affect the future financial results and performance of the Corporation. This could cause results or performance to differ materially from those expressed in our forward-looking statements. Words such as "expects", "anticipates", "believes", "estimates", variations of such words and other similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward-looking statements. Readers of the



looking statements and should consider all uncertainties and risks discussed throughout this report. These statements are representative only on the date hereof, and the Corporation undertakes no obligation to update any forward-looking statements made.

The possible events or factors include the following: the Corporation's loan growth is dependent on economic conditions, as well as various discretionary factors, such as decisions to securitize, sell, or purchase certain loans or loan portfolios; syndications or participations of loans; retention of residential mortgage loans; and the management of borrower, industry, product and geographic concentrations and the mix of the loan portfolio. The level of nonperforming assets, charge-offs and provision expense can be affected by local, regional and international economic and market conditions, concentrations of borrowers, industries, products and geographic locations, the mix of the loan portfolio and management's judgments regarding the collectibility of loans. Liquidity requirements may change as a result of fluctuations in assets and liabilities and off-balance sheet exposures, which will impact the capital and debt financing needs of the Corporation and the mix of funding sources. Decisions to purchase, hold or sell securities are also dependent on liquidity requirements and market volatility, as well as on- and off-balance sheet positions. Factors that may impact interest rate risk include local, regional and international economic conditions, levels, mix, maturities, yields or rates of assets and liabilities, utilization and effectiveness of interest rate contracts and the wholesale and retail funding sources of the Corporation. The Corporation is also exposed to the potential of losses arising from adverse changes in market rates and prices which can adversely impact the value of financial products, including securities, loans, deposits, debt and derivative financial instruments, such as futures, forwards, swaps, options and other financial instruments with similar characteristics.

In addition, the banking industry in general is subject to various monetary and fiscal policies and regulations, which include those determined by the Federal Reserve Board, the Office of the Comptroller of Currency, the Federal Deposit Insurance Corporation, state regulators and the Office of Thrift Supervision, whose policies and regulations could affect the Corporation's results. Other factors that may cause actual results to differ from the forward-looking statements include the following: projected business increases following process changes and productivity and investment initiatives are lower than expected or do not pay for severance or other related costs as quickly as anticipated; competition with other local, regional and international banks, thrifts, credit unions and other nonbank financial institutions, such as investment banking firms, investment advisory firms, brokerage firms, investment companies and insurance companies, as well as other entities which offer financial services, located both within and outside the United States and through alternative delivery channels such as the Internet; interest rate, market and monetary fluctuations; inflation; market volatility; general economic conditions and economic conditions in the geographic regions and industries in which the Corporation operates; introduction and acceptance of new banking-related products, services and enhancements; fee pricing strategies, mergers and acquisitions and their integration into the Corporation; and management's ability to manage these and other risks.

2000 Compared to 1999

#### Overview

The Corporation is a Delaware corporation, a bank holding company and a financial holding company, and is headquartered in Charlotte, North Carolina. The Corporation operates in 21 states and the District of Columbia and has offices located in 37 countries. The Corporation provides a diversified range of banking and certain nonbanking financial services both domestically and internationally through four major business segments: Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking, and Equity Investments. At December 31, 2000, the Corporation had \$642 billion in assets and approximately 143,000 full-time equivalent employees.

The remainder of management's discussion and analysis of the Corporation's results of operations and financial position should be read in conjunction with the consolidated financial statements and related notes presented on pages 60 through 107.

Refer to Table One and Table Twenty-Three for annual and quarterly selected financial data, respectively.

Key performance highlights for 2000 compared to 1999:

- . Net income totaled \$7.5 billion, or \$4.52 per common share (diluted) for 2000 compared to \$7.9 billion, or \$4.48 per common share (diluted) for 1999. Excluding merger and restructuring charges for both periods, net income

totalled \$7.9 billion, or \$4.72 per common share (diluted) for 2000 compared to \$8.2 billion, or \$4.68 per common share (diluted) for 1999.

- . Cash basis ratios on an operating basis measure performance excluding goodwill and other intangible assets and their related amortization expense. Cash basis diluted earnings per common share was \$5.24, an increase of \$0.05 per share. Return on average tangible common shareholders' equity was 26.06 percent, a decrease of 240 basis points. The cash basis efficiency ratio was 51.78 percent, an improvement of 79 basis points, primarily due to a three percent increase in noninterest income.
- . The return on average common shareholders' equity was 15.96 percent, a decrease of 97 basis points. Excluding merger and restructuring charges, the return on average common shareholders' equity decreased 100 basis points to 16.70 percent.
- . Total revenue includes net interest income on a taxable-equivalent basis and noninterest income. Total revenue was \$33.3 billion, an increase of \$732 million.
- . Net interest income increased \$312 million to \$18.8 billion. Managed loan growth, particularly in consumer products, higher levels of customer-based deposits and equity and an increased trading-related contribution were partially offset by spread compression, the impact of securitizations and asset sales, the cost of share repurchases and deterioration in auto lease residual values. Average managed loans and leases were \$418.6 billion, a \$36.2 billion increase, primarily due to a 14 percent increase in consumer loans and leases. Average customer-based deposits grew to \$299.6 billion, a \$7.9 billion increase. The net interest yield was 3.22 percent, a 25 basis point decline. The decrease was primarily due to spread compression, higher levels of lower yielding trading-related assets and the cost of share repurchases.
- . Noninterest income was \$14.5 billion, a \$420 million increase. The increase in income from fee-based businesses was partially offset by a \$729 million decrease in other income to \$775 million. Other income in 2000 included \$300 million in charges related to the deterioration of auto lease residual values, partially offset by a \$187 million gain on the sale of the Corporation's factoring unit. Other income in 1999 included an \$89 million gain on the sale of certain businesses, \$80 million from securitization gains and a \$63 million gain on the sale of substantially all remaining out-of-franchise credit card loans. Consumer and Commercial Banking experienced a \$223 million, or 11 percent, increase in card income to \$2.2 billion as success in the growth strategy led to higher purchase volume and a higher number of active debit and credit card accounts. Income from investment and brokerage services increased \$92 million to \$1.5 billion in the Asset Management segment as a result of new asset management business and market growth combined with productivity increases in consumer brokerage. Global Corporate and Investment Banking had significant increases in trading account profits and investment banking income. Trading account profits increased \$335 million, or 22 percent, to \$1.8 billion driven by higher revenues from interest rate contracts and equities and equity derivatives, partially offset by decreases in fixed income activities and foreign exchange contracts. Investment banking income increased \$101 million to \$1.5 billion, primarily attributable to growth in equity underwriting. Equity Investments had equity investment gains of \$993 million, reflecting an increase of \$247 million, and included gains in both the principal investing and strategic technology and alliances areas.
- . The provision for credit losses was \$2.5 billion, a \$715 million increase. Net charge-offs were \$2.4 billion, or 0.61 percent of average loans and leases. The increase in net charge-offs of \$400 million, or six basis points, was driven primarily by higher losses in the commercial - domestic loan portfolio. Nonperforming assets were \$5.5 billion, or 1.39 percent of loans, leases and foreclosed properties at December 31, 2000, a \$2.3 billion, or 53 basis point increase. The increase reflects a rise in nonperforming loans in the commercial - domestic loan portfolio, resulting from credit deterioration which occurred during the second half of the year, and in the real estate secured consumer finance loan portfolio, resulting from continued seasoning of earlier growth in this portfolio. The allowance for credit losses remained essentially unchanged at \$6.8 billion at both December 31, 2000 and December 31, 1999.

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- . Other noninterest expense remained essentially unchanged at \$18.1 billion, as increases due to inflation and business growth were offset by productivity and investment initiatives.

#### Employee-Related Matters

#### Bank of America Pension Plan

The Corporation and the BankAmerica 401(k) retirement plans were combined

effective June 30, 2000. With the introduction of the revised Bank of America retirement plan, qualified employees from the former BankAmerica Corporation who were currently active had a one-time opportunity to transfer certain assets in their 401(k) plan account to their Bank of America Pension Plan (pension plan) account effective August 4, 2000. The total amount of 401(k) plan assets transferred to the pension plan was \$1.3 billion. The pension plan (which is a cash balance type of pension plan) has a balance guarantee feature, applied at the time a benefit payment is made from the plan, that protects the transferred portion of participants' accounts from future market downturns. The Corporation is responsible for funding any shortfall on the guarantee feature.

#### Productivity and Investment Initiatives

As part of its productivity and investment initiatives announced on July 28, 2000, the Corporation recorded a pre-tax restructuring charge of \$550 million (\$346 million after-tax) in 2000 which is included in merger and restructuring charges in the Consolidated Statement of Income. As part of these initiatives and in order to reallocate resources, the Corporation announced that it would eliminate 9,000 to 10,000 positions, or six to seven percent of its workforce, over a twelve-month period. Of the \$550 million restructuring charge, approximately \$475 million will be used to cover severance and related costs and \$75 million will be used for other costs related to process change and channel consolidation. Over half of the severance and related costs are related to management positions which were eliminated in a review of span of control and management structure. The restructuring charge includes severance and related payments for 8,300 positions, which are company-wide and across all levels. The difference between the 8,300 positions and the 10,000 positions initially announced is expected to come from normal attrition. Through December 31, 2000, there were approximately 6,800 employees who had entered severance status as part of these initiatives. The remaining 1,500 positions associated with the July 2000 growth initiative announcement have been identified, and the employees in these positions will be notified by June 30, 2001. Cash payments applied to the restructuring reserve in 2000 were approximately \$209 million primarily related to severance costs, and noncash reductions were \$48 million, primarily related to restricted stock vesting accelerations. The remaining restructuring reserve balance was \$293 million at December 31, 2000. Approximately \$132 million of the remaining restructuring reserve is related to future payments for employees who have entered severance status.

Processes are being reviewed across the Corporation to ensure that it is organized around its customers and their needs. Significant process changes and productivity improvements, primarily in the infrastructure of the operations, are expected in consumer real estate, payments processing, imaging, commercial loan processing and branch support.

The savings that are identified are targeted for reinvestment in areas that the Corporation believes provide the best growth opportunities. Among these areas are e-commerce, asset management and private banking, card and payment businesses and the investment banking platform.

Table One  
Five-Year Summary of Selected Financial Data

| <TABLE><br><CAPTION><br>(Dollars in millions,<br>except per share<br>information) |           |           |           |           |           |  |
|---|-----------|-----------|-----------|-----------|-----------|--|
|   | 2000      | 1999      | 1998      | 1997      | 1996      |  |
| <S>   |           |           |           |           |           |  |
| Operating Basis(/1/)  | <C>       | <C>       | <C>       | <C>       | <C>       |  |
| Income statement  |           |           |           |           |           |  |
| Interest income   | \$ 43,258 | \$ 37,323 | \$ 38,588 | \$ 37,333 | \$ 33,636 |  |
| Interest expense  | 24,816    | 19,086    | 20,290    | 18,901    | 16,682    |  |
| Net interest income   | 18,442    | 18,237    | 18,298    | 18,432    | 16,954    |  |
| Net interest income<br>(taxable-equivalent<br>basis)                              | 18,764    | 18,452    | 18,461    | 18,589    | 17,082    |  |
| Provision for credit<br>losses  | 2,535     | 1,820     | 2,920     | 1,904     | 1,645     |  |
| Gains on sales of<br>securities   | 25        | 240       | 1,017     | 271       | 147       |  |
| Noninterest income  | 14,489    | 14,069    | 12,189    | 11,756    | 9,604     |  |
| Other noninterest<br>expense  | 18,083    | 17,986    | 18,741    | 17,625    | 15,351    |  |
| Income before income<br>taxes   | 12,338    | 12,740    | 9,843     | 10,930    | 9,709     |  |
| Income tax expense  | 4,475     | 4,500     | 3,353     | 4,124     | 3,651     |  |
| Net income  | 7,863     | 8,240     | 6,490     | 6,806     | 6,058     |  |

|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Performance ratios                            |          |          |          |          |          |
| Return on average assets                      | 1.17%    | 1.34%    | 1.11%    | 1.25%    | 1.25%    |
| Return on average common shareholders' equity | 16.70    | 17.70    | 14.54    | 15.88    | 17.04    |
| Efficiency ratio                              | 54.38    | 55.30    | 61.15    | 58.08    | 57.52    |
| Shareholder value added                       | \$ 3,081 | \$ 3,544 | \$ 2,056 | \$ 2,603 | \$ 2,477 |

|                       |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|
| Per common share data |         |         |         |         |         |
| Earnings              | \$ 4.77 | \$ 4.77 | \$ 3.73 | \$ 3.86 | \$ 3.58 |
| Diluted earnings      | 4.72    | 4.68    | 3.64    | 3.76    | 3.51    |

|  |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|
| Cash basis financial data(/2/)                         |          |          |          |          |          |
| Earnings   | \$ 8,727 | \$ 9,128 | \$ 7,392 | \$ 7,661 | \$ 6,602 |
| Earnings per common share                              | 5.30     | 5.28     | 4.25     | 4.36     | 3.91     |
| Diluted earnings per common share                      | 5.24     | 5.19     | 4.15     | 4.24     | 3.84     |
| Return on average tangible assets                      | 1.33%    | 1.52%    | 1.30%    | 1.45%    | 1.39%    |
| Return on average tangible common shareholders' equity | 26.06    | 28.46    | 25.24    | 27.77    | 24.60    |
| Efficiency ratio                                       | 51.78    | 52.57    | 58.20    | 55.27    | 55.49    |

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| As Reported   |           |           |           |           |           |
| Income statement  |           |           |           |           |           |
| Merger and restructuring charges                            | \$ 550    | \$ 525    | \$ 1,795  | \$ 374    | \$ 398    |
| Income before income taxes                                  | 11,788    | 12,215    | 8,048     | 10,556    | 9,311     |
| Income tax expense  | 4,271     | 4,333     | 2,883     | 4,014     | 3,498     |
| Net income  | 7,517     | 7,882     | 5,165     | 6,542     | 5,813     |
| Net income available to common shareholders                 | 7,511     | 7,876     | 5,140     | 6,431     | 5,611     |
| Average common shares issued and outstanding (in thousands) | 1,646,398 | 1,726,006 | 1,732,057 | 1,733,194 | 1,638,382 |

|   |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|
| Performance ratios                            |       |       |       |       |       |
| Return on average assets                      | 1.12% | 1.28% | 0.88% | 1.20% | 1.20% |
| Return on average common shareholders' equity | 15.96 | 16.93 | 11.56 | 15.26 | 16.32 |
| Total equity to total assets (at year end)    | 7.42  | 7.02  | 7.44  | 7.81  | 7.91  |
| Total average equity to total average assets  | 7.02  | 7.55  | 7.67  | 8.02  | 7.61  |
| Dividend payout ratio                         | 45.02 | 40.54 | 50.18 | 32.09 | 30.05 |

|                       |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|
| Per common share data |         |         |         |         |         |
| Earnings              | \$ 4.56 | \$ 4.56 | \$ 2.97 | \$ 3.71 | \$ 3.42 |
| Diluted earnings      | 4.52    | 4.48    | 2.90    | 3.61    | 3.36    |
| Cash dividends paid   | 2.06    | 1.85    | 1.59    | 1.37    | 1.20    |
| Book value            | 29.47   | 26.44   | 26.60   | 25.49   | 22.10   |

|  |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|
| Cash basis financial data(/2/)                         |          |          |          |          |          |
| Earnings   | \$ 8,381 | \$ 8,770 | \$ 6,067 | \$ 7,397 | \$ 6,357 |
| Earnings per common share                              | 5.09     | 5.08     | 3.49     | 4.20     | 3.76     |
| Diluted earnings per common share                      | 5.03     | 4.98     | 3.41     | 4.09     | 3.69     |
| Return on average tangible assets                      | 1.27%    | 1.46%    | 1.07%    | 1.40%    | 1.34%    |
| Return on average tangible common shareholders' equity | 25.03    | 27.34    | 20.70    | 26.80    | 23.65    |
| Ending tangible equity to tangible assets              | 5.48     | 4.92     | 5.18     | 5.19     | 6.31     |

|                             |            |            |            |            |            |
|-----------------------------|------------|------------|------------|------------|------------|
| Balance sheet (at year end) |            |            |            |            |            |
| Total loans and leases      | \$ 392,193 | \$ 370,662 | \$ 357,328 | \$ 342,140 | \$ 317,709 |
| Total assets                | 642,191    | 632,574    | 617,679    | 570,983    | 477,702    |
| Total deposits              | 364,244    | 347,273    | 357,260    | 346,297    | 309,100    |
| Long-term debt              | 67,547     | 55,486     | 45,888     | 42,887     | 40,041     |
| Trust preferred securities  | 4,955      | 4,955      | 4,954      | 4,578      | 2,942      |
| Common shareholders' equity | 47,556     | 44,355     | 45,866     | 43,907     | 35,429     |
| Total shareholders' equity  | 47,628     | 44,432     | 45,938     | 44,584     | 37,793     |

Risk-based capital

|  |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|
| ratios (at year end) (/3/)             |          |          |          |          |          |
| Tier 1 capital                         | 7.50%    | 7.35%    | 7.06%    | 6.50%    | 7.76%    |
| Total capital                          | 11.04    | 10.88    | 10.94    | 10.89    | 12.66    |
| Leverage ratio                         | 6.12     | 6.26     | 6.22     | 5.57     | 7.09     |
| -----                                  |          |          |          |          |          |
| Market price per share of common stock |          |          |          |          |          |
| Closing                                | \$ 45.88 | \$ 50.19 | \$ 60.13 | \$ 60.81 | \$ 48.88 |
| High                                   | 61.00    | 76.38    | 88.44    | 71.69    | 52.63    |
| Low                                    | 36.31    | 47.63    | 44.00    | 48.00    | 32.19    |
| -----                                  |          |          |          |          |          |

</TABLE>

- (1) Operating basis excludes merger and restructuring charges.  
(2) Cash basis calculations exclude goodwill and other intangible assets and the related amortization expense.  
(3) Ratios prior to 1998 have not been restated to reflect the impact of the BankAmerica and Barnett mergers.

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#### Business Segment Operations

The Corporation provides a diversified range of banking and nonbanking financial services and products through its various subsidiaries. In 2000, the Corporation realigned its business segments to report the results of the Corporation's operations through four business segments: Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking and Equity Investments.

The business segments summarized in Table Two are primarily managed with a focus on various performance measures including total revenue, net income, shareholder value added (SVA), return on average equity and efficiency. These performance measures are also presented on a cash basis which excludes the impact of goodwill and other intangible assets and their related amortization expense. Total revenue includes net interest income on a taxable-equivalent basis and noninterest income. The net interest yield of the business segments reflects the results of a funds transfer pricing process which derives net interest income by matching assets and liabilities with similar interest rate sensitivity and maturity characteristics. Equity is allocated to each business segment based on an assessment of its inherent risk. SVA is a new performance measure that is better aligned with the Corporation's growth strategy orientation and strengthens the Corporation's focus on generating shareholder value. SVA is defined as cash basis operating earnings less a charge for the use of capital. The capital charge is calculated by multiplying 12 percent (management's estimate of the shareholder's minimum required rate of return on capital invested) by average total common shareholders' equity (at the Corporation level) and by average allocated equity (at the business segment level).

See Note Nineteen of the consolidated financial statements for additional business segment information and reconciliations to consolidated amounts. Additional information on noninterest income can be found in the "Noninterest Income" section beginning on page 25. Certain prior period amounts have been reclassified between segments and their components (presented after Table Two) to conform to the current period presentation.

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Table Two  
Business Segment Summary

<TABLE>

<CAPTION>

For the year ended  
December 31

|                                     | Consumer and<br>Commercial<br>Banking (/2/) |           | Asset<br>Management (/2/) |        | Global Corporate<br>and Investment<br>Banking (/2/) |          | Equity<br>Investments (/2/) |         |
|-------------------------------------|---|-----------|---------------------------|--------|---|----------|-----------------------------|---------|
| (Dollars in millions)               | 2000  | 1999      | 2000                      | 1999   | 2000  | 1999     | 2000                        | 1999    |
| -----                               |   |           |                           |        |   |          |                             |         |
| <S>                                 | <C>   | <C>       | <C>                       | <C>    | <C>   | <C>      | <C>                         | <C>     |
| Net interest income (/1/)           | \$ 13,656                                   | \$ 13,681 | \$ 641                    | \$ 580 | \$ 4,278  | \$ 3,904 | \$ (143)                    | \$ (89) |
| Noninterest income                  | 6,965                                       | 7,398     | 1,643                     | 1,561  | 4,687   | 4,338    | 1,007                       | 775     |
| -----                               |   |           |                           |        |   |          |                             |         |
| Total revenue                       | 20,621                                      | 21,079    | 2,284                     | 2,141  | 8,965   | 8,242    | 864                         | 686     |
| Net income                          | 4,643                                       | 4,756     | 601                       | 510    | 2,052   | 2,292    | 460                         | 330     |
| Cash basis earnings                 | 5,311                                       | 5,450     | 625                       | 535    | 2,213   | 2,450    | 471                         | 341     |
| Shareholder value added             | 2,417                                       | 2,593     | 413                       | 330    | 556   | 848      | 243                         | 176     |
| Net interest yield                  | 4.82%                                       | 5.24%     | 2.78%                     | 2.98%  | 2.07%   | 2.13%    | n/m                         | n/m     |
| Average equity to<br>average assets | 7.77  | 8.26      | 7.41                      | 8.39   | 5.64  | 6.14     | 34.70%                      | 36.44%  |
| Return on average equity            | 19.2  | 20.0      | 34.0                      | 29.9   | 14.9  | 17.2     | 24.3                        | 24.1    |

|                             |           |           |          |          |           |           |        |        |
|-----------------------------|-----------|-----------|----------|----------|-----------|-----------|--------|--------|
| Return on tangible equity   | 27.4      | 29.1      | 39.3     | 35.3     | 17.7      | 20.4      | 25.9   | 26.3   |
| Efficiency ratio            | 55.8      | 57.0      | 55.0     | 57.6     | 57.1      | 55.9      | 12.7   | 18.6   |
| Cash basis efficiency ratio | 52.6      | 53.7      | 53.9     | 56.4     | 55.3      | 54.0      | 11.4   | 17.0   |
| Average:                    |           |           |          |          |           |           |        |        |
| Total loans and leases      | \$258,848 | \$235,966 | \$22,130 | \$18,725 | \$111,323 | \$108,246 | \$ 436 | \$ 309 |
| Total deposits              | 255,153   | 251,580   | 11,366   | 11,405   | 69,980    | 65,057    | 14     | 9      |
| Total assets                | 310,457   | 288,298   | 23,814   | 20,306   | 244,893   | 217,498   | 5,460  | 3,768  |
| Year end:                   |           |           |          |          |           |           |        |        |
| Total loans and leases      | \$256,666 | \$243,580 | \$23,717 | \$20,601 | \$111,295 | \$106,203 | \$ 497 | \$ 402 |
| Total deposits              | 262,202   | 254,596   | 12,360   | 11,173   | 70,108    | 64,708    | 35     | 3      |
| Total assets                | 314,207   | 295,785   | 26,302   | 22,040   | 225,080   | 222,458   | 6,703  | 4,914  |

</TABLE>

n/m = not meaningful

(1) Net interest income is presented on a taxable-equivalent basis.

(2) There were no material intersegment revenues among the four business segments.

#### Consumer and Commercial Banking

Consumer and Commercial Banking provides a wide array of products and services to individuals, small businesses and middle market companies through multiple delivery channels.

The Corporation's market share in the consumer and commercial businesses is significant across some of the fastest growing regions of the United States. The Corporation continues its strategy of focusing entirely on the customer in terms of sales and service. The results in 2000 also reflect the Corporation's continued focus on Card Services as a growth area as end of period managed consumer card outstandings increased 16 percent, debit and credit card purchase volume increased 17 percent and merchant processing volume increased 18 percent. The Corporation also experienced success in the middle market banking business by providing more investment banking services to its commercial customer base.

#### Consumer and Commercial Banking

<TABLE>

<CAPTION>

| (Dollars in millions)       | Year Ended<br>December 31 |          |
|-----------------------------|---------------------------|----------|
|                             | 2000                      | 1999     |
| <S>                         | <C>                       | <C>      |
| Net interest income         | \$13,656                  | \$13,681 |
| Noninterest income          | 6,965                     | 7,398    |
| Total revenue               | 20,621                    | 21,079   |
| Cash basis earnings         | 5,311                     | 5,450    |
| Shareholder value added     | 2,417                     | 2,593    |
| Cash basis efficiency ratio | 52.6%                     | 53.7%    |

</TABLE>

- Total revenue included charges related to the deterioration of auto lease residual values of \$455 million and \$71 million in 2000 and 1999, respectively. Net interest income and noninterest income included auto lease residual charges of \$155 million and \$300 million, respectively, in 2000 and \$48 million and \$23 million, respectively, in 1999.

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- Net interest income was essentially flat as loan growth of five percent was offset by spread compression and higher auto lease residual charges.
- Strong card income growth of 11 percent and higher service charges for the year were offset by higher auto lease residual charges, lower mortgage servicing income and lower gains on loan sales and securitizations. The decline in mortgage servicing income was the result of an adjustment to mortgage servicing rights in the prior year to reflect lower expected mortgage prepayments.
- Excluding auto lease residual charges in 2000 and 1999, cash basis earnings for the year ended December 31, 2000 rose two percent due to a decline in expenses.
- Noninterest expense was down four percent due to productivity and growth initiatives even as the Corporation increased investments in Card Services, e-commerce and marketing.
- The provision for credit losses decreased four percent due to improved

credit quality in the credit card portfolio, partially offset by credit deterioration within commercial banking.

The major components of Consumer and Commercial Banking are Banking Regions, Consumer Products and Commercial Banking.

#### Banking Regions

Banking Regions serves consumer households in 21 states and the District of Columbia and overseas through its extensive network of approximately 4,500 banking centers, 13,000 ATMs, telephone and Internet channels on [www.bankofamerica.com](http://www.bankofamerica.com). Banking Regions provides a wide array of products and services, including deposit products such as checking, money market savings accounts, time deposits and IRAs, and credit products such as home equity, mortgage, personal auto loans and auto leasing. Banking Regions also includes small business banking providing treasury management, credit services, community investment, debit card, e-commerce and brokerage services to over two million small business relationships across the franchise.

#### Banking Regions

<TABLE>

<CAPTION>

|                             | Year Ended<br>December 31 |         |
|-----------------------------|---------------------------|---------|
| (Dollars in millions)       | 2000                      | 1999    |
| <S>                         | <C>                       | <C>     |
| Net interest income         | \$8,456                   | \$8,437 |
| Noninterest income          | 3,584                     | 3,415   |
| Total revenue               | 12,040                    | 11,852  |
| Cash basis earnings         | 3,095                     | 2,898   |
| Shareholder value added     | 1,739                     | 1,488   |
| Cash basis efficiency ratio | 57.8%                     | 61.5%   |

</TABLE>

- . Total revenue for the year ended December 31, 2000 increased two percent primarily due to a rise in noninterest income while net interest income remained essentially unchanged.
- . Loan growth, primarily in home equity lending, and deposit growth had a positive effect on net interest income but was offset by spread compression and 1999 loan sales.
- . Noninterest income increased five percent primarily due to a 44 percent increase in card income driven by a higher number of active debit cards and a higher number of debit card transactions per account and an increase in consumer service charges of five percent throughout all Banking Regions.
- . Cash basis earnings increased seven percent for the year ended December 31, 2000, primarily attributable to a decrease in noninterest expense. The decrease in noninterest expense was driven by merger-related savings and lower one-time merger transition costs.

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#### Consumer Products

Consumer Products provides specialized services such as the origination and servicing of residential mortgage loans, issuance and servicing of credit cards, direct banking via telephone and Internet, student lending and certain insurance services. Consumer Products also provides auto loans, retail finance programs to dealerships and lease financing of new and used cars.

#### Consumer Products

<TABLE>

<CAPTION>

|                       | Year Ended<br>December 31 |         |
|-----------------------|---------------------------|---------|
| (Dollars in millions) | 2000                      | 1999    |
| <S>                   | <C>                       | <C>     |
| Net interest income   | \$3,108                   | \$3,091 |
| Noninterest income    | 2,447                     | 3,102   |
| Total revenue         | 5,555                     | 6,193   |
| Cash basis earnings   | 1,456                     | 1,628   |

|                             |       |       |
|-----------------------------|-------|-------|
| Shareholder value added     | 434   | 681   |
| Cash basis efficiency ratio | 44.0% | 42.8% |

</TABLE>

- . Net interest income remained essentially unchanged year-over-year as loan growth was offset by charges related to the deterioration of auto lease residual values.
- . Managed Consumer Card Services' core business experienced 10 percent growth in core noninterest income primarily due to a 10 percent increase in its average core loan portfolio. This increase was offset by higher auto lease residual charges, lower mortgage servicing income and gains on loan sales and securitizations in 1999.
- . The four percent increase in cash basis earnings for the year ended December 31, 2000, excluding auto lease residual charges in 2000 and 1999, was primarily due to a decrease in noninterest expense.
- . Noninterest expense decreased seven percent and was driven by expense reduction initiatives.
- . The provision for credit losses decreased 20 percent primarily due to improved credit quality in the credit card portfolio.

#### Commercial Banking

Commercial Banking provides commercial lending and treasury management services to middle market companies with annual revenue between \$10 million and \$500 million. These services are available through relationship manager teams as well as through alternative channels such as the telephone via the commercial service center and the Internet by accessing Bank of America Direct.

#### Commercial Banking

<TABLE>

<CAPTION>

|                             | Year Ended<br>December 31 |         |
|-----------------------------|---------------------------|---------|
| (Dollars in millions)       | 2000                      | 1999    |
| <S>                         | <C>                       | <C>     |
| Net interest income         | \$2,092                   | \$2,153 |
| Noninterest income          | 934                       | 881     |
| Total revenue               | 3,026                     | 3,034   |
| Cash basis earnings         | 760                       | 924     |
| Shareholder value added     | 244                       | 424     |
| Cash basis efficiency ratio | 47.8%                     | 45.9%   |

</TABLE>

- . Noninterest income increased six percent and was offset by a three percent decrease in net interest income. Total revenue for the year ended December 31, 2000 remained essentially unchanged.
- . The increase in noninterest income was attributable to higher middle market investment banking fees and higher corporate service charges.
- . Net interest income decreased primarily due to spread compression.

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- . An increase in the provision for credit losses and higher noninterest expense resulted in an 18 percent decline in cash basis earnings for the year ended December 31, 2000.
- . The provision for credit losses more than doubled as a result of credit deterioration in the commercial- domestic loan portfolio.
- . Noninterest expense increased three percent primarily due to higher expenses related to the increase in the middle market investment banking business.

#### Asset Management

Asset Management includes the Private Bank, Banc of America Capital Management and Banc of America Investment Services, Inc. The Private Bank offers financial solutions to high-net-worth clients and foundations in the U.S. and internationally by providing customized asset management and credit, financial advisory, fiduciary, trust and banking services. Banc of America Capital Management offers management of equity, fixed income, cash, and alternative investments; manages the assets of individuals, corporations, municipalities,



foundations and universities, and public and private institutions; and provides advisory services to the Corporation's affiliated family of mutual funds. Banc of America Investment Services, Inc. provides both full-service and discount brokerage services through investment professionals located throughout the franchise and a brokerage web site that provides customers a wide array of market analyses, investment research and self-help tools, account information and transaction capabilities.

The Corporation's strategy to focus on and grow the asset management business is evident in the results for 2000. The 12 percent growth in assets under management since December 31, 1999 and the seven percent growth in revenue for the year ended December 31, 2000 reveal that customers are buying more investment products from the Corporation's Asset Management group. Assets under management rose \$30 billion to \$277 billion at December 31, 2000 compared to December 31, 1999. Assets of the Nations Funds family of mutual funds reached \$107 billion at December 31, 2000, driven by increases in equity, fixed income and money market funds.

Effective January 2, 2001, the Corporation acquired the remaining 50 percent of Marsico Capital Management LLC (Marsico) for a total investment of \$1.1 billion. The Corporation acquired the first 50 percent in 1999. Marsico is a Denver-based investment management firm specializing in large capitalization growth stocks. Marsico manages \$15 billion in assets and has experienced compounded annual revenue growth of over 460 percent since its inception in 1997. The Corporation expects Marsico to benefit the Corporation's marketing of investment capabilities to financial intermediaries and institutional clients.

#### Asset Management

<TABLE>  
<CAPTION>

|                             | Year Ended<br>December 31 |        |
|-----------------------------|---------------------------|--------|
| (Dollars in millions)       | 2000                      | 1999   |
| <S>                         | <C>                       | <C>    |
| Net interest income         | \$ 641                    | \$ 580 |
| Noninterest income          | 1,643                     | 1,561  |
| Total revenue               | 2,284                     | 2,141  |
| Cash basis earnings         | 625                       | 535    |
| Shareholder value added     | 413                       | 330    |
| Cash basis efficiency ratio | 53.9%                     | 56.4%  |

</TABLE>

- . Total revenue increased seven percent for the year ended December 31, 2000. The increase was attributable to increases in both net interest income and noninterest income.
- . Net interest income increased 11 percent due to strong loan growth in the commercial loan portfolio.
- . Noninterest income increased five percent primarily due to increased investment and brokerage fees driven by new asset management business and market growth combined with productivity increases in consumer brokerage, partially offset by gains in 1999 on the disposition of certain businesses.

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- . Cash basis earnings increased 17 percent for the year ended December 31, 2000.
- . The increase in total revenue discussed above was partially offset by an increase in noninterest expense.
- . Noninterest expense increased two percent reflecting one-time business divestiture expenditures in 2000 and significant investments in new private banking offices and in sales personnel throughout the asset management businesses during the year.

#### Global Corporate and Investment Banking

Global Corporate and Investment Banking provides a broad array of financial services such as investment banking, trade finance, treasury management, capital markets, leasing and financial advisory services to domestic and international corporations, financial institutions and government entities. Clients are supported through offices in 37 countries in four distinct geographic regions: U.S. and Canada; Asia; Europe, Middle East and Africa; and Latin America. Products and services provided include loan origination, merger and acquisition advisory, debt and equity underwriting and trading, cash management, derivatives, foreign exchange, leasing, leveraged finance, project

finance, real estate finance, senior bank debt, structured finance and trade services.

The Corporation continues to focus on the investment banking business and continues to see success in building investment banking capabilities off of its strong corporate banking base. This success is evident in the growth in investment banking income in 2000 and Banc of America Securities LLC's top ten U.S. league table rankings in all key product areas.

#### Global Corporate and Investment Banking

<TABLE>

<CAPTION>

|                             | Year Ended<br>December 31 |         |
|-----------------------------|---------------------------|---------|
|                             | -----                     |         |
| (Dollars in millions)       | 2000                      | 1999    |
| -----                       | -----                     | -----   |
| <S>                         | <C>                       | <C>     |
| Net interest income         | \$4,278                   | \$3,904 |
| Noninterest income          | 4,687                     | 4,338   |
| -----                       | -----                     | -----   |
| Total revenue               | 8,965                     | 8,242   |
| Cash basis earnings         | 2,213                     | 2,450   |
| Shareholder value added     | 556                       | 848     |
| Cash basis efficiency ratio | 55.3%                     | 54.0%   |
| -----                       | -----                     | -----   |

</TABLE>

- . For the year ended December 31, 2000, total revenue increased nine percent due to growth in both net interest income and noninterest income. This growth was the result of the success in investment banking activities and an increase in trading account profits driven by very favorable market conditions in the first quarter of 2000.
- . Net interest income increased 10 percent as a result of higher trading-related activities and increases in the commercial-domestic loan portfolio.
- . Noninterest income increased eight percent due to continued growth in equities and equity derivatives trading, equity underwriting and advisory services.
- . Cash basis earnings decreased 10 percent for the year ended December 31, 2000 primarily due to an increase in noninterest expense and provision for credit losses.
- . Higher revenue was offset by an 11 percent increase in noninterest expense primarily from higher revenue-related incentive compensation, costs related to the rationalization of operations in Colombia and Venezuela and gains on sales of other assets in the prior year.
- . The provision for credit losses increased \$553 million due to credit quality deterioration in the commercial-domestic loan portfolio of Global Credit Products.

Global Corporate and Investment Banking offers clients a comprehensive range of global capabilities through four components: Global Credit Products, Global Capital Raising, Global Markets, and Global Treasury Services.

#### Global Credit Products

Global Credit Products provides credit and lending services and includes the corporate industry-focused portfolio, real estate, leasing and project finance.

#### Global Credit Products

<TABLE>

<CAPTION>

|                       | Year Ended<br>December 31 |         |
|-----------------------|---------------------------|---------|
|                       | -----                     |         |
| (Dollars in millions) | 2000                      | 1999    |
| -----                 | -----                     | -----   |
| <S>                   | <C>                       | <C>     |
| Net interest income   | \$2,486                   | \$2,478 |
| Noninterest income    | 580                       | 632     |
| -----                 | -----                     | -----   |
| Total revenue         | 3,066                     | 3,110   |
| Cash basis earnings   | 1,112                     | 1,511   |

|                             |       |       |
|-----------------------------|-------|-------|
| Shareholder value added     | 101   | 530   |
| Cash basis efficiency ratio | 23.5% | 21.6% |

</TABLE>

- Net interest income remained essentially unchanged primarily from slight loan growth offset by narrower spreads. Lower fees in real estate banking activities drove the decline in other income causing a decrease of eight percent in noninterest income. For the year ended December 31, 2000, total revenue declined two percent.
- A \$518 million increase in the provision for credit losses was driven by credit deterioration in the commercial-domestic portfolio, including write-downs of several large credits in various industries, and resulted in a 26 percent decline in cash basis earnings.

#### Global Capital Raising

Global Capital Raising includes the Corporation's investment banking activities. Through a separate subsidiary, Banc of America Securities LLC, Global Capital Raising underwrites and makes markets in equity securities, high-grade and high-yield corporate debt securities, commercial paper, and mortgage-backed and asset-backed securities. Banc of America Securities LLC also provides correspondent clearing services for other securities broker/dealers, traditional brokerage services to high-net-worth individuals and prime-brokerage services. Debt and equity securities research, loan syndications, mergers and acquisitions advisory services, private placements and equity derivatives are also provided through Banc of America Securities LLC.

#### Global Capital Raising

<TABLE>  
<CAPTION>

|                             | Year Ended<br>December 31 |        |
|-----------------------------|---------------------------|--------|
| (Dollars in millions)       | 2000                      | 1999   |
| <S>                         | <C>                       | <C>    |
| Net interest income         | \$ 466                    | \$ 204 |
| Noninterest income          | 2,371                     | 1,856  |
| Total revenue               | 2,837                     | 2,060  |
| Cash basis earnings         | 412                       | 212    |
| Shareholder value added     | 66                        | (58)   |
| Cash basis efficiency ratio | 77.7%                     | 87.2%  |

</TABLE>

- Total revenue grew 38 percent for the year ended December 31, 2000 due primarily to the continued growth and success of the investment banking platform.
- Net interest income more than doubled as revenues increased to \$466 million primarily from higher equities and equity derivatives trading.
- Noninterest income rose 28 percent driven by a significant increase in both equity and equity derivative trading account profits and higher investment banking income. The growth in investment banking income was driven by increases in equity underwriting and advisory services while fixed income remained flat reflecting market conditions.
- Cash basis earnings nearly doubled with a \$200 million increase for the year ended December 31, 2000, representing almost 19 percent of the total cash basis earnings of Global Corporate and Investment Banking. These results were led by revenue growth partially offset by the increase in non-interest expense due to higher revenue-related incentive compensation and the expansion of the investment banking platform.

#### Global Markets

Global Markets provides risk management solutions for a global customer base using interest rate and credit derivatives, foreign exchange products, commodity derivatives and mortgage-related products. In support of these activities, the businesses will take positions in these products and capitalize on market-making activities. The Global Markets business also takes an active role in the trading of fixed income securities in all of the regions in which Global Corporate and Investment Banking transacts business and is a primary dealer in the U.S., as well as in several international locations.

#### Global Markets

<TABLE>  
<CAPTION>

|                             | Year Ended<br>December 31 |        |
|-----------------------------|---------------------------|--------|
| (Dollars in millions)       | 2000                      | 1999   |
| <S>                         | <C>                       | <C>    |
| Net interest income         | \$ 731                    | \$ 600 |
| Noninterest income          | 976                       | 1,104  |
| Total revenue               | 1,707                     | 1,704  |
| Cash basis earnings         | 454                       | 511    |
| Shareholder value added     | 274                       | 269    |
| Cash basis efficiency ratio | 58.2%                     | 55.6%  |

</TABLE>

- . Net interest income increased 22 percent for the year ended December 31, 2000. This was offset by a 12 percent decrease in noninterest income, resulting in total revenue remaining essentially unchanged.
- . The increase in net interest income was driven by trading strategies which resulted in balance sheet positions that had a favorable impact on interest rate contract trading.
- . Noninterest income declined due to lower trading account profits and other income. The decrease in trading account profits was due to the declines in real estate and emerging markets sectors. The decrease in other income was driven by a reduction in an equity investment from the prior year.
- . Cash basis earnings declined 11 percent for the year ended December 31, 2000 due to an increase in noninterest expense of five percent. The increase in noninterest expense was a result of higher revenue-related incentive compensation, primarily in derivatives and due to competitive pressures.

#### Global Treasury Services

Global Treasury Services provides the technology, strategies and integrated solutions to help financial institutions, government agencies and public and private companies of all sizes manage their operations and cash flows on a local, regional, national and global level.

#### Global Treasury Services

<TABLE>  
<CAPTION>

|                             | Year Ended<br>December 31 |        |
|-----------------------------|---------------------------|--------|
| (Dollars in millions)       | 2000                      | 1999   |
| <S>                         | <C>                       | <C>    |
| Net interest income         | \$ 595                    | \$ 622 |
| Noninterest income          | 760                       | 746    |
| Total revenue               | 1,355                     | 1,368  |
| Cash basis earnings         | 235                       | 216    |
| Shareholder value added     | 115                       | 107    |
| Cash basis efficiency ratio | 77.1%                     | 75.4%  |

</TABLE>

- . Noninterest income increased two percent for the year ended December 31, 2000 driven by an increase in corporate service charges. Offsetting this increase was a four percent decline in net interest income due to interest rate positions on U.S. deposits and narrower spreads on offshore deposits. The result was a one percent decline in revenue.
- . The increase in cash basis earnings of nine percent for the year ended December 31, 2000 was a result of a lower provision for credit losses driven by credit upgrades and declining emerging markets exposure.

#### Equity Investments

Equity Investments includes Principal Investing, which formerly was a component of Global Corporate and Investment Banking. Principal Investing is comprised of a diversified portfolio of companies at all stages of the business

cycle, from start up to buyout. Investments are made on both a direct and indirect basis in the U.S. and overseas. Direct investing activity focuses on playing an active role in the strategic and financial direction of the portfolio company as well as providing broad business experience and access to the Corporation's global resources. Indirect investments represent passive limited partnership stakes in funds managed by experienced third party private equity investors who act as general partners. Equity Investments also includes the Corporation's strategic technology and alliances investment portfolio in addition to other parent company investments.

#### Equity Investments

<TABLE>

<CAPTION>

|                             | Year Ended<br>December 31 |         |
|-----------------------------|---------------------------|---------|
| (Dollars in millions)       | 2000                      | 1999    |
| <S>                         | <C>                       | <C>     |
| Net interest income         | \$ (143)                  | \$ (89) |
| Noninterest income          | 1,007                     | 775     |
| Total revenue               | 864                       | 686     |
| Cash basis earnings         | 471                       | 341     |
| Shareholder value added     | 243                       | 176     |
| Cash basis efficiency ratio | 11.4%                     | 17.0%   |

</TABLE>

- For the year ended December 31, 2000, both revenue and cash basis earnings were up substantially. Total revenue growth was 26 percent and cash basis earnings increased 38 percent.
- Net interest income consists primarily of the funding cost associated with the carrying value of investments.
- Equity investment gains increased \$247 million to \$993 million and included principal investing gains of \$836 million and gains in the strategic technology and alliances area of \$232 million.

## Results of Operations

### Net Interest Income

An analysis of the Corporation's net interest income on a taxable-equivalent basis and average balance sheet for the last three years and most recent five quarters is presented in Tables Four and Twenty-Four, respectively. The changes in net interest income from year to year are analyzed in Table Five.

As reported, net interest income on a taxable-equivalent basis increased \$312 million to \$18.8 billion in 2000 compared to 1999. Management also reviews "core net interest income," which adjusts reported net interest income for the impact of trading-related activities, securitizations, asset sales and divestitures. For purposes of internal analysis, management combines trading-related net interest income with trading account profits, as discussed in the "Noninterest Income" section on page 27, as trading strategies are typically evaluated based on total revenue. The determination of core net interest income also requires adjustment for the impact of securitizations (primarily home equity and credit card), asset sales (primarily residential mortgage and commercial real estate loans) and divestitures. Net interest income associated with assets that have been securitized is predominantly offset in noninterest income, as the Corporation takes on the role of servicer and records servicing income and gains on securitizations, where appropriate.

Table Three below provides a reconciliation between net interest income on a taxable-equivalent basis presented in Table Four and core net interest income for the year ended December 31:

Table Three

<TABLE>

| (Dollars in millions)  | 2000      | 1999      | Change |
|--|-----------|-----------|--------|
| <S>  | <C>       | <C>       | <C>    |
| Net interest income  |           |           |        |
| As reported(1/)  | \$ 18,764 | \$ 18,452 | 1.69%  |
| Less: Trading-related net interest income                    | (1,028)   | (653)     |        |
| Add: Impact of securitizations, asset sales and divestitures | 596       | 246       |        |



|   |           |        |       |           |        |       |           |        |       |
|---|-----------|--------|-------|-----------|--------|-------|-----------|--------|-------|
| consumer  | 41,476    | 3,446  | 8.31  | 42,274    | 3,469  | 8.21  | 40,204    | 3,506  | 8.72  |
| Consumer finance  | 24,395    | 2,160  | 8.85  | 18,752    | 1,670  | 8.91  | 14,368    | 1,529  | 10.64 |
| Bankcard  | 10,279    | 1,241  | 12.07 | 9,778     | 1,134  | 11.59 | 12,960    | 1,638  | 12.64 |
| Foreign consumer  | 2,223     | 195    | 8.77  | 3,339     | 316    | 9.45  | 3,397     | 357    | 10.51 |
| Total consumer  | 188,956   | 15,544 | 8.23  | 169,243   | 13,524 | 7.99  | 157,900   | 13,651 | 8.65  |
| Total loans and leases  | 392,622   | 32,064 | 8.17  | 362,783   | 27,673 | 7.63  | 347,840   | 28,421 | 8.17  |
| Other earning assets  | 10,812    | 926    | 8.57  | 11,875    | 881    | 7.41  | 10,504    | 786    | 7.49  |
| Total earning assets (/3/)  | 583,467   | 43,580 | 7.47  | 531,511   | 37,538 | 7.06  | 499,739   | 38,751 | 7.75  |
| Cash and cash equivalents   | 24,766    |        |       | 25,766    |        |       | 24,907    |        |       |
| Other assets, less allowance for credit losses  | 63,340    |        |       | 59,561    |        |       | 59,841    |        |       |
| Total assets  | \$671,573 |        |       | \$616,838 |        |       | \$584,487 |        |       |
| Interest-bearing liabilities  |           |        |       |           |        |       |           |        |       |
| Domestic interest-bearing deposits:   |           |        |       |           |        |       |           |        |       |
| Savings   | \$ 23,452 | 314    | 1.34  | \$ 23,655 | 300    | 1.27  | \$ 22,692 | 421    | 1.86  |
| NOW and money market deposit accounts   | 99,927    | 2,941  | 2.94  | 98,649    | 2,374  | 2.41  | 96,541    | 2,536  | 2.63  |
| Consumer CDs and IRAs   | 77,409    | 4,208  | 5.44  | 74,010    | 3,534  | 4.78  | 74,655    | 3,915  | 5.24  |
| Negotiable CDs, public funds and other time deposits  | 7,626     | 481    | 6.31  | 6,646     | 361    | 5.44  | 7,604     | 414    | 5.44  |
| Total domestic interest-bearing deposits  | 208,414   | 7,944  | 3.81  | 202,960   | 6,569  | 3.24  | 201,492   | 7,286  | 3.62  |
| Foreign interest-bearing deposits (/4/):  |           |        |       |           |        |       |           |        |       |
| Banks located in foreign countries  | 18,788    | 1,130  | 6.01  | 16,301    | 802    | 4.92  | 24,587    | 1,405  | 5.72  |
| Governments and official institutions   | 8,922     | 513    | 5.75  | 7,884     | 400    | 5.08  | 10,517    | 590    | 5.61  |
| Time, savings and other   | 26,024    | 1,423  | 5.47  | 25,949    | 1,231  | 4.74  | 24,261    | 1,530  | 6.30  |
| Total foreign interest-bearing deposits   | 53,734    | 3,066  | 5.71  | 50,134    | 2,433  | 4.85  | 59,365    | 3,525  | 5.94  |
| Total interest-bearing deposits   | 262,148   | 11,010 | 4.20  | 253,094   | 9,002  | 3.56  | 260,857   | 10,811 | 4.14  |
| Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings | 131,492   | 7,957  | 6.05  | 116,150   | 5,826  | 5.02  | 90,630    | 5,239  | 5.78  |
| Trading account liabilities   | 23,843    | 892    | 3.74  | 15,458    | 658    | 4.26  | 17,472    | 895    | 5.12  |
| Long-term debt (/5/)  | 70,293    | 4,957  | 7.05  | 57,574    | 3,600  | 6.25  | 49,969    | 3,345  | 6.69  |
| Total interest-bearing liabilities (/6/)  | 487,776   | 24,816 | 5.09  | 442,276   | 19,086 | 4.32  | 418,928   | 20,290 | 4.84  |
| Noninterest-bearing sources:  |           |        |       |           |        |       |           |        |       |
| Noninterest-bearing deposits  | 91,146    |        |       | 88,654    |        |       | 84,628    |        |       |
| Other liabilities   | 45,519    |        |       | 39,307    |        |       | 36,102    |        |       |
| Shareholders' equity  | 47,132    |        |       | 46,601    |        |       | 44,829    |        |       |
| Total liabilities and shareholders' equity  | \$671,573 |        |       | \$616,838 |        |       | \$584,487 |        |       |
| Net interest spread   |           |        | 2.38  |           |        | 2.74  |           |        | 2.91  |
| Impact of noninterest-bearing sources   |           |        | .84   |           |        | .73   |           |        | .78   |
| Net interest income/yield on earning assets   | \$18,764  | 3.22%  |       | \$18,452  | 3.47%  |       | \$18,461  | 3.69%  |       |

</TABLE>

(1) The average balance and yield on available-for-sale 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 taxable-equivalent basis adjustments of \$322, \$215 and \$163 in 2000, 1999 and 1998, respectively. Interest income also includes the impact of risk management interest rate contracts, which increased (decreased) interest income on the underlying assets \$(48), \$306, and \$174 in 2000, 1999 and 1998, respectively.
- (4) Primarily consists of time deposits in denominations of \$100,000 or more.
- (5) Long-term debt includes trust preferred securities.
- (6) Interest expense includes the impact of risk management interest rate contracts, which (increased) decreased interest expense on the underlying liabilities \$(36), \$116 and \$(45) in 2000, 1999, and 1998, respectively.

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Table Five  
Analysis of Changes in Net Interest Income - Taxable-Equivalent Basis

<TABLE>

<CAPTION>

| (Dollars in millions)  | From 1999 to 2000      |       |               | From 1998 to 1999      |         |               |
|--|------------------------|-------|---------------|------------------------|---------|---------------|
|  | Due to Change in (/1/) |       | Net<br>Change | Due to Change in (/1/) |         | Net<br>Change |
|  | Volume                 | Rate  |               | Volume                 | Rate    |               |
| <S>  | <C>                    | <C>   | <C>           | <C>                    | <C>     | <C>           |
| Increase (decrease) in interest income                                 |                        |       |               |                        |         |               |
| Time deposits placed and other short-term investments                  | \$ (20)                | \$ 61 | \$ 41         | \$ (143)               | \$ (76) | \$ (219)      |
| Federal funds sold and securities purchased under agreements to resell | 539                    | 149   | 688           | 299                    | (461)   | (162)         |
| Trading account assets   | 543                    | 106   | 649           | (37)                   | (495)   | (532)         |
| Securities:  |                        |       |               |                        |         |               |
| Available-for-sale   | 263                    | (23)  | 240           | 1,013                  | (490)   | 523           |
| Held-to-maturity   | (17)                   | 5     | (12)          | (180)                  | 10      | (170)         |
| Total securities   |                        |       | 228           |                        |         | 353           |
| Loans and leases:  |                        |       |               |                        |         |               |
| Commercial - domestic  | 750                    | 1,215 | 1,965         | 609                    | (485)   | 124           |
| Commercial - foreign   | (4)                    | 224   | 220           | (115)                  | (234)   | (349)         |
| Commercial real estate - domestic                                      | 29                     | 155   | 184           | (245)                  | (143)   | (388)         |
| Commercial real estate - foreign                                       | 1                      | 1     | 2             | (3)                    | (5)     | (8)           |
| Total commercial   |                        |       | 2,371         |                        |         | (621)         |
| Residential mortgage   | 896                    | 191   | 1,087         | 576                    | 211     | 787           |
| Home equity lines  | 284                    | 196   | 480           | 2                      | (475)   | (473)         |
| Direct/Indirect consumer   | (69)                   | 46    | (23)          | 176                    | (213)   | (37)          |
| Consumer finance   | 500                    | (10)  | 490           | 417                    | (276)   | 141           |
| Bankcard   | 59                     | 48    | 107           | (377)                  | (127)   | (504)         |
| Foreign consumer   | (98)                   | (23)  | (121)         | (6)                    | (35)    | (41)          |
| Total consumer   |                        |       | 2,020         |                        |         | (127)         |
| Total loans and leases   |                        |       | 4,391         |                        |         | (748)         |
| Other earning assets   | (62)                   | 107   | 45            | 102                    | (7)     | 95            |
| Total interest income  |                        |       | 6,042         |                        |         | (1,213)       |
| Increase (decrease) in interest expense                                |                        |       |               |                        |         |               |
| Domestic interest-bearing deposits:                                    |                        |       |               |                        |         |               |
| Savings  | (3)                    | 17    | 14            | 17                     | (138)   | (121)         |
| NOW and money market deposit accounts                                  | 31                     | 536   | 567           | 54                     | (216)   | (162)         |
| Consumer CDs and IRAs  | 167                    | 507   | 674           | (34)                   | (347)   | (381)         |
| Negotiated CDs, public funds and other time deposits                   | 57                     | 63    | 120           | (52)                   | (1)     | (53)          |
| Total domestic interest-bearing deposits                               |                        |       | 1,375         |                        |         | (717)         |
| Foreign interest-bearing deposits:                                     |                        |       |               |                        |         |               |



|   |     |       |        |       |       |         |
|---|-----|-------|--------|-------|-------|---------|
| Banks located in foreign countries  | 133 | 195   | 328    | (427) | (176) | (603)   |
| Governments and official institutions   | 57  | 56    | 113    | (137) | (53)  | (190)   |
| Time, savings and other   | 4   | 188   | 192    | 101   | (400) | (299)   |
| <hr/>   |     |       |        |       |       |         |
| Total foreign interest-bearing deposits   |     |       | 633    |       |       | (1,092) |
| <hr/>   |     |       |        |       |       |         |
| Total interest-bearing deposits   |     |       | 2,008  |       |       | (1,809) |
| <hr/>   |     |       |        |       |       |         |
| Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings | 832 | 1,299 | 2,131  | 1,342 | (755) | 587     |
| Trading account liabilities   | 302 | (68)  | 234    | (96)  | (141) | (237)   |
| Long-term debt  | 860 | 497   | 1,357  | 486   | (231) | 255     |
| <hr/>   |     |       |        |       |       |         |
| Total interest expense  |     |       | 5,730  |       |       | (1,204) |
| <hr/>   |     |       |        |       |       |         |
| Net increase (decrease) in net interest income  |     |       | \$ 312 |       |       | \$ (9)  |

</TABLE>

(1) The changes for each category of interest income and expense are divided between the portion of change attributable to the variance in volume or rate for that category. The amount of change that cannot be separated is allocated to each variance proportionately.

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#### Provision for Credit Losses

The provision for credit losses was \$2.5 billion in 2000 compared to \$1.8 billion in 1999. The increase in the provision for credit losses was primarily due to a deterioration of credit quality in the commercial--domestic loan portfolio and overall portfolio growth. For additional information on the allowance for credit losses, certain credit quality ratios and credit quality information on specific loan categories, see the "Credit Risk Management and Credit Portfolio Review" section on page 35.

#### Gains on Sales of Securities

Gains on sales of securities were \$25 million in 2000 compared to \$240 million in 1999. Securities gains were lower in 2000 as a result of lower sales activity and continued unfavorable market conditions for certain debt securities during the year.

#### Noninterest Income

As presented in Table Six, noninterest income increased \$420 million to \$14.5 billion for the year ended December 31, 2000 from the comparable 1999 period. The increase in noninterest income for the year ended December 31, 2000 reflects increases in trading account profits, card income, equity investment gains, service charges, investment and brokerage services and investment banking income. These increases were partially offset by declines in other income and mortgage servicing income.

Table Six  
Noninterest Income

| <TABLE>                                     |          |          |                      |         |
|---|----------|----------|----------------------|---------|
| <CAPTION>                                   |          |          |                      |         |
|   |          |          | Increase/ (Decrease) |         |
| (Dollars in millions)                       | 2000     | 1999     | Amount               | Percent |
| -----                                       |          |          |                      |         |
| <S>   | <C>      | <C>      | <C>                  | <C>     |
| Consumer service charges                    | \$ 2,654 | \$ 2,550 | \$ 104               | 4.1%    |
| Corporate service charges                   | 1,946    | 1,849    | 97                   | 5.2     |
| -----                                       |          |          |                      |         |
| Total service charges                       | 4,600    | 4,399    | 201                  | 4.6     |
| -----                                       |          |          |                      |         |
| Consumer investment and brokerage services  | 1,466    | 1,334    | 132                  | 9.9     |
| Corporate investment and brokerage services | 463      | 414      | 49                   | 11.8    |
| -----                                       |          |          |                      |         |
| Total investment and brokerage services     | 1,929    | 1,748    | 181                  | 10.4    |

|                           |          |          |        |        |
|---------------------------|----------|----------|--------|--------|
| Mortgage servicing income | 560      | 673      | (113)  | (16.8) |
| Investment banking income | 1,512    | 1,411    | 101    | 7.2    |
| Equity investment gains   | 1,054    | 833      | 221    | 26.5   |
| Card income               | 2,229    | 2,006    | 223    | 11.1   |
| Trading account profits   | 1,830    | 1,495    | 335    | 22.4   |
| Other income              | 775      | 1,504    | (729)  | (48.5) |
| Total                     | \$14,489 | \$14,069 | \$ 420 | 3.0%   |

</TABLE>

The following section discusses the noninterest income results of the Corporation's four business segments, as well as other income for the total Corporation. For additional business segment information, see "Business Segment Operations" beginning on page 13.

#### Consumer and Commercial Banking

- Noninterest income for Consumer and Commercial Banking decreased \$433 million to \$7.0 billion for the year ended December 31, 2000. The increase in card income and higher service charges were offset by \$300 million in charges related to the deterioration in auto lease residual values, the impact of divestitures and one-time gains in the prior year, lower mortgage servicing income and lower gains on loan sales and securitizations.
- Card income includes merchant discount, credit card and debit card fees and interchange income. Card income increased \$223 million to \$2.2 billion primarily due to increased purchase volume due to a higher number of active debit and credit card accounts. Growth in income for the core portfolio is being generated through traditional marketing channels, expanding relationships with existing cus-

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tomers and leveraging the franchise network. Card income includes activity from the securitized portfolio of \$209 million and \$237 million for the years ended December 31, 2000 and 1999, respectively. These amounts are primarily made up of revenues from the securitized credit card portfolio offset by charge-offs and interest expense paid to the bondholders. Lower levels of securitizations slightly offset by favorable charge-off trends in 2000 primarily caused the \$28 million decrease.

- Service charges include deposit account service charges, non-deposit service charges and fees, bankers' acceptances and letters of credit fees and fees on factored accounts receivable. Service charges increased \$136 million to \$3.5 billion for the year ended December 31, 2000 due to an increase in both consumer and corporate service charges. Consumer service charges increased \$101 million primarily due to overdraft charges and general banking service fees. Corporate service charges increased \$35 million primarily attributable to overdraft charges and bankers' acceptances and letters of credit fee income.
- Mortgage servicing income decreased \$113 million to \$560 million for the year ended December 31, 2000, primarily reflecting an adjustment in the prior year to mortgage servicing rights to reflect lower expected mortgage prepayments. The average managed portfolio of mortgage loans serviced increased \$37.7 billion to \$328.7 billion. Total production of first mortgage loans originated through the Corporation decreased \$24.3 billion to \$51.8 billion, reflecting a slowdown in refinancings as a result of a general increase in levels of interest rates. First mortgage loan origination volume was composed of approximately \$21.5 billion of retail loans and \$30.3 billion of correspondent and wholesale loans.

#### Asset Management

- Noninterest income for Asset Management increased \$82 million to \$1.6 billion for the year ended December 31, 2000. The increase was primarily attributable to increased investment and brokerage services, partially offset by gains in 1999 on the disposition of certain businesses.
- Income from investment and brokerage services includes personal and institutional asset management fees and consumer brokerage income. Income from investment and brokerage services increased \$92 million to \$1.5 billion. This increase was primarily attributable to higher revenue from consumer investment and brokerage services reflecting new asset management business and market growth combined with productivity increases in consumer brokerage. Assets under management were \$277.0 billion and \$247.5 billion at December 31, 2000 and 1999, respectively. An analysis of investment and brokerage services by major component follows:

<TABLE>

<CAPTION>

| (Dollars in millions)             | 2000    | 1999    |
|-----------------------------------|---------|---------|
| -----                             |         |         |
| <S>                               | <C>     | <C>     |
| Investment and brokerage services |         |         |
| Asset management fees             | \$1,064 | \$1,003 |
| Brokerage income                  | 419     | 388     |
| -----                             |         |         |
| Total                             | \$1,483 | \$1,391 |
| -----                             |         |         |

</TABLE>

#### Global Corporate and Investment Banking

- . Noninterest income for Global Corporate and Investment Banking increased \$349 million to \$4.7 billion for the year ended December 31, 2000. The increase was primarily due to increases in trading account profits, investment banking income and corporate service charges.
- . Trading account profits represent the net amount earned from the Corporation's trading positions, which include trading account assets and liabilities as well as derivative-dealer positions. These transactions include positions to meet customer demand as well as for the Corporation's own trading account. Trading positions are taken in a diverse range of financial instruments and markets. The profitability of these trading positions is largely dependent on the volume and type of transactions, the level of risk assumed, and the volatility of price and rate movements. Trading account profits, as reported in the Consolidated Statement of Income, includes neither the net interest recognized on interest-earning and interest-bearing trading positions, nor the related funding charge or benefit. Trading account profits, as well as trading-related net interest income ("trading-related revenue"), are presented in the table below as they are both considered in evaluating the overall profitability of the Corporation's trading positions. Trading-related revenue is derived from foreign exchange spot, for-

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ward and cross-currency contracts, fixed income and equity securities and derivative contracts in interest rates, equities, credit and commodities.

Trading-related revenue increased \$710 million to \$2.9 billion for the year ended December 31, 2000, due to equities and equity derivatives, interest rate contracts and commodities and other contracts, offset by decreases in fixed income and foreign exchange contracts. Revenue from equities increased \$702 million to \$1.2 billion. The increase reflects continued growth of this business through increased client deal activity, coupled with the volatility early in the year in the equity markets. Income from interest rate contracts increased \$131 million to \$698 million. The increase was primarily attributable to market volatility driven by interest rate uncertainty, coupled with stronger client activity in domestic and international markets. Fixed income decreased \$84 million to \$360 million primarily attributable to a widening of credit spreads. Foreign exchange revenue decreased \$45 million to \$524 million due primarily to reduced volatility in the offshore markets.

<TABLE>

<CAPTION>

| (Dollars in millions)                 | 2000    | 1999    |
|---------------------------------------|---------|---------|
| -----                                 |         |         |
| <S>                                   | <C>     | <C>     |
| Trading account profits - as reported | \$1,830 | \$1,495 |
| Net interest income                   | 1,028   | 653     |
| -----                                 |         |         |
| Total trading-related revenue         | \$2,858 | \$2,148 |
| -----                                 |         |         |
| Trading-related revenue by product    |         |         |
| Foreign exchange contracts            | \$ 524  | \$ 569  |
| Interest rate contracts               | 698     | 567     |
| Fixed income                          | 360     | 444     |
| Equities and equity derivatives       | 1,203   | 501     |
| Commodities and other                 | 73      | 67      |
| -----                                 |         |         |
| Total trading-related revenue         | \$2,858 | \$2,148 |
| -----                                 |         |         |

</TABLE>

- . Investment banking income increased \$101 million to \$1.5 billion for the year ended December 31, 2000. The increase reflected the continued success of the Corporation's expansion of the investment banking platform. Securities underwriting fees increased 34 percent to \$620 million, attributable to continued growth in equity underwriting and a strong year for high grade underwriting. Advisory services fees increased 13 percent to \$298 million primarily attributable to a higher volume of

merger and acquisition deals over the prior year. The Corporation continued its strong position as a lead arranger of syndications with fees of \$521 million for the year. Investment banking income by major activity follows:

<TABLE>

<CAPTION>

| (Dollars in millions)     | 2000    | 1999    |
|---------------------------|---------|---------|
| <S>                       | <C>     | <C>     |
| Investment banking income |         |         |
| Securities underwriting   | \$ 620  | \$ 461  |
| Syndications              | 521     | 514     |
| Advisory services         | 298     | 264     |
| Other                     | 73      | 172     |
| Total                     | \$1,512 | \$1,411 |

</TABLE>

- Corporate service charges increased \$69 million to \$1.0 billion for the year ended December 31, 2000, driven by an increase in non-deposit and deposit account service charges, partially offset by a decline in bankers' acceptances and letters of credit fees.

#### Equity Investments

- Noninterest income for Equity Investments increased \$232 million to \$1.0 billion for the year ended December 31, 2000. This increase was driven by strong equity investment gains.
- Equity investment gains increased \$247 million to \$993 million and included principal investing gains of \$836 million and gains in the strategic technology and alliances area of \$232 million.

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#### Other Income

Other income decreased \$729 million to \$775 million for the year ended December 31, 2000. Other income in 2000 included \$300 million of charges related to the deterioration of auto lease residual values partially offset by a \$187 million gain on the sale of the Corporation's factoring unit. Other income in 1999 included an \$89 million gain on the sale of certain businesses, \$80 million from securitization gains and a \$63 million gain on the sale of substantially all remaining out-of-franchise credit card loans.

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#### Other Noninterest Expense

As presented in Table Seven, the Corporation's other noninterest expense increased \$97 million to \$18.1 billion in 2000. Other noninterest expense remained essentially unchanged as increases due to inflation and business growth were offset by productivity and investment initiatives.

Table Seven

#### Other Noninterest Expense

<TABLE>

<CAPTION>

| (Dollars in millions)            | 2000     |               | 1999     |               | Increase/ (Decrease) |         |
|----------------------------------|----------|---------------|----------|---------------|----------------------|---------|
|                                  | Amount   | Percent (/1/) | Amount   | Percent (/2/) | Amount               | Percent |
| <S>                              | <C>      | <C>           | <C>      | <C>           | <C>                  | <C>     |
| Personnel                        | \$ 9,400 | 28.2%         | \$ 9,308 | 28.7%         | \$ 92                | 1.0%    |
| Occupancy                        | 1,682    | 5.0           | 1,627    | 5.0           | 55                   | 3.4     |
| Equipment                        | 1,173    | 3.5           | 1,346    | 4.1           | (173)                | (12.9)  |
| Marketing                        | 621      | 1.9           | 537      | 1.7           | 84                   | 15.6    |
| Professional fees                | 452      | 1.4           | 630      | 1.9           | (178)                | (28.3)  |
| Amortization of intangibles      | 864      | 2.6           | 888      | 2.7           | (24)                 | (2.7)   |
| Data processing                  | 667      | 2.0           | 763      | 2.3           | (96)                 | (12.6)  |
| Telecommunications               | 527      | 1.6           | 549      | 1.7           | (22)                 | (4.0)   |
| Other general operating          | 2,114    | 6.4           | 1,820    | 5.6           | 294                  | 16.2    |
| General administrative and other | 583      | 1.8           | 518      | 1.6           | 65                   | 12.5    |
| Total                            | \$18,083 | 54.4%         | \$17,986 | 55.3%         | \$ 97                | .5%     |

</TABLE>

(1) Percent of net interest income on a taxable-equivalent basis and noninter-

est income.

- . Personnel expense increased \$92 million to \$9.4 billion in 2000, primarily attributable to higher revenue-related incentive compensation from the first half of the year. Salaries and wages expense decreased \$100 million to \$5.8 billion in 2000. At December 31, 2000, the Corporation had approximately 143,000 full-time equivalent employees compared to approximately 156,000 at December 31, 1999.
- . Equipment expense decreased \$173 million to \$1.2 billion in 2000, primarily reflecting a reduction in purchases of non-capitalized equipment and a decline in repairs and maintenance expense.
- . Marketing expense increased \$84 million to \$621 million in 2000, primarily due to brand campaign expenses and additional marketing support for card, asset management, investment banking and investments in bankofamerica.com.
- . Professional fees declined \$178 million from 1999 to \$452 million in 2000, primarily reflecting lower consulting fees.
- . Data processing expense decreased \$96 million to \$667 million in 2000, primarily due to declines in software, item processing, check clearing and outsourced processing expenses.
- . Other general operating expense increased \$294 million to \$2.1 billion in 2000, primarily due to litigation costs from the first quarter related to pre-Merger lawsuits, costs in the fourth quarter related to the rationalization of operations in Colombia and Venezuela, one-time business divestiture expenditures in 2000 and other litigation costs.

#### Income Taxes

The Corporation's income tax expense for 2000 was \$4.3 billion for an effective tax rate of 36.2 percent. Excluding merger and restructuring charges, the effective tax rate for the year ended December 31, 2000 was 36.3 percent. The Corporation's income tax expense for the year ended December 31, 1999 was \$4.3 billion for an effective tax rate of 35.5 percent. Excluding merger and restructuring charges, the effective tax rate for the year ended December 31, 1999 was 35.3 percent. Note Seventeen of the consolidated financial statements on page 99 includes a reconciliation of expected federal income tax expense computed using the federal statutory rate of 35 percent to actual income tax expense.

#### Balance Sheet Review and Liquidity Risk Management

The Corporation utilizes an integrated approach in managing its Balance Sheet which includes management of interest rate sensitivity, credit risk, liquidity risk and its capital position. Going forward, the Corporation's goal is to keep risk-weighted assets relatively flat over the next two years as reductions in categories with lower returns offset underlying core growth. The discussion of average balances below compares the year ended December 31, 2000 to the same period in 1999. With the exception of average managed loans, the average balances discussed below can be derived from Table Four.

Average loans and leases, the Corporation's primary use of funds, increased \$29.8 billion to \$392.6 billion in 2000. Adjusting for securitizations, sales and divestitures, average managed loans and leases increased \$36.2 billion to \$418.6 billion in 2000. The increase was primarily due to a strong \$25.7 billion, or 14 percent, growth in consumer loan products.

The majority of consumer loan growth occurred in residential real estate secured loan products including residential mortgages, consumer finance and home equity lines. Average managed residential mortgages increased \$15.0 billion to \$94.7 billion, reflecting strong growth in the first half of the year and then tapering off as the decision to sell the bulk of the Corporation's mortgage company originations was implemented over the last six months of 2000. Average managed consumer finance loans increased \$5.7 billion to \$32.4 billion. Average managed home equity lines increased \$3.3 billion to \$19.5 billion, reflecting the impact of new marketing programs and lower prepayments.

Average managed commercial loans increased \$10.5 billion to \$207.2 billion in 2000. Commercial - domestic loans reflected growth of \$9.0 billion to \$151.7 billion in 2000 due to strong growth in the Consumer and Commercial Banking and Asset Management business segments and moderate growth in the Global Corporate and Investment Banking business segment.

The average securities portfolio in 2000 increased \$4.1 billion to \$84.2 billion, representing 13 percent of total uses of funds in 2000 and 1999. See the following "Securities" section for additional information on the securities portfolio.

Average other assets and cash and cash equivalents increased \$2.8 billion to

\$88.1 billion in 2000 due largely to increases in the average balances of derivative-dealer assets, noninterest receivables and mortgage servicing rights.

At December 31, 2000, cash and cash equivalents were \$27.5 billion, an increase of \$524 million from December 31, 1999. During 2000, net cash provided by operating activities was \$5.3 billion, net cash provided by investing activities was \$2.9 billion and net cash used in financing activities was \$7.6 billion. For further information on cash flows, see the Consolidated Statement of Cash Flows on page 65 of the consolidated financial statements.

Average levels of customer-based deposits increased \$7.9 billion to \$299.6 billion in 2000 primarily due to increases in consumer time deposits and non-interest-bearing demand deposits. As a percentage of total sources, average levels of customer-based deposits decreased by two percent in 2000 from 47 percent in 1999.

Average levels of market-based funds increased \$27.3 billion in 2000 to \$209.1 billion. In addition, average levels of long-term debt increased \$12.7 billion in 2000 to \$70.3 billion, mainly the result of borrowings to fund earning asset growth and business development opportunities, build liquidity, repay maturing debt and fund share repurchases.

In conjunction with its funding activities, the Corporation carefully monitors its liquidity position - the ability to fulfill its cash requirements. The Corporation assesses its liquidity requirements and modifies its assets and liabilities accordingly. This process, coupled with the Corporation's ability to raise capital and debt financing, is designed to cover the liquidity needs of the Corporation. The Corporation also takes into consideration the ability of its subsidiary banks to pay dividends to the Corporation. For additional information on the dividend capabilities of subsidiary banks, see Note Fourteen of the consolidated financial statements on page 91. Management believes that the Corporation's sources of liquidity are more than adequate to meet its cash requirements.

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## Securities

The securities portfolio serves a primary role in the Corporation's balance sheet management. The decision to purchase or sell securities is based upon the current assessment of economic and financial conditions, including the interest rate environment, liquidity requirements and on- and off-balance sheet positions.

The securities portfolio at December 31, 2000 consisted of available-for-sale securities totaling \$64.7 billion compared to \$81.6 billion at December 31, 1999. Held-to-maturity securities totaled \$1.2 billion at December 31, 2000 compared to \$1.4 billion at December 31, 1999. See Note Four of the consolidated financial statements on page 74 for further details on securities.

The valuation allowance for available-for-sale and marketable equity securities is included in shareholders' equity. At December 31, 2000, the valuation allowance consisted of unrealized losses of \$560 million, net of related income taxes of \$330 million, primarily reflecting \$991 million of pre-tax net unrealized losses on available-for-sale securities and \$101 million of pre-tax net unrealized gains on marketable equity securities. At December 31, 1999 the valuation allowance reflected unrealized losses of \$2.5 billion, net of related income taxes of \$1.1 billion, primarily reflecting market valuation adjustments of \$3.8 billion pre-tax net unrealized losses on available-for-sale securities and \$248 million pre-tax net unrealized gains on marketable equity securities. The change in the valuation allowance was primarily attributable to a decline in rates along certain segments of the U.S. Treasury yield curve during 2000.

At December 31, 2000 and 1999, the market value of the Corporation's held-to-maturity securities reflected pre-tax net unrealized losses of \$54 million and \$152 million, respectively.

The estimated average duration of the available-for-sale securities portfolio was 4.13 years at December 31, 2000 compared to 4.05 years at December 31, 1999.

## Loans and Leases

Total loans and leases increased six percent to \$392.2 billion at December 31, 2000 compared to \$370.7 billion at December 31, 1999. As presented in Table Four, average total loans and leases increased eight percent to \$392.6 billion in 2000 compared to \$362.8 billion in 1999. This growth was primarily driven by strong loan growth in consumer loan products, primarily in residential mortgage loan portfolios. This growth also reflects fewer loan sales and securitizations, which totaled \$17.5 billion in 2000, a decrease of \$7.0 billion.

Average residential mortgage loans increased 15 percent to \$91.1 billion in

2000 compared to \$78.9 billion in 1999, reflecting strong growth in the first half of the year and then tapering off as the decision to sell the bulk of the Corporation's mortgage company originations was implemented over the last six months of 2000. The impact of securitizations and loan sales on residential mortgage loans was virtually unchanged in 2000 at \$13.7 billion, compared to \$13.4 billion in 1999.

Average other consumer loans increased \$7.6 billion to \$97.9 billion in 2000. This increase was primarily attributable to strong growth in home equity and consumer finance loans, with only minimal loan sales and securitizations of \$1.2 billion in 2000 compared to \$9.1 billion in 1999.

Average commercial loans increased to \$203.7 billion in 2000 compared to \$193.5 billion in 1999, primarily in the commercial - domestic portfolio. Off-setting this growth was the impact of \$2.6 billion of securitizations and loan sales in 2000 compared to \$1.9 billion in 1999.

A significant source of liquidity for the Corporation is the repayments and maturities of loans. Table Eight presents the contractual maturity distribution and interest sensitivity of selected loan categories at December 31, 2000, and indicates that approximately 42 percent of the selected loans had maturities of one year or less. The securitization and sale of certain loans and the use of loans as collateral in asset-backed financing arrangements are also sources of liquidity.

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Table Eight  
Selected Loan Maturity Data (/1/, /2/)

December 31, 2000

<TABLE>

<CAPTION>

| (Dollars in millions)   | Due after                   |                              |                      | Total     |
|---|-----------------------------|------------------------------|----------------------|-----------|
|   | Due in<br>1 year<br>or less | 1 year<br>through<br>5 years | Due after<br>5 years |           |
| <S>   | <C>                         | <C>                          | <C>                  | <C>       |
| Commercial - domestic   | \$49,695                    | \$64,873                     | \$23,786             | \$138,354 |
| Commercial real estate - domestic   | 3,980                       | 6,223                        | 5,668                | 15,871    |
| Construction real estate - domestic   | 5,035                       | 4,850                        | 398                  | 10,283    |
| Foreign (/3/)   | 21,891                      | 5,659                        | 1,893                | 29,443    |
| Total selected loans  | \$80,601                    | \$81,605                     | \$31,745             | \$193,951 |
| Percent of total  | 41.5%                       | 42.1%                        | 16.4%                | 100.0%    |
| Cumulative percent of total   | 41.5                        | 83.6                         | 100.0                |           |
| Sensitivity of loans to changes in interest rates for loans due after one year: |                             |                              |                      |           |
| Predetermined interest rates  |                             | \$11,651                     | \$13,768             | \$ 25,419 |
| Floating or adjustable interest rates   |                             | 69,954                       | 17,977               | \$ 87,931 |
| Total   |                             | \$81,605                     | \$31,745             | \$113,350 |

</TABLE>

- (1) Loan maturities are based on the remaining maturities under contractual terms.
- (2) Loan maturities exclude residential mortgage, bankcard, consumer finance, home equity lines and direct/indirect consumer loans.
- (3) Loan maturities include consumer and commercial foreign loans.

#### Deposits

Table Four provides information on the average amounts of deposits and the rates paid by deposit category. Through the Corporation's diverse retail banking network, deposits remain a primary source of funds for the Corporation. Average deposits increased \$11.5 billion in 2000 over 1999 to \$353.3 billion due to a \$5.5 billion increase in average domestic interest-bearing deposits, a \$3.6 billion increase in average foreign interest-bearing deposits and a \$2.5 billion increase in average noninterest-bearing deposits. See Note Nine of the consolidated financial statements on page 81 for further details on deposits.

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#### Short-Term Borrowings and Trading Account Liabilities

The Corporation uses short-term borrowings as a funding source and in its management of interest rate risk. Table Nine presents the categories of short-term borrowings.

During 2000, total average short-term borrowings increased \$15.4 billion to \$131.5 billion from \$116.1 billion in 1999. This growth was primarily due to

increases in short-term notes payable and repurchase agreements to fund asset growth. Average trading account liabilities increased \$8.3 billion to \$23.8 billion in 2000 from \$15.5 billion in 1999, due to the nature of the hedging strategies being employed. See Note Five of the consolidated financial statements on page 76 for further details on trading account liabilities.

Table Nine  
Short-Term Borrowings  
<TABLE>

<CAPTION>

| (Dollars in millions)                          | 2000     |       | 1999     |       | 1998     |       |
|--|----------|-------|----------|-------|----------|-------|
|  | Amount   | Rate  | Amount   | Rate  | Amount   | Rate  |
| <S>  | <C>      | <C>   | <C>      | <C>   | <C>      | <C>   |
| Federal funds purchased                        |          |       |          |       |          |       |
| At December 31                                 | \$ 4,612 | 5.92% | \$ 4,806 | 3.04% | \$ 7,316 | 5.25% |
| Average during year                            | 4,506    | 6.44  | 5,835    | 5.03  | 8,201    | 5.42  |
| Maximum month-end balance during year          | 7,149    | --    | 8,311    | --    | 11,187   | --    |
| Securities sold under agreements to repurchase |          |       |          |       |          |       |
| At December 31                                 | 44,799   | 6.26  | 69,755   | 4.12  | 60,227   | 5.08  |
| Average during year                            | 79,217   | 5.93  | 73,242   | 4.89  | 56,710   | 5.66  |
| Maximum month-end balance during year          | 90,062   | --    | 83,046   | --    | 71,595   | --    |
| Commercial paper                               |          |       |          |       |          |       |
| At December 31                                 | 6,955    | 6.54  | 7,331    | 5.83  | 6,749    | 5.19  |
| Average during year                            | 9,645    | 6.41  | 7,610    | 5.17  | 6,419    | 5.56  |
| Maximum month-end balance during year          | 10,762   | --    | 8,379    | --    | 7,913    | --    |
| Other short-term borrowings                    |          |       |          |       |          |       |
| At December 31                                 | 35,243   | 5.97  | 40,340   | 5.18  | 24,742   | 4.52  |
| Average during year                            | 38,124   | 6.18  | 29,463   | 5.30  | 19,300   | 6.35  |
| Maximum month-end balance during year          | 45,271   | --    | 40,340   | --    | 25,927   | --    |

</TABLE>

#### Long-Term Debt and Trust Preferred Securities

Long-term debt increased \$12.0 billion to \$67.5 billion at December 31, 2000, from \$55.5 billion at December 31, 1999, mainly as a result of borrowings to fund earning asset growth and business development opportunities, build liquidity, repay maturing debt and fund share repurchases. During 2000, the Corporation issued, domestically and internationally, \$23.5 billion in long-term senior and subordinated debt, a \$5.9 billion increase from \$17.6 billion during 1999. The Corporation did not issue any trust preferred securities in 2000 or 1999. See Notes Ten and Eleven of the consolidated financial statements on pages 82 and 84 for further details on long-term debt and trust preferred securities, respectively.

From January 1, 2001 through March 12, 2001, the Corporation issued \$3.9 billion of long-term senior and subordinated debt, with maturities ranging from 2004 to 2031. During this same time period, Bank of America, N.A. issued \$10 million of bank notes maturing in 2002.

#### Debt Ratings

The financial position of the Corporation and Bank of America, N.A at December 31, 2000 is reflected in the following debt ratings:

<TABLE>

<CAPTION>

|                               | Bank of America Corporation |             |                   | Bank of America, N.A. |           |
|-------------------------------|-----------------------------|-------------|-------------------|-----------------------|-----------|
|                               | Commercial Paper            | Senior Debt | Subordinated Debt | Short-term            | Long-term |
| <S>                           | <C>                         | <C>         | <C>               | <C>                   | <C>       |
| Moody's Investors Service     | P-1                         | Aa2         | Aa3               | P-1                   | Aa1       |
| Standard & Poor's Corporation | A-1                         | A+          | A                 | A-1+                  | AA-       |
| Fitch, Inc.                   | F-1+                        | AA-         | A+                | F-1+                  | AA        |

</TABLE>

#### Capital Resources and Capital Management

Shareholders' equity at December 31, 2000, was \$47.6 billion compared to



\$44.4 billion at December 31, 1999, an increase of \$3.2 billion. The increase was primarily due to net earnings (net income less dividends) of \$4.1 billion and recognition of \$1.9 billion of after-tax net unrealized gains on available-for-sale and marketable equity securities, partially offset by the repurchase of approximately 68 million shares of common stock for approximately \$3.3 billion.

On July 26, 2000, the Corporation's Board of Directors (the Board) authorized a new stock repurchase program of up to 100 million shares of the Corporation's common stock at an aggregate cost of up to \$7.5 billion. On June 23, 1999, the Board authorized the repurchase of up to 130 million shares of the Corporation's common stock at an aggregate cost of up to \$10.0 billion. Through December 31, 2000, the Corporation had repurchased a total of approximately 146 million shares of its common stock in open market repurchases and under these accelerated share repurchase programs at an average per-share price of \$55.74, which reduced shareholders' equity by \$8.1 billion. The remaining buyback authority for common stock under the 2000 program totaled \$6.8 billion, or 84 million shares, at December 31, 2000. There is no remaining buyback authority for common stock under the 1999 program.

The regulatory capital ratios of the Corporation and Bank of America, N.A., along with a description of the components of risk-based capital, capital adequacy requirements and prompt corrective action provisions, are included in Note Fourteen of the consolidated financial statements on page 91.

#### Credit Risk Management and Credit Portfolio Review

In conducting business activities, the Corporation is exposed to the risk that borrowers or counterparties may default on their obligations to the Corporation. Credit risk arises through the extension of loans and leases, certain securities, letters of credit, financial guarantees and through counterparty exposure on trading and capital markets transactions. To manage this risk, the Credit Risk Management group establishes policies and procedures to manage both on- and off-balance sheet credit risk and communicates and monitors the application of these policies and procedures throughout the Corporation.

The Corporation's overall objective in managing credit risk is to minimize the adverse impact of any single event or set of occurrences. To achieve this objective, the Corporation strives to maintain a credit risk profile that is diverse in terms of product type, industry concentration, geographic distribution and borrower or counterparty concentration.

The Credit Risk Management group works with lending officers, trading personnel and various other line personnel in areas that conduct activities involving credit risk and is involved in the implementation, refinement and monitoring of credit policies and procedures.

The Corporation manages credit exposure to individual borrowers and counterparties on an aggregate basis including loans and leases, securities, letters of credit, bankers' acceptances, derivatives and unfunded commitments. The creditworthiness of individual borrowers or counterparties is determined by experienced personnel, and limits are established for the total credit exposure to any one borrower or counterparty. Credit limits are subject to varying levels of approval by senior line and credit risk management.

The Corporation also has a goal of managing exposure to a single borrower, industry, product-type, country or other concentration through syndications of credits, credit derivatives, participations, loan sales and securitizations. Through the Global Corporate and Investment Banking segment, the Corporation is a major participant in the syndications market. In a syndicated facility, each participating lender funds only its portion of the syndicated facility, therefore limiting its exposure to the borrower.

In conducting derivative activities, the Corporation may choose to reduce credit risk to any one counterparty through the use of legally enforceable master netting agreements which allow the Corporation to settle positive and negative positions with the same counterparty on a net basis. For more information on the Corporation's off-balance sheet credit risk, see Note Thirteen of the consolidated financial statements on page 87.

For commercial lending, the approving credit officer assigns borrowers or counterparties an initial risk rating which is based primarily on an analysis of each borrower's financial capacity in conjunction with industry and economic trends. Risk ratings are subject to review and validation by the independent credit review group. Approvals are made based upon the believed amount of inherent credit risk specific to the transaction and the counterparty and are reviewed for appropriateness by senior line and credit risk personnel. Credits are monitored by line and credit risk management personnel for deterioration in a borrower's or counterparty's financial condition which would impact the ability of the borrower or counterparty to perform under the contract. Risk ratings are adjusted as necessary and the Corporation seeks to reduce exposure in such situations where appropriate.

For consumer and small business lending, credit scoring systems are utilized to determine the relative riskiness of new underwritings and provide standards for extensions of credit. Consumer portfolio credit risk is monitored primarily using statistical models and reviews of actual payment experience in an attempt to predict portfolio behavior.

In some credit situations, the Corporation obtains collateral to support credit extensions and commitments. Generally, such collateral is in the form of real and/or personal property, cash on deposit or other liquid instruments. In certain circumstances, the Corporation obtains real property as security for some loans that are made on the general creditworthiness of the borrower and whose proceeds were not used for real estate-related purposes.

An independent Credit Review group provides executive management and the Board of Directors with an evaluation of portfolio quality and the effectiveness of the credit management process. The group conducts ongoing reviews of credit activities and portfolios through transactional and process reviews, re-examining on a regular basis risk assessments for credit exposures and overall compliance with policy.

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#### Loan and Lease Portfolio Review

The Corporation's primary credit exposure is focused in its loans and leases portfolio, which totaled \$392.2 billion and \$370.7 billion at December 31, 2000 and 1999, respectively. In an effort to minimize the adverse impact of any single event or set of occurrences, the Corporation strives to maintain a diverse credit portfolio. Table Ten presents the loans and leases by category. Additional information on the Corporation's industry, real estate and foreign exposures can be found in the "Concentrations of Credit Risk" section beginning on page 42.

<TABLE>  
<CAPTION>  
Table Ten  
Loans and Leases

|                                   | December 31 |         |           |         |           |         |           |         |           |         |
|-----------------------------------|-------------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
|                                   | 2000        |         | 1999      |         | 1998      |         | 1997      |         | 1996      |         |
|                                   | Amount      | Percent | Amount    | Percent | Amount    | Percent | Amount    | Percent | Amount    | Percent |
| (Dollars in millions)             |             |         |           |         |           |         |           |         |           |         |
| <S>                               | <C>         | <C>     | <C>       | <C>     | <C>       | <C>     | <C>       | <C>     | <C>       | <C>     |
| Commercial - domestic             | \$146,040   | 37.2%   | \$143,450 | 38.7%   | \$137,422 | 38.5%   | \$122,463 | 35.8%   | \$105,737 | 33.3%   |
| Commercial - foreign              | 31,066      | 7.9     | 27,978    | 7.5     | 31,495    | 8.8     | 30,080    | 8.8     | 26,781    | 8.4     |
| Commercial real estate - domestic | 26,154      | 6.7     | 24,026    | 6.5     | 26,912    | 7.5     | 28,567    | 8.3     | 25,881    | 8.1     |
| Commercial real estate - foreign  | 282         | .1      | 325       | .1      | 301       | .1      | 324       | .1      | 239       | .1      |
| Total commercial                  | 203,542     | 51.9    | 195,779   | 52.8    | 196,130   | 54.9    | 181,434   | 53.0    | 158,638   | 49.9    |
| Residential mortgage              | 84,394      | 21.5    | 81,860    | 22.1    | 73,608    | 20.6    | 71,540    | 20.9    | 80,400    | 25.3    |
| Home equity lines                 | 21,598      | 5.5     | 17,273    | 4.7     | 15,653    | 4.4     | 16,536    | 4.8     | 12,541    | 3.9     |
| Direct/Indirect consumer          | 40,457      | 10.3    | 42,161    | 11.4    | 40,510    | 11.3    | 40,058    | 11.7    | 33,352    | 10.6    |
| Consumer finance                  | 25,800      | 6.6     | 22,326    | 6.0     | 15,400    | 4.3     | 14,566    | 4.3     | 13,081    | 4.1     |
| Bankcard                          | 14,094      | 3.6     | 9,019     | 2.4     | 12,425    | 3.5     | 14,908    | 4.4     | 16,561    | 5.2     |
| Foreign consumer                  | 2,308       | .6      | 2,244     | .6      | 3,602     | 1.0     | 3,098     | .9      | 3,136     | 1.0     |
| Total consumer                    | 188,651     | 48.1    | 174,883   | 47.2    | 161,198   | 45.1    | 160,706   | 47.0    | 159,071   | 50.1    |
| Total loans and leases            | \$392,193   | 100.0%  | \$370,662 | 100.0%  | \$357,328 | 100.0%  | \$342,140 | 100.0%  | \$317,709 | 100.0%  |

</TABLE>

#### Commercial Portfolio

Commercial - domestic loans outstanding totaled \$146.0 billion and \$143.5 billion at December 31, 2000 and 1999, respectively, or 37 percent and 39 percent of total loans and leases at December 31, 2000 and 1999, respectively. The Corporation had commercial - domestic loan net charge-offs in 2000 of \$1.3 billion, or 0.87 percent of average commercial - domestic loans, compared to \$711 million, or 0.51 percent of average commercial - domestic loans, in 1999. The increase in charge-offs is primarily due to the fourth quarter write-down

of one large credit in the consumer products industry, a second quarter fraud related loss and several write-downs of credits in various industries. Nonperforming commercial - domestic loans were \$2.8 billion, or 1.90 percent of commercial - domestic loans, at December 31, 2000, compared to \$1.2 billion, or 0.81 percent, at December 31, 1999. The increase in nonperformers was driven primarily by three large credits, two in the financial services industry and one in the consumer products industry mentioned above. Additional increases were primarily attributable to several companies across various industries which were negatively impacted in the second half of the year by the slowing U.S. economy, higher interest rates and an overall competitive environment. Commercial - domestic loans past due 90 days or more and still accruing interest totaled \$141 million and \$135 million, or 0.10 percent and 0.09 percent of commercial - domestic loans at December 31, 2000 and 1999, respectively. Table Sixteen presents aggregate loan and lease exposures, excluding commercial real estate, by certain significant industries.

Commercial - foreign loans outstanding totaled \$31.1 billion and \$28.0 billion at December 31, 2000 and 1999, respectively, or eight percent of total loans and leases at both points in time. The Corporation had commercial - foreign loan net charge-offs in 2000 of \$86 million, or 0.29 percent of average commercial - foreign loans, compared to \$144 million, or 0.49 percent of average commercial - foreign loans in 1999. Nonperforming commercial - foreign loans were \$486 million at December 31, 2000 and 1999, representing 1.56 percent of commercial - foreign loans at December 31, 2000, compared to 1.74 percent at December 31, 1999. Commercial - foreign loans past due 90 days or more and still accruing interest were \$37 million at

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December 31, 2000 compared to \$58 million at December 31, 1999, or 0.12 percent and 0.21 percent of commercial - foreign loans, respectively. For additional information see the International Exposure discussion beginning on page 44.

Commercial real estate - domestic loans totaled \$26.2 billion and \$24.0 billion at December 31, 2000 and 1999, respectively, or seven percent of total loans and leases at both points in time. Nonperforming commercial real estate - domestic loans were \$236 million, or 0.90 percent of commercial real estate - domestic loans, at December 31, 2000, compared to \$191 million, or 0.79 percent, at December 31, 1999. At December 31, 2000, commercial real estate - domestic loans past due 90 days or more and still accruing interest were \$16 million, or 0.06 percent of total commercial real estate - domestic loans, compared to \$6 million, or 0.02 percent, at December 31, 1999. Table Seventeen displays commercial real estate loans by geographic region and property type, including the portion of such loans which are nonperforming, and other real estate credit exposures.

#### Consumer Portfolio

At December 31, 2000 and 1999, domestic consumer loans outstanding totaled \$186.3 billion and \$172.6 billion, respectively, or 48 percent and 47 percent of total loans and leases, respectively. As of December 31, 2000, approximately 68 percent of these loans were secured by first or second mortgages on residential real estate. Additional information on components of and changes in the Corporation's consumer loan portfolio can be found in the average earning asset discussion within the "Net Interest Income" section on page 22 and "Balance Sheet Review and Liquidity Risk Management" section on page 30.

In 1999, the Federal Financial Institutions Examination Council (FFIEC) issued the Uniform Classification and Account Management Policy (the Policy) which provides guidance for and promotes consistency among banks on the charge-off treatment of delinquent and bankruptcy-related consumer loans. The Corporation implemented the Policy in the fourth quarter of 2000, which resulted in accelerated charge-offs of \$104 million across several product types in the consumer loan portfolio.

Residential mortgage loans increased to \$84.4 billion at December 31, 2000 compared to \$81.9 billion at December 31, 1999. Net charge-offs in 2000 on residential mortgage loans remained negligible at \$27 million, or 0.03 percent of average residential mortgage loans.

Home equity loans increased to \$21.6 billion at December 31, 2000 compared to \$17.3 billion at December 31, 1999. Net charge-offs in 2000 on home equity loans remained negligible at \$20 million, or 0.10 percent of average home equity loans. Nonperforming home equity loans decreased to \$32 million at December 31, 2000 from \$46 million at December 31, 1999.

Consumer finance loans outstanding totaled \$25.8 billion and \$22.3 billion at December 31, 2000 and 1999, respectively, or seven percent and six percent of total loans and leases, respectively. Approximately 80 percent of these loans are secured by residential real estate, virtually all first lien. The Corporation had consumer finance net charge-offs in 2000 of \$266 million, or 1.09 percent of average consumer finance loans, compared to \$229 million, or 1.22 percent in 1999. Consumer finance nonperforming loans increased to \$1.1 billion at December 31, 2000 from \$598 million at December 31, 1999. The

increase in nonperforming loans was the result of continued seasoning of earlier growth in this portfolio. Higher charge-offs are primarily related to the adoption of the new FFIEC policy described above.

Consumer bankcard receivables increased to \$14.1 billion at December 31, 2000 compared to \$9.0 billion at December 31, 1999. Net charge-offs on bankcard receivables decreased \$157 million to \$338 million for 2000 when compared to 1999. The decrease resulted from the sales of certain higher loss out of market portfolios in the second half of 1999 and continued declines in delinquency levels and bankruptcy filing rates. Bankcard loans past due 90 days and still accruing interest were \$191 million, or 1.36 percent of bankcard receivables at December 31, 2000, compared to \$138 million, or 1.53 percent at December 31, 1999.

Other consumer loans, which include direct and indirect consumer and foreign consumer loans, decreased to \$42.8 billion at December 31, 2000 compared to \$44.4 billion at December 31, 1999. Direct and indirect consumer loan net charge-offs in 2000 were \$324 million, or 0.78 percent of average direct and indirect consumer loans, compared to \$370 million or 0.88 percent of the average balance outstanding in 1999. Foreign consumer loan net charge-offs in 2000 were \$3 million, or 0.13 percent of average foreign loans, compared to \$17 million, or 0.52 percent of the average balance outstanding in 1999.

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#### Nonperforming Assets

As presented in Table Eleven, nonperforming assets increased to \$5.5 billion, or 1.39 percent of loans, leases and foreclosed properties at December 31, 2000, compared to \$3.2 billion, or 0.86 percent, at December 31, 1999. Nonperforming loans increased to \$5.2 billion at December 31, 2000 compared to \$3.0 billion at December 31, 1999 primarily due to nonperformers in the commercial -- domestic loan portfolio. Nonperforming commercial -- domestic loans increased \$1.6 billion to \$2.8 billion in 2000 as credit deterioration occurred during the second half of the year, particularly in the fourth quarter of 2000, in loans to companies which were adversely impacted by a slowing economy, higher interest rates and an overall competitive environment. Higher levels of nonperforming loans in the consumer finance portfolio, as described above, also contributed to the increase. Foreclosed properties increased to \$249 million at December 31, 2000 compared to \$163 million at December 31, 1999.

In order to respond when deterioration of a credit occurs, internal loan workout units are devoted to providing specialized expertise and full-time management and/or collection of certain nonperforming assets as well as certain performing loans. Management believes focused collection strategies and a proactive approach to managing overall problem assets expedites the disposition, collection and renegotiation of nonperforming and other lower-quality assets. As part of this process, management routinely evaluates all reasonable alternatives, including the sale of assets individually or in groups, and selects what it believes to be the optimal strategy.

Table Eleven

#### Nonperforming Assets(/1/)

<TABLE>

<CAPTION>

| (Dollars in millions)             | December 31 |         |        |        |        |
|-----------------------------------|-------------|---------|--------|--------|--------|
|                                   | 2000        | 1999    | 1998   | 1997   | 1996   |
| <S>                               | <C>         | <C>     | <C>    | <C>    | <C>    |
| Nonperforming loans               |             |         |        |        |        |
| Commercial - domestic             | \$2,777     | \$1,163 | \$ 812 | \$ 563 | \$ 713 |
| Commercial - foreign              | 486         | 486     | 314    | 155    | 110    |
| Commercial real estate - domestic | 236         | 191     | 299    | 342    | 491    |
| Commercial real estate - foreign  | 3           | 3       | 4      | 2      | 2      |
| Total commercial                  | 3,502       | 1,843   | 1,429  | 1,062  | 1,316  |
| Residential mortgage              | 551         | 529     | 722    | 744    | 676    |
| Home equity                       |             |         |        |        |        |

|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| lines                                    | 32      | 46      | 50      | 52      | 36      |
| Direct/Indirect                          |         |         |         |         |         |
| consumer                                 | 19      | 19      | 21      | 43      | 53      |
| Consumer finance                         | 1,095   | 598     | 246     | 210     | 116     |
| Foreign consumer                         | 9       | 7       | 14      | --      | 1       |
| -----                                    |         |         |         |         |         |
| Total consumer                           | 1,706   | 1,199   | 1,053   | 1,049   | 882     |
| -----                                    |         |         |         |         |         |
| Total nonperforming loans                | 5,208   | 3,042   | 2,482   | 2,111   | 2,198   |
| -----                                    |         |         |         |         |         |
| Foreclosed properties                    | 249     | 163     | 282     | 309     | 511     |
| -----                                    |         |         |         |         |         |
| Total nonperforming assets               | \$5,457 | \$3,205 | \$2,764 | \$2,420 | \$2,709 |
| -----                                    |         |         |         |         |         |
| Nonperforming assets as a percentage of: |         |         |         |         |         |
| Total assets                             | .85%    | .51%    | .45%    | .42%    | .57%    |
| Loans, leases and foreclosed properties  | 1.39    | .86     | .77     | .71     | .85     |
| -----                                    |         |         |         |         |         |

</TABLE>

The loss of income associated with nonperforming loans and the cost of carrying foreclosed properties for the five years ended December 2000 were:

<TABLE>  
<CAPTION>

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| (Dollars in millions)  | 2000   | 1999   | 1998   | 1997   | 1996   |
| -----  |        |        |        |        |        |
| <S>  | <C>    | <C>    | <C>    | <C>    | <C>    |
| Income that would have been recorded in accordance with original terms | \$ 666 | \$ 419 | \$ 367 | \$ 349 | \$ 388 |
| Less income actually recorded  | (237)  | (123)  | (130)  | (130)  | (130)  |
| -----  |        |        |        |        |        |
| Loss of income   | \$ 429 | \$ 296 | \$ 237 | \$ 219 | \$ 258 |
| -----  |        |        |        |        |        |
| Cost of carrying foreclosed properties                                 | \$ 12  | \$ 13  | \$ 16  | \$ 26  | \$ 35  |
| -----  |        |        |        |        |        |

</TABLE>

(1) Balance does not include \$124 million of loans held for sale, included in other assets at December 31, 2000, which would have been classified as nonperforming had they been included in loans. The Corporation had approximately \$390 million of troubled debt restructured loans at December 31, 2000, which were accruing interest and are not included in nonperforming assets.

Note Six of the consolidated financial statements on page 78 provides the reported investment in specific loans considered to be impaired at December 31, 2000 and 1999. The Corporation's investment in specific loans that were considered to be impaired at December 31, 2000 was \$3.8 billion compared to \$2.1 billion at December 31, 1999. Commercial - domestic impaired loans increased to \$2.9 billion at December 31, 2000 from \$1.1 billion at December 31, 1999 due to the increases in commercial - domestic nonperforming assets described previously. Commercial real estate - domestic impaired loans remained constant at \$0.4 billion at both December 31, 2000 and December 31, 1999. Commercial - foreign also remained constant at \$0.5 billion at December 31, 2000 and December 31, 1999.

#### Loans Past Due 90 Days or More and Still Accruing Interest

Table Twelve presents total loans past due 90 days or more and still accruing interest. At December 31, 2000, loans past due 90 days or more and still accruing interest were \$495 million, or 0.13 percent of loans and leases, compared to \$521 million, or 0.14 percent, at December 31, 1999.

Table Twelve  
Loans Past Due 90 Days or More and Still Accruing Interest

<TABLE>  
<CAPTION>

|                                   | December 31, 2000 |               | December 31, 1999 |               |
|-----------------------------------|-------------------|---------------|-------------------|---------------|
| (Dollars in millions)             | Amount            | Percent (/1/) | Amount            | Percent (/1/) |
| <S>                               | <C>               | <C>           | <C>               | <C>           |
| Commercial - domestic             | \$141             | .10%          | \$135             | .09%          |
| Commercial - foreign              | 37                | .12           | 58                | .21           |
| Commercial real estate - domestic | 16                | .06           | 6                 | .02           |
| Total commercial                  | 194               | .10           | 199               | .10           |
| Residential mortgage              | 17                | .02           | 26                | .03           |
| Direct/Indirect consumer          | 89                | .22           | 136               | .32           |
| Consumer finance                  | 4                 | .02           | 22                | .10           |
| Bankcard                          | 191               | 1.36          | 138               | 1.53          |
| Total consumer                    | 301               | .16           | 322               | .18           |
| Total                             | \$495             | .13%          | \$521             | .14%          |

</TABLE>

(1) Represents amounts past due 90 days or more and still accruing interest as a percentage of loans and leases for each loan category.

#### Allowance for Credit Losses

The Corporation performs periodic and systematic detailed reviews of its loan and lease portfolios to identify inherent risks and to assess the overall collectibility of those portfolios. The allowance on certain homogeneous loan portfolios, which generally consist of consumer loans, is based on aggregated portfolio segment evaluations generally by loan type. Loss forecast models are utilized for these segments which consider a variety of factors including, but not limited to, anticipated defaults or foreclosures based on portfolio trends, delinquencies and credit scores, and expected loss factors by loan type. The remaining portfolios are reviewed on an individual loan basis. Loans subject to individual reviews are analyzed and segregated by risk according to the Corporation's internal risk rating scale. These risk classifications, in conjunction with an analysis of historical loss experience, current economic conditions and performance trends within specific portfolio segments, and any other pertinent information (including individual valuations on nonperforming loans in accordance with Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan") result in the estimation of specific allowances for credit losses. The Corporation has procedures in place to monitor differences between estimated and actual incurred credit losses. These procedures include detailed periodic assessments by senior management of both individual loans and credit portfolios and the models used to estimate incurred credit losses in those portfolios.

Portions of the allowance for credit losses, as presented on Table Fifteen, are assigned to cover the estimated probable incurred credit losses in each loan and lease category based on the results of the Corporation's detail review process described above. The assigned portion continues to be weighted toward the commercial loan portfolio, which reflects a higher level of nonperforming loans and the potential for higher

individual losses. The remaining or unassigned portion of the allowance for credit losses, determined separately from the procedures outlined above, addresses certain industry and geographic concentrations, including global economic conditions. This procedure helps to minimize the risk related to the margin of imprecision inherent in the estimation of the assigned allowances for credit losses. Due to the subjectivity involved in the determination of the unassigned portion of the allowance for credit losses, the relationship of the unassigned component to the total allowance for credit losses may fluctuate from period to period. Management evaluates the adequacy of the allowance for credit losses based on the combined total of the assigned and unassigned components and believes that the allowance for credit losses reflects management's best estimate of incurred credit losses as of the balance sheet date.

The provision for credit losses increased \$715 million in 2000 to \$2.5 billion primarily related to increased credit deterioration and nonperforming assets in the commercial - domestic loan portfolio. The provision for credit losses in 2000 was \$135 million in excess of net charge-offs of \$2.4 billion due primarily to a decision to increase the allowance for credit losses, in response to the increased velocity of credit deterioration in the fourth quarter of 2000.

The nature of the process by which the Corporation determines the appropriate allowance for credit losses requires the exercise of considerable judgment. After review of all relevant matters affecting loan collectibility, management believes that the allowance for credit losses is appropriate given its analysis of estimated incurred credit losses at December 31, 2000. Table Thirteen provides the changes in the allowance for credit losses for the five years ended December 31, 2000.

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Table Thirteen  
Allowance For Credit Losses  
<TABLE>

| <CAPTION>  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| (Dollars in millions)  | 2000      | 1999      | 1998      | 1997      | 1996      |
| <S>  | <C>       | <C>       | <C>       | <C>       | <C>       |
| Balance, January 1   | \$ 6,828  | \$ 7,122  | \$ 6,778  | \$ 6,316  | \$ 6,222  |
| Loans and leases charged off   |           |           |           |           |           |
| Commercial - domestic  | 1,412     | 820       | 714       | 328       | 376       |
| Commercial - foreign   | 117       | 161       | 262       | 54        | 29        |
| Commercial real estate - domestic  | 31        | 19        | 21        | 59        | 131       |
| Commercial real estate - foreign   | 1         | 1         | --        | --        | --        |
| Total commercial   | 1,561     | 1,001     | 997       | 441       | 536       |
| Residential mortgage   | 36        | 35        | 33        | 50        | 61        |
| Home equity lines  | 29        | 24        | 27        | 36        | 47        |
| Direct/Indirect consumer   | 502       | 545       | 562       | 582       | 486       |
| Consumer finance   | 420       | 387       | 561       | 426       | 393       |
| Bankcard   | 392       | 571       | 857       | 1,043     | 838       |
| Other consumer domestic  | 51        | (1)       | --        | 12        | 5         |
| Foreign consumer   | 4         | 20        | 13        | 13        | 3         |
| Total consumer   | 1,434     | 1,581     | 2,053     | 2,162     | 1,833     |
| Total loans and leases charged off   | 2,995     | 2,582     | 3,050     | 2,603     | 2,369     |
| Recoveries of loans and leases previously charged off                                      |           |           |           |           |           |
| Commercial - domestic  | 125       | 109       | 97        | 226       | 194       |
| Commercial - foreign   | 31        | 17        | 20        | 25        | 40        |
| Commercial real estate - domestic  | 18        | 25        | 21        | 59        | 50        |
| Commercial real estate - foreign   | 3         | --        | --        | --        | 5         |
| Total commercial   | 177       | 151       | 138       | 310       | 289       |
| Residential mortgage   | 9         | 7         | 4         | 5         | 4         |
| Home equity lines  | 9         | 12        | 10        | 9         | 7         |
| Direct/Indirect consumer   | 178       | 175       | 157       | 146       | 137       |
| Consumer finance   | 154       | 158       | 178       | 155       | 156       |
| Bankcard   | 54        | 76        | 93        | 124       | 108       |
| Other consumer - domestic  | 13        | --        | --        | --        | --        |
| Foreign consumer   | 1         | 3         | 3         | 2         | 1         |
| Total consumer   | 418       | 431       | 445       | 441       | 413       |
| Total recoveries of loans and leases previously charged off                                | 595       | 582       | 583       | 751       | 702       |
| Net charge-offs  | 2,400     | 2,000     | 2,467     | 1,852     | 1,667     |
| Provisions for credit losses   | 2,535     | 1,820     | 2,920     | 1,904     | 1,645     |
| Other, net   | (125)     | (114)     | (109)     | 410       | 116       |
| Balance, December 31   | \$ 6,838  | \$ 6,828  | \$ 7,122  | \$ 6,778  | \$ 6,316  |
| Loans and leases outstanding at December 31  | \$392,193 | \$370,662 | \$357,328 | \$342,140 | \$317,709 |
| Allowance for credit losses as a percentage of loans and leases outstanding at December 31 | 1.74%     | 1.84%     | 1.99%     | 1.98%     | 1.99%     |
| Average loans and leases outstanding during the year                                       | \$392,622 | \$362,783 | \$347,840 | \$343,151 | \$312,331 |
| Net charge-offs as a   |           |           |           |           |           |

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| percentage of average<br>outstanding loans and<br>leases during the year                   | .61%   | .55%   | .71%   | .54%   | .53%   |
| Ratio of the allowance for<br>credit losses at December<br>31 to net charge-offs           | 2.85   | 3.41   | 2.89   | 3.66   | 3.79   |
| Allowance for credit losses<br>as a percentage of<br>nonperforming loans at end<br>of year | 131.30 | 224.48 | 287.01 | 321.03 | 287.35 |

</TABLE>

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Table Fourteen

Net Charge-offs in Dollars and as a Percentage of Average Loans and Leases

Outstanding(/1/)

<TABLE>

<CAPTION>

|  |         |       |         |       |         |       |         |       |         |       |
|--|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| (Dollars in millions)                                  | 2000    |       | 1999    |       | 1998    |       | 1997    |       | 1996    |       |
| <S>  | <C>     | <C>   | <C>     | <C>   | <C>     | <C>   | <C>     | <C>   | <C>     | <C>   |
| Commercial - domestic                                  | \$1,287 | .87%  | \$ 711  | .51%  | \$ 617  | .47%  | \$ 102  | .09%  | \$ 182  | .18%  |
| Commercial - foreign                                   | 86      | .29   | 144     | .49   | 242     | .78   | 29      | .10   | (11)    | n/m   |
| Commercial real estate -<br>domestic                   | 13      | .05   | (6)     | n/m   | --      | --    | --      | --    | 81      | .31   |
| Commercial real estate -<br>foreign                    | (2)     | --    | 1       | .39   | --      | --    | --      | --    | (5)     | n/m   |
| Total commercial                                       | 1,384   | .68   | 850     | .44   | 859     | .45   | 131     | .07   | 247     | .16   |
| Residential mortgage                                   | 27      | .03   | 28      | .04   | 29      | .04   | 45      | .06   | 57      | .07   |
| Home equity lines                                      | 20      | .10   | 12      | .07   | 17      | .11   | 27      | .18   | 40      | .34   |
| Direct/Indirect consumer                               | 324     | .78   | 370     | .88   | 405     | 1.01  | 436     | 1.11  | 349     | 1.01  |
| Consumer finance                                       | 266     | 1.09  | 229     | 1.22  | 383     | 2.67  | 271     | 1.96  | 237     | 1.98  |
| Bankcard   | 338     | 3.29  | 495     | 5.08  | 764     | 6.03  | 919     | 5.90  | 730     | 4.47  |
| Other consumer -<br>domestic                           | 38      | --    | (1)     | n/m   | --      | --    | 12      | --    | 5       | --    |
| Foreign consumer                                       | 3       | .13   | 17      | .52   | 10      | .31   | 11      | .32   | 2       | .10   |
| Total consumer   | 1,016   | .54   | 1,150   | .68   | 1,608   | 1.02  | 1,721   | 1.03  | 1,420   | .89   |
| Total net charge-offs                                  | \$2,400 | .61%  | \$2,000 | .55%  | \$2,467 | .71%  | \$1,852 | .54%  | \$1,667 | .53%  |
| Managed bankcard net<br>charge-offs and<br>ratios(/2/) | \$ 944  | 4.66% | \$1,077 | 5.57% | \$1,284 | 6.27% | \$1,254 | 6.19% | \$ 888  | 4.67% |

</TABLE>

n/m = not meaningful

(1) Percentage amounts are calculated as net charge-offs divided by average  
outstanding or managed loans for each loan category.

(2) Includes both on-balance sheet and securitized loans.

Table Fifteen

Allocation of the Allowance for Credit Losses

<TABLE>

<CAPTION>

|                                      |             |         |         |         |         |         |         |         |         |         |
|--------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                      | December 31 |         |         |         |         |         |         |         |         |         |
|                                      | 2000        |         | 1999    |         | 1998    |         | 1997    |         | 1996    |         |
| (Dollars in millions)                | Amount      | Percent | Amount  | Percent | Amount  | Percent | Amount  | Percent | Amount  | Percent |
| <S>                                  | <C>         | <C>     | <C>     | <C>     | <C>     | <C>     | <C>     | <C>     | <C>     | <C>     |
| Commercial - domestic                | \$1,993     | 29.1%   | \$1,875 | 27.4%   | \$1,540 | 21.6%   | \$1,580 | 23.4%   | \$1,436 | 22.7%   |
| Commercial - foreign                 | 796         | 11.6    | 930     | 13.6    | 1,327   | 18.6    | 1,013   | 14.9    | 427     | 6.8     |
| Commercial real<br>estate - domestic | 989         | 14.5    | 927     | 13.6    | 925     | 13.0    | 847     | 12.5    | 764     | 12.1    |
| Commercial real<br>estate - foreign  | 7           | .1      | 11      | .2      | --      | --      | --      | --      | --      | --      |
| Total commercial                     | 3,785       | 55.3    | 3,743   | 54.8    | 3,792   | 53.2    | 3,440   | 50.8    | 2,627   | 41.6    |
| Residential mortgage                 | 151         | 2.2     | 160     | 2.3     | 137     | 1.9     | 181     | 2.7     | 214     | 3.4     |
| Home equity lines                    | 77          | 1.1     | 60      | .9      | 46      | .6      | 84      | 1.2     | 87      | 1.4     |
| Direct/Indirect consumer             | 384         | 5.6     | 416     | 6.1     | 527     | 7.5     | 608     | 9.0     | 618     | 9.8     |
| Consumer finance                     | 658         | 9.7     | 651     | 9.5     | 658     | 9.2     | 785     | 11.6    | 645     | 10.2    |
| Bankcard                             | 549         | 8.0     | 348     | 5.1     | 501     | 7.0     | 790     | 11.7    | 671     | 10.6    |
| Foreign consumer                     | 11          | .2      | 11      | .2      | 26      | .4      | 23      | .3      | 21      | .3      |
| Total consumer                       | 1,830       | 26.8    | 1,646   | 24.1    | 1,895   | 26.6    | 2,471   | 36.5    | 2,256   | 35.7    |



|            |         |        |         |        |         |        |         |        |         |        |
|------------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| Unassigned | 1,223   | 17.9   | 1,439   | 21.1   | 1,435   | 20.2   | 867     | 12.7   | 1,433   | 22.7   |
| Total      | \$6,838 | 100.0% | \$6,828 | 100.0% | \$7,122 | 100.0% | \$6,778 | 100.0% | \$6,316 | 100.0% |

</TABLE>

#### Concentrations of Credit Risk

In an effort to minimize the adverse impact of any single event or set of occurrences, the Corporation strives to maintain a diverse credit portfolio as outlined in Tables Sixteen, Seventeen, Eighteen and Nineteen.

The Corporation maintains a diverse commercial loan portfolio, representing 52 percent of total loan and leases at December 31, 2000. The largest concentration is in commercial real estate, which represents seven percent of total loans and leases. The exposures presented in Table Seventeen represent credit extensions for real estate-related purposes to borrowers or counterparties who are primarily in the real estate development or investment business and for which the ultimate repayment of the credit is dependent on the sale, lease, rental or refinancing of the real estate. The exposure included in the table does not include credit

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extensions which were made on the general creditworthiness of the borrower, for which real estate was obtained as security and for which the ultimate repayment of the credit is not dependent on the sale, lease, rental or refinancing of the real estate. Accordingly, the exposure presented does not include commercial loans secured by owner-occupied real estate, except where the borrower is a real estate developer.

Total loans and leases outstanding at December 31, 2000, include approximately \$5 billion related to the utilities industry, which represents 1.3 percent of total loans and leases. Recent problems being experienced by the California utility companies are being closely monitored by the Corporation. These problems are related to government and regulatory issues, as well as financial issues. The Corporation believes all interested parties including utilities, suppliers and government officials are working diligently in an attempt to resolve the situation.

Table Sixteen  
Significant Industry Loans and Leases(/1/)

<TABLE>

<CAPTION>

| (Dollars in millions)                  | 2000        |                                      | 1999        |                                      |
|--|-------------|--------------------------------------|-------------|--------------------------------------|
|  | Outstanding | Percent of Total<br>Loans and Leases | Outstanding | Percent of Total<br>Loans and Leases |
| <S>                                    | <C>         | <C>                                  | <C>         | <C>                                  |
| Transportation                         | \$11,704    | 3.0%                                 | \$11,133    | 3.0%                                 |
| Media                                  | 9,322       | 2.4                                  | 8,783       | 2.4                                  |
| Equipment and general<br>manufacturing | 8,982       | 2.3                                  | 8,183       | 2.2                                  |
| Business services                      | 8,883       | 2.3                                  | 8,153       | 2.2                                  |
| Agribusiness                           | 7,672       | 2.0                                  | 8,110       | 2.2                                  |
| Healthcare                             | 7,201       | 1.8                                  | 8,539       | 2.3                                  |
| Retail                                 | 7,049       | 1.8                                  | 7,040       | 1.9                                  |
| Telecommunications                     | 6,801       | 1.7                                  | 5,298       | 1.4                                  |
| Autos                                  | 6,741       | 1.7                                  | 6,331       | 1.7                                  |
| Oil and gas                            | 5,299       | 1.4                                  | 6,839       | 1.8                                  |

</TABLE>

(1) Includes only non-real estate commercial loans and leases.

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Table Seventeen  
Commercial Real Estate Loans, Foreclosed Properties  
and Other Real Estate Credit Exposure

<TABLE>

<CAPTION>

December 31, 2000

| (Dollars in millions) | Loans       |               | Foreclosed      | Credit        |
|-----------------------|-------------|---------------|-----------------|---------------|
|                       | Outstanding | Nonperforming | Properties(/1/) | Exposure(/2/) |
| <S>                   | <C>         | <C>           | <C>             | <C>           |
| By Geographic         |             |               |                 |               |

|                            |          |       |      |         |
|----------------------------|----------|-------|------|---------|
| Region(/3/)                |          |       |      |         |
| California                 | \$ 5,756 | \$ 49 | \$ 4 | \$ 806  |
| Southwest                  | 3,846    | 14    | --   | 610     |
| Northwest                  | 2,862    | 2     | --   | 138     |
| Florida                    | 2,632    | 23    | --   | 509     |
| Midwest                    | 2,589    | 24    | 26   | 200     |
| Mid-Atlantic               | 1,682    | 12    | --   | 474     |
| Carolinas                  | 1,453    | 5     | --   | 75      |
| Midsouth                   | 1,387    | 4     | --   | 110     |
| Northeast                  | 1,312    | 67    | --   | 727     |
| Other states               | 1,267    | 36    | 37   | 132     |
| Non-US                     | 282      | 3     | --   | 7       |
| Geographically diversified | 1,368    | --    | --   | 250     |
| -----                      |          |       |      |         |
| Total                      | \$26,436 | \$239 | \$67 | \$4,038 |
| -----                      |          |       |      |         |
| By Property Type           |          |       |      |         |
| Office buildings           | \$ 5,237 | \$ 10 | \$ 2 | \$ 625  |
| Apartments                 | 4,856    | 46    | --   | 761     |
| Shopping centers/retail    | 3,471    | 19    | 17   | 913     |
| Residential                | 3,266    | 23    | --   | 343     |
| Industrial/warehouse       | 2,596    | 7     | 11   | 62      |
| Land and land development  | 1,353    | 2     | 8    | 157     |
| Hotels/motels              | 1,195    | 7     | 9    | 288     |
| Multiple use               | 704      | 1     | --   | 132     |
| Miscellaneous commercial   | 598      | 2     | --   | 16      |
| Unsecured                  | 399      | --    | --   | 18      |
| Non-US                     | 282      | 3     | --   | 7       |
| Other                      | 2,479    | 119   | 20   | 716     |
| -----                      |          |       |      |         |
| Total                      | \$26,436 | \$239 | \$67 | \$4,038 |
| -----                      |          |       |      |         |

</TABLE>

- (1) Foreclosed properties include commercial real estate loans only.  
(2) Other credit exposures include letters of credit and loans held for sale.  
(3) Distribution based on geographic location of collateral.

#### International Exposure

Through its credit and market risk management activities, the Corporation has been devoting particular attention to those countries that have been negatively impacted by global economic pressure. These include certain Asian countries as well as countries within Latin America and Eastern Europe that have experienced currency and other economic problems.

In connection with its efforts to maintain a diversified portfolio, the Corporation limits its exposure to any one geographic region or country and monitors this exposure on a continuous basis. Table Eighteen sets forth selected regional foreign exposure at December 31, 2000. The countries selected represent those that the Corporation considers having higher credit and foreign exchange risk. At December 31, 2000, the Corporation's total exposure to these select countries was \$30.3 billion, an increase of \$2.5 billion from December 31, 1999, primarily due to increased levels of Japanese government securities. The growth was partially offset by the sale of the Pakistan business and loan paydowns in Mexico. The Corporation's total selected regional foreign exposure has declined \$6.4 billion and \$16.5 billion since December 31, 1998 and 1997 respectively. Table Eighteen is based on the FFIEC's instructions for periodic reporting of foreign exposure.

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Table Eighteen  
Selected Regional Foreign Exposure

| <TABLE><br><CAPTION>  |                                  |                         |  |       |                                     |        |                                       |                                       |
|---|----------------------------------|-------------------------|--|-------|-------------------------------------|--------|---------------------------------------|---------------------------------------|
| Increase/<br>(Decrease)<br>from<br>(Dollars in<br>December 31,<br>millions) | Loans and<br>Loan<br>Commitments |                         | Derivatives<br>(Net<br>Positive<br>Mark-To-<br>Market) |       | Securities/<br>Other<br>Investments |        | Total<br>Cross-<br>border<br>Exposure | Total<br>Local<br>Country<br>Exposure |
|   |                                  | Other<br>Financing(/1/) |  |       |                                     |        |                                       | December 31,<br>2000                  |
|   |                                  |                         |  |       |                                     |        |                                       | 1999                                  |
| -----   |                                  |                         |  |       |                                     |        |                                       |                                       |
| <S><br>Region/Country   | <C>                              | <C>                     | <C>  | <C>   | <C>                                 | <C>    | <C>                                   | <C>                                   |
| Asia  |                                  |                         |  |       |                                     |        |                                       |                                       |
| China   | \$ 108                           | \$ 3                    | \$ 10  | \$ 79 | \$ 200                              | \$ 120 | \$ 320                                | \$                                    |
| (36)  |                                  |                         |  |       |                                     |        |                                       |                                       |

|   |         |         |         |         |          |          |          |    |
|---|---------|---------|---------|---------|----------|----------|----------|----|
| Hong Kong<br>245  | 199     | 40      | 19      | 90      | 348      | 4,216    | 4,564    |    |
| India<br>225  | 878     | 45      | 53      | 56      | 1,032    | 1,177    | 2,209    |    |
| Indonesia<br>(127)  | 252     | 24      | 22      | 30      | 328      | 67       | 395      |    |
| Japan<br>3,293  | 696     | 90      | 599     | 5,022   | 6,407    | 687      | 7,094    |    |
| Korea (South)<br>82   | 361     | 861     | 74      | 61      | 1,357    | 863      | 2,220    |    |
| Malaysia<br>(68)  | 41      | 9       | 1       | 1       | 52       | 470      | 522      |    |
| Pakistan<br>(305)   | 10      | 8       | --      | --      | 18       | --       | 18       |    |
| Philippines<br>(112)  | 182     | 28      | 2       | 35      | 247      | 144      | 391      |    |
| Singapore<br>182  | 334     | 9       | 49      | 65      | 457      | 1,017    | 1,474    |    |
| Taiwan<br>168   | 319     | 58      | 18      | 1       | 396      | 733      | 1,129    |    |
| Thailand<br>(201)   | 43      | 11      | 46      | 33      | 133      | 274      | 407      |    |
| Other<br>(18)   | 1       | 17      | --      | --      | 18       | 114      | 132      |    |
| -----   |         |         |         |         |          |          |          |    |
| Total<br>\$3,328  | \$3,424 | \$1,203 | \$ 893  | \$5,473 | \$10,993 | \$ 9,882 | \$20,875 |    |
| -----   |         |         |         |         |          |          |          |    |
| -----   |         |         |         |         |          |          |          |    |
| Central and<br>Eastern Europe<br>Russia<br>Federation<br>(16) | \$ --   | \$ --   | --      | \$ 2    | \$ 2     | --       | \$ 2     | \$ |
| Turkey<br>114   | 271     | 37      | 3       | 21      | 332      | --       | 332      |    |
| Other<br>9  | 95      | 16      | 18      | 47      | 176      | 68       | 244      |    |
| -----   |         |         |         |         |          |          |          |    |
| Total<br>107  | \$ 366  | \$ 53   | \$ 21   | \$ 70   | \$ 510   | \$ 68    | \$ 578   | \$ |
| -----   |         |         |         |         |          |          |          |    |
| -----   |         |         |         |         |          |          |          |    |
| Latin America<br>Argentina<br>(64)                            | \$ 500  | \$ 114  | \$ 14   | \$ 50   | \$ 678   | \$ 396   | \$ 1,074 | \$ |
| Brazil<br>(244)   | 788     | 416     | 239     | 329     | 1,772    | 492      | 2,264    |    |
| Chile<br>(19)   | 569     | 6       | 9       | 12      | 596      | 384      | 980      |    |
| Colombia<br>(206)   | 207     | 42      | 7       | 9       | 265      | 21       | 286      |    |
| Mexico<br>(439)   | 1,547   | 355     | 62      | 1,267   | 3,231    | 205      | 3,436    |    |
| Venezuela<br>66   | 165     | 21      | --      | 245     | 431      | 48       | 479      |    |
| Other<br>15   | 199     | 74      | 2       | 87      | 362      | --       | 362      |    |
| -----   |         |         |         |         |          |          |          |    |
| Total<br>(891)  | \$3,975 | \$1,028 | \$ 333  | \$1,999 | \$ 7,335 | \$ 1,546 | \$ 8,881 | \$ |
| -----   |         |         |         |         |          |          |          |    |
| Total<br>\$2,544  | \$7,765 | \$2,284 | \$1,247 | \$7,542 | \$18,838 | \$11,496 | 30,334   |    |

</TABLE>

- (1) Includes acceptances, standby letters of credit, commercial letters of credit, and formal guarantees.
- (2) 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 FFIEC reporting rules.
- (3) 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.

assets in the three countries detailed on Table Nineteen. The exposure in the United Kingdom and Germany reflects the Corporation's efforts to diversify its portfolio in industrialized countries where its clients operate. The growth in Japan is primarily due to increased levels of Japanese government securities resulting from market risk management activities that are closely monitored and are regularly subject to stress testing scenarios. For additional information on these market risk management activities, see the "Market Risk Management" section on page 47.

Table Nineteen  
Exposure Exceeding One Percent of Total Assets (/1/,/2/)

<TABLE>

<CAPTION>

| (Dollars in millions) | December 31 | Public Sector Banks | Private Sector | Total Exposure | Exposure as a Percentage of Total Assets |       |
|-----------------------|-------------|---------------------|----------------|----------------|--|-------|
| <S>                   | <C>         | <C>                 | <C>            | <C>            | <C>                                      |       |
| United Kingdom        | 2000        | \$ 355              | \$1,962        | \$6,167        | \$8,484                                  | 1.32% |
|                       | 1999        | 250                 | 917            | 4,535          | 5,702                                    | 0.90  |
| Germany               | 2000        | 2,188               | 2,249          | 2,062          | 6,499                                    | 1.01  |
|                       | 1999        | 791                 | 1,948          | 932            | 3,671                                    | 0.58  |
| Japan                 | 2000        | 4,925               | 599            | 883            | 6,407                                    | 1.00  |
|                       | 1999        | 1,653               | 502            | 518            | 2,673                                    | 0.42  |

- (1) Exposure includes cross-border claims by the Corporation's foreign offices as follows: loans, accrued interest receivable, acceptances, time deposits placed, trading account assets, available-for-sale (at fair value) and held-to-maturity (at cost) securities, other interest-earning investments and other monetary assets. Amounts also include derivative-dealer assets, unused commitments, standby letters of credit, commercial letters of credit and formal guarantees.
- (2) Sector definitions are based on the FFIEC instructions for preparing the Country Exposure Report.

## Market Risk Management

### Overview

The Corporation is exposed to market risk as a consequence of the normal course of conducting its business activities. Examples of these business activities include market making, underwriting, proprietary trading, and asset/liability management in interest rate, foreign exchange, equity, commodity and credit markets, along with any associated derivative products. Market risk is the potential of loss arising from adverse changes in market rates, prices and liquidity. Financial products that expose the Corporation to market risk include securities, loans, deposits, debt and derivative financial instruments such as futures, forwards, swaps, options and other financial instruments with similar characteristics. Liquidity risk arises from the possibility that the Corporation may not be able to satisfy current or future financial commitments or that the Corporation may be more reliant on alternative funding sources such as long-term debt.

### Trading Portfolio

The Corporation's Board of Directors (the Board) delegates responsibility of the day-to-day management of market risk to the Finance Committee. The Finance Committee has structured a system of independent checks, balances and reporting in order to ensure that the Board's disposition toward market risk is not compromised.

The objective of Risk Management is to provide senior management with independent, timely assessments of the bottom line impacts of all market risks facing the Corporation and to monitor those impacts against trading limits. Risk Management monitors the changing aggregate position of the Corporation and projects the profit and loss levels that would result from both normal and extreme market moves. In addition, Risk Management is responsible for ensuring that reasonable policies and procedures that are in line with the Board's risk preferences are in place and enforced. These policies and procedures encompass the limit process, risk reporting, new product review and model review.

-----

| Daily Market Risk-Related Revenue (Dollars in millions) | Number of Days |
|---|----------------|
| -10 to -15  | 1              |
| -5 to -10   | 4              |
| 0 to -5   | 14             |

-----

|       |    |
|-------|----|
| 0-5   | 39 |
| 5-10  | 52 |
| 10-15 | 57 |
| 15-20 | 46 |
| 20-25 | 18 |
| 25-30 | 13 |
| 30-35 | 6  |
| > 35  | 1  |

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Market risk-related revenue includes trading revenue and trading-related net interest income, which encompasses both proprietary trading and customer-related activities. In 2000, the Corporation continued its efforts to build on its client franchise and reduce the proportion of proprietary trading revenue to total revenue. The success of these efforts can be seen in the histogram. In 2000, the Corporation recorded positive daily market risk-related revenue for 232 of 251 trading days. Furthermore, of the 19 days that showed negative revenue, only one day was greater than \$10 million.

#### Value at Risk

Value at Risk (VAR) is the key measure of market risk for the Corporation. VAR represents the maximum amount that the Corporation has placed at risk of loss, with a 99 percent degree of confidence, in the course of its risk taking activities. Its purpose is to describe the amount of capital required to absorb potential losses from adverse market movements.

As the graph below shows, in 2000, actual market risk-related revenue exceeded VAR measures one day out of 251 total trading days. Given the 99 percent confidence interval captured by VAR, this would be expected to occur approximately once every 100 trading days, or two to three times each year.

Graphic omitted: Line graph representation of Daily Market Risk-Related Revenue and VAR for the twelve months ended December 31, 2000. During 2000, the daily market risk-related revenue ranged from negative revenue of \$13 million to positive revenue of \$37 million. Over the same period, VAR ranged from \$25 million to \$53 million.

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The following table summarizes the VAR in the Corporation's trading portfolios as of and for the years ended December 31, 2000 and 1999:

Table Twenty  
Trading Activities Market Risk

<TABLE>  
<CAPTION>

| (US Dollar equivalents<br>in millions) | 2000                |                  |                 | 1999                |                  |                 |
|--|---------------------|------------------|-----------------|---------------------|------------------|-----------------|
|  | Average<br>VAR(/1/) | High<br>VAR(/2/) | Low<br>VAR(/2/) | Average<br>VAR(/1/) | High<br>VAR(/2/) | Low<br>VAR(/2/) |
| -----                                  |                     |                  |                 |                     |                  |                 |
| <S>                                    | <C>                 | <C>              | <C>             | <C>                 | <C>              | <C>             |
| Interest rate                          | \$25.9              | \$42.2           | \$16.3          | \$25.7              | \$41.2           | \$18.6          |
| Foreign exchange                       | 10.6                | 18.5             | 5.4             | 10.8                | 21.7             | 6.1             |
| Commodities                            | 2.1                 | 5.2              | .5              | 1.6                 | 5.8              | .6              |
| Equities                               | 26.7                | 41.5             | 5.5             | 13.1                | 26.8             | 2.6             |
| Credit products(/3/)                   | 10.1                | 17.4             | 3.2             | n/a                 | n/a              | n/a             |
| Real estate/mortgage(/3/)              | 7.5                 | 11.3             | 2.5             | n/a                 | n/a              | n/a             |
| Total trading portfolio                | 41.5                | 53.0             | 25.1            | 31.7                | 42.6             | 23.5            |
| -----                                  |                     |                  |                 |                     |                  |                 |

</TABLE>

- (1) The average VAR for the total portfolio is less than the sum of the VARs of the individual portfolios due to risk offsets arising from the diversification of the portfolio.
- (2) The high and low for the entire trading account may not equal the sum of the individual components as the highs or lows of the portfolio may have occurred on different trading days.
- (3) Prior to 2000, the credit products and real estate/mortgage portfolios were reported as part of the interest rate portfolio.

Total trading portfolio VAR increased during 2000 relative to 1999, largely

driven by increased activity in the equities business. The VAR for the other product categories during 2000 was approximately the same as in 1999.

The following table summarizes the quarterly VAR in the Corporation's trading portfolios for 2000:

Quarterly Trading Activities Market Risk

<TABLE>

<CAPTION>

| 2000   |                  |               |              |                  |               |              |                  |               |              |                  |               |
|--|------------------|---------------|--------------|------------------|---------------|--------------|------------------|---------------|--------------|------------------|---------------|
| Quarter  | Fourth Quarter   |               |              | Third Quarter    |               |              | Second Quarter   |               |              | First            |               |
| (US Dollar equivalents in Low millions) VAR(/2/) | Average VAR(/1/) | High VAR(/2/) | Low VAR(/2/) | Average VAR(/1/) | High VAR(/2/) | Low VAR(/2/) | Average VAR(/1/) | High VAR(/2/) | Low VAR(/2/) | Average VAR(/1/) | High VAR(/2/) |
| <S>  | <C>              | <C>           | <C>          | <C>              | <C>           | <C>          | <C>              | <C>           | <C>          | <C>              | <C>           |
| <C>  |                  |               |              |                  |               |              |                  |               |              |                  |               |
| Interest rate \$19.9                             | \$25.2           | \$42.2        | \$16.3       | \$29.1           | \$35.5        | \$24.7       | \$26.4           | \$33.6        | \$21.7       | \$22.8           | \$25.5        |
| Foreign exchange 7.4                             | 10.6             | 15.5          | 5.7          | 9.1              | 13.5          | 5.5          | 10.2             | 18.5          | 5.4          | 12.2             | 17.8          |
| Commodities .5                                   | 2.8              | 4.8           | 1.5          | 2.4              | 5.2           | .5           | 1.9              | 3.3           | .7           | 1.2              | 2.4           |
| Equities(/3/) 19.1                               | 10.4             | 21.6          | 5.5          | 35.2             | 41.5          | 25.5         | 36.7             | 39.8          | 28.7         | 24.6             | 35.1          |
| Credit products 8.9                              | 6.3              | 8.5           | 3.2          | 8.8              | 12.0          | 6.1          | 12.4             | 16.4          | 8.8          | 13.2             | 17.4          |
| Real estate/mortgage 4.5                         | 9.6              | 11.1          | 8.3          | 9.8              | 11.3          | 8.6          | 4.5              | 9.4           | 2.5          | 6.1              | 9.1           |
| Total trading portfolio(/3/) 34.0                | 32.0             | 45.5          | 25.1         | 48.5             | 53.0          | 39.2         | 47.9             | 52.0          | 41.9         | 37.4             | 46.7          |

</TABLE>

- (1) The average VAR for the total portfolio is less than the sum of the VARs of the individual portfolios due to risk offsets arising from the diversification of the portfolio.
- (2) The high and low for the entire trading account may not equal the sum of the individual components as the highs or lows of the portfolio may have occurred on different trading days.
- (3) The decrease in VAR in the fourth quarter was due to a change in the methodology used to calculate VAR for the equities portfolio. The net effect of the change was an approximate \$20 million reduction in reported VAR for equities. VAR was not restated for previous quarters.

VAR modeling on trading is subject to numerous limitations. In addition, the Corporation recognizes that there are numerous assumptions and estimates associated with modeling and actual results could differ from these assumptions and estimates. The Corporation mitigates these uncertainties through close monitoring and by examining and updating assumptions on an ongoing basis. The continual trading risk management process considers the impact of unanticipated risk exposure and updates assumptions to reduce loss exposure.

Stress Testing

In order to determine the sensitivity of the Corporation's capital to the impact of historically large market moves with low probability, stress scenarios are run against the trading portfolios. This stress testing should verify that, even under extreme market moves, the Corporation will preserve its capital. The scenarios for each product are large standard deviation moves in the relevant markets that are based on significant historical events. These results are calculated daily and reported as part of the regular reporting process.

In addition, specific stress scenarios are run regularly which represent extreme, but plausible, events that would be of concern given the Corporation's current portfolio. The results of these specific scenarios are presented to the Trading Risk Committee as part of its regular meetings. Examples of these specific stress scenarios include calculating the effects on the overall portfolio of an extreme Federal Reserve Board tightening or easing of interest rates, a severe credit deterioration in the U.S., and a recession in

Japan and the corresponding ripple effects throughout Asia.

## Asset and Liability Management Activities

### Non-Trading Portfolio

The Corporation's Asset and Liability Management (ALM) process, managed through the Asset and Liability Committee of the Finance Committee, is used to manage interest rate risk through the structuring of balance sheet and off-balance sheet portfolios and identifying and linking such off-balance sheet positions to specific assets and liabilities. Interest rate risk represents the only material market risk exposure to the Corporation's non-trading financial instruments. To effectively measure and manage interest rate risk, the Corporation uses sophisticated computer simulations which determine the impact on net interest income of numerous interest rate scenarios, balance sheet trends and strategies. These simulations cover the following financial instruments: short-term financial instruments, securities, loans, deposits, borrowings and off-balance sheet financial instruments. These simulations incorporate assumptions about balance sheet dynamics, such as loan and deposit growth and pricing, changes in funding mix and asset and liability repricing and maturity characteristics. Simulations are run under various interest rate scenarios to determine the impact on net income and capital. From these scenarios, interest rate risk is quantified and appropriate strategies are developed and implemented. The overall interest rate risk position and strategies are reviewed on an ongoing basis by senior management. Additionally, duration and market value sensitivity measures are selectively utilized where they provide added value to the overall interest rate risk management process.

At December 31, 2000, the interest rate risk position of the Corporation was relatively neutral as the impact of a gradual parallel 100 basis-point rise or fall in interest rates over the next 12 months was estimated to be less than one percent of net interest income.

Table Twenty-One summarizes the expected maturities, unrealized gains and losses and weighted average effective yields and rates associated with the Corporation's significant non-trading on-balance sheet financial instruments. Cash and cash equivalents, time deposits placed and other short-term investments, federal funds sold and purchased, resale and repurchase agreements, commercial paper, other short-term borrowings and foreign deposits, which are similar in nature to other short-term borrowings, are excluded from Table Twenty-One as their respective carrying values approximate fair values. These financial instruments generally expose the Corporation to insignificant market risk as they have either no stated maturities or an average maturity of less than 30 days and interest rates that approximate market rates. However, these financial instruments could expose the Corporation to interest rate risk by requiring more or less reliance on alternative funding sources, such as long-term debt. Loans held for sale are also excluded as their carrying values approximate their fair values, generally exposing the Corporation to insignificant market risk. For further information on the fair value of financial instruments, see Note Eighteen of the consolidated financial statements on page 100.

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Table Twenty-One  
Non-Trading On-Balance Sheet Financial Instruments

|  |           |                              | Expected Maturity |          |          |          |          |               |
|--|-----------|------------------------------|-------------------|----------|----------|----------|----------|---------------|
| (Dollars in millions)                  | Total     | Unrealized<br>Gains/(Losses) | 2001              | 2002     | 2003     | 2004     | 2005     | After<br>2005 |
| <S>                                    | <C>       | <C>                          | <C>               | <C>      | <C>      | <C>      | <C>      | <C>           |
| Assets(/1/)                            |           |                              |                   |          |          |          |          |               |
| Available-for-sale securities(/2/,/8/) |           |                              |                   |          |          |          |          |               |
| Fixed rate                             |           |                              |                   |          |          |          |          |               |
| Book value                             | \$ 57,075 | \$ (936)                     | \$ 1,938          | \$ 3,778 | \$12,015 | \$ 3,983 | \$ 3,068 | \$32,293      |
| Weighted average effective yield       | 5.93%     |                              |                   |          |          |          |          |               |
| Variable rate                          |           |                              |                   |          |          |          |          |               |
| Book value                             | \$ 7,576  | (55)                         | 13                | 15       | 48       | 975      | 332      | 6,193         |
| Weighted average effective yield       | 6.63%     |                              |                   |          |          |          |          |               |
| Held-to-maturity securities(/2/)       |           |                              |                   |          |          |          |          |               |
| Fixed rate                             |           |                              |                   |          |          |          |          |               |
| Book value                             | \$ 1,132  | (54)                         | 60                | 45       | 53       | 29       | 16       | 929           |
| Weighted average effective yield       | 7.52%     |                              |                   |          |          |          |          |               |
| Variable rate                          |           |                              |                   |          |          |          |          |               |

|                                  |           |       |         |        |        |        |        |        |
|----------------------------------|-----------|-------|---------|--------|--------|--------|--------|--------|
| Book value                       | \$ 55     | --    | 23      | 5      | 12     | 7      | 4      | 4      |
| Weighted average effective yield | 7.57%     |       |         |        |        |        |        |        |
| Loans (/2/, /3/)                 |           |       |         |        |        |        |        |        |
| Fixed rate                       |           |       |         |        |        |        |        |        |
| Book value                       | \$120,910 | 2,110 | 34,705  | 19,869 | 15,045 | 9,572  | 7,377  | 34,342 |
| Weighted average effective yield | 7.97%     |       |         |        |        |        |        |        |
| Variable rate                    |           |       |         |        |        |        |        |        |
| Book value                       | \$248,796 | 2,497 | 102,314 | 42,475 | 28,153 | 20,556 | 16,397 | 38,901 |
| Weighted average effective yield | 8.56%     |       |         |        |        |        |        |        |
| Liabilities (/1/)                |           |       |         |        |        |        |        |        |
| Total deposits (/4/, /5/)        |           |       |         |        |        |        |        |        |
| Fixed rate                       |           |       |         |        |        |        |        |        |
| Book value                       | \$221,856 | (289) | 76,563  | 14,122 | 12,695 | 11,818 | 12,084 | 94,574 |
| Weighted average effective rate  | 2.45%     |       |         |        |        |        |        |        |
| Variable rate                    |           |       |         |        |        |        |        |        |
| Book value                       | \$ 91,803 | (14)  | 22,604  | 13,314 | 11,155 | 9,381  | 8,700  | 26,649 |
| Weighted average effective rate  | 3.67%     |       |         |        |        |        |        |        |
| Long-term debt (/6/, /7/)        |           |       |         |        |        |        |        |        |
| Fixed rate                       |           |       |         |        |        |        |        |        |
| Book value                       | \$ 31,863 | (928) | 6,534   | 3,560  | 3,114  | 3,768  | 2,856  | 12,031 |
| Weighted average effective rate  | 7.19%     |       |         |        |        |        |        |        |
| Variable rate                    |           |       |         |        |        |        |        |        |
| Book value                       | \$ 35,653 | (151) | 15,147  | 6,970  | 4,010  | 6,144  | 2,487  | 895    |
| Weighted average effective rate  | 6.78%     |       |         |        |        |        |        |        |
| Trust preferred securities (/6/) |           |       |         |        |        |        |        |        |
| Fixed rate                       |           |       |         |        |        |        |        |        |
| Book value                       | \$ 3,812  | 163   | 900     | --     | 350    | --     | --     | 2,562  |
| Weighted average effective rate  | 8.03%     |       |         |        |        |        |        |        |
| Variable rate                    |           |       |         |        |        |        |        |        |
| Book value                       | \$ 1,143  | --    | --      | 400    | --     | --     | --     | 743    |
| Weighted average effective rate  | 6.51%     |       |         |        |        |        |        |        |

</TABLE>

- (1) Fixed and variable rate classifications are based on contractual rates and are not modified for the impact of asset and liability management contracts.
- (2) Expected maturities reflect the impact of prepayment assumptions.
- (3) Excludes leases.
- (4) When measuring and managing market risk associated with domestic deposits, such as savings and demand deposits, the Corporation considers its long-term relationships with depositors. The unrealized gain (loss) on deposits in this table does not consider these long-term relationships, therefore only certificates of deposits reflect a change in value.
- (5) Excludes foreign time deposits.
- (6) Expected maturities of long-term debt and trust preferred securities reflect the Corporation's ability to redeem such debt prior to contractual maturities.
- (7) Excludes obligations under capital leases.
- (8) Unrealized losses on available-for-sale securities are included in the book value.

#### Interest Rate and Foreign Exchange Contracts

Risk management interest rate contracts and foreign exchange contracts are utilized in the ALM process. Interest rate contracts, which are generally non-leveraged generic interest rate and basis swaps, options, futures and forwards, allow the Corporation to effectively manage its interest rate risk position. Generic interest rate swaps involve the exchange of fixed-rate and variable-rate interest payments based on the contractual underlying notional amount. Basis swaps involve the exchange of interest payments based on the contractual underlying notional amounts, where both the pay rate and the receive rate are floating rates based on different indices. Option products primarily consist of caps and floors. Interest rate caps and floors are agreements where, for a fee, the purchaser obtains the right to receive interest payments when a variable interest rate moves above or below a specified cap or floor rate, respectively. Futures contracts used for ALM activities are primarily index futures providing for cash payments based upon the movements of an underlying rate index. In addition, the Corporation uses foreign currency contracts to manage the foreign exchange risk associated with foreign-denominated assets and liabilities, as well as the Corporation's equity investments in foreign subsidiaries. Foreign exchange contracts, which include spot, futures and forward contracts, represent agreements to exchange the currency





|                       |         |          |          |         |         |          |          |          |       |
|-----------------------|---------|----------|----------|---------|---------|----------|----------|----------|-------|
| rate contracts        | (52)    |          |          |         |         |          |          |          |       |
| Notional amount       |         | \$24,818 | \$19,068 | \$5,750 | \$ --   | \$ --    | \$ --    | \$ --    | \$ -- |
| <hr/>                 |         |          |          |         |         |          |          |          |       |
| Total open interest   |         |          |          |         |         |          |          |          |       |
| rate contracts        | 155     |          |          |         |         |          |          |          |       |
| <hr/>                 |         |          |          |         |         |          |          |          |       |
| Closed interest rate  |         |          |          |         |         |          |          |          |       |
| contracts(/1/)        | 105     |          |          |         |         |          |          |          |       |
| <hr/>                 |         |          |          |         |         |          |          |          |       |
| Net interest rate     |         |          |          |         |         |          |          |          |       |
| contract position     | 260     |          |          |         |         |          |          |          |       |
| <hr/>                 |         |          |          |         |         |          |          |          |       |
| Open foreign exchange |         |          |          |         |         |          |          |          |       |
| contracts             | (387)   |          |          |         |         |          |          |          |       |
| Notional amount       |         | \$18,958 | \$ 1,059 | \$2,179 | \$3,472 | \$ 4,472 | \$ 5,821 | \$ 1,955 |       |
| <hr/>                 |         |          |          |         |         |          |          |          |       |
| Total ALM contracts   | \$(127) |          |          |         |         |          |          |          |       |

</TABLE>

|                         |           |          |          |          |         |          |          |          |           |
|-------------------------|-----------|----------|----------|----------|---------|----------|----------|----------|-----------|
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| <S>                     | <C>       | <C>      | <C>      | <C>      | <C>     | <C>      | <C>      | <C>      | <C>       |
| December 31, 1999       |           |          |          |          |         |          |          |          |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Expected Maturity       |           |          |          |          |         |          |          |          |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| (Dollars in millions,   |           |          |          |          |         |          |          |          |           |
| average                 |           |          |          |          |         |          |          |          |           |
| estimated duration in   | Fair      |          |          |          |         |          |          | After    | Average   |
| years)                  | Value     | Total    | 2000     | 2001     | 2002    | 2003     | 2004     | 2004     | Estimated |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| <S>                     | <C>       | <C>      | <C>      | <C>      | <C>     | <C>      | <C>      | <C>      | <C>       |
| Open interest rate con- |           |          |          |          |         |          |          |          |           |
| tracts                  |           |          |          |          |         |          |          |          |           |
| Total receive fixed     |           |          |          |          |         |          |          |          |           |
| swaps                   | \$(1,747) |          |          |          |         |          |          |          | 2.75      |
| Notional amount         |           | \$63,002 | \$13,539 | \$11,493 | \$1,637 | \$12,894 | \$ 7,104 | \$16,335 |           |
| Weighted average        |           |          |          |          |         |          |          |          |           |
| receive rate            |           | 6.15%    | 5.98%    | 6.43%    | 6.88%   | 5.60%    | 6.57%    | 6.28%    |           |
| Total pay fixed swaps   | 115       |          |          |          |         |          |          |          | 2.11      |
| Notional amount         |           | \$25,701 | \$ 6,893 | \$ 8,232 | \$3,175 | \$ 2,475 | \$ 719   | \$ 4,207 |           |
| Weighted average pay    |           |          |          |          |         |          |          |          |           |
| rate                    |           | 6.68%    | 6.84%    | 6.57%    | 6.23%   | 7.10%    | 7.46%    | 6.61%    |           |
| Basis swaps             | (6)       |          |          |          |         |          |          |          |           |
| Notional amount         |           | \$ 7,971 | \$ 743   | \$ 601   | \$1,669 | \$ 4,958 | \$ --    | \$ --    |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Total swaps             | (1,638)   |          |          |          |         |          |          |          |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Option products         | 5         |          |          |          |         |          |          |          |           |
| Notional amount         |           | \$35,134 | \$ 505   | \$ 2,088 | \$ 868  | \$ 1,950 | \$15,661 | \$14,062 |           |
| Futures and forward     |           |          |          |          |         |          |          |          |           |
| rate contracts          | 3         |          |          |          |         |          |          |          |           |
| Notional amount         |           | \$ 931   | \$ 931   | \$ --    | \$ --   | \$ --    | \$ --    | \$ --    |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Total open interest     |           |          |          |          |         |          |          |          |           |
| rate contracts          | (1,630)   |          |          |          |         |          |          |          |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Closed interest rate    |           |          |          |          |         |          |          |          |           |
| contracts(/1/)          | 235       |          |          |          |         |          |          |          |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Net interest rate       |           |          |          |          |         |          |          |          |           |
| contract position       | (1,395)   |          |          |          |         |          |          |          |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Open foreign exchange   |           |          |          |          |         |          |          |          |           |
| contracts               | (30)      |          |          |          |         |          |          |          |           |
| Notional amount         |           | \$ 6,231 | \$ 273   | \$ 1,499 | \$2,552 | \$ 112   | \$ 623   | \$ 1,172 |           |
| <hr/>                   |           |          |          |          |         |          |          |          |           |
| Total ALM contracts     | \$(1,425) |          |          |          |         |          |          |          |           |

</TABLE>

(1) Represents the unamortized net realized deferred gains associated with closed contracts. As a result, no notional amount is reflected for expected maturity.

The Corporation adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), on January 1, 2001. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. The Corporation has not significantly altered its overall interest rate risk management objective and strategy as a result of adopting SFAS 133. For further information on SFAS 133, see Note One of the consolidated financial statements on page 66.

In conducting its mortgage production activities, the Corporation is exposed to interest rate risk for the periods between the loan commitment date and the loan funding date. To manage this risk, the Corporation enters into various financial instruments including forward delivery contracts, Euro dollar futures and option contracts. The notional amount of such contracts was \$9.7 billion at December 31, 2000 with associated net unrealized losses of \$53 million. At December 31, 1999, the notional amount of such contracts was \$2.7 billion with associated net unrealized gains of \$18 million. These contracts have an average expected maturity of less than 90 days. To manage risk associated with changes in prepayment rates and the impact on mortgage servicing rights, the Corporation uses various financial instruments including options and certain swap contracts. At December 31, 2000, deferred net gains from mortgage servicing rights hedging activity were \$646 million, comprised of unamortized realized deferred gains of \$222 million and unrealized gains of \$424 million on closed and open positions, respectively. At December 31, 1999, deferred net losses from mortgage servicing rights hedging activity were \$20 million, comprised of unamortized realized deferred gains of \$313 million and unrealized losses of \$333 million on closed and open positions, respectively. Notional amounts of hedge instruments used for mortgage servicing rights hedging activities were \$42.1 billion and \$43.4 billion at December 31, 2000 and 1999, respectively. In 2001, the Corporation will continue to evaluate other potential strategies including the sale, securitization or restructuring of these activities to further economically hedge the value of the Corporation's mortgage servicing rights portfolio. For additional information on mortgage banking activities, see Note One of the consolidated financial statements on page 66.

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Table Twenty-Three  
Selected Quarterly Financial Data

|   | 2000 Quarters |           |           |           |
|---|---------------|-----------|-----------|-----------|
|   | Fourth        | Third     | Second    | First     |
| (Dollars in millions, except per share information)         |               |           |           |           |
| <S>   | <C>           | <C>       | <C>       | <C>       |
| Operating Basis(/1/)  |               |           |           |           |
| Income statement  |               |           |           |           |
| Interest income   | \$ 11,170     | \$ 11,265 | \$ 10,737 | \$ 10,086 |
| Interest expense  | 6,476         | 6,672     | 6,106     | 5,562     |
| Net interest income   | 4,694         | 4,593     | 4,631     | 4,524     |
| Net interest income (taxable-equivalent basis)              | 4,788         | 4,672     | 4,709     | 4,595     |
| Provision for credit losses                                 | 1,210         | 435       | 470       | 420       |
| Gains on sales of securities                                | 2             | 11        | 6         | 6         |
| Noninterest income  | 3,298         | 3,645     | 3,500     | 4,046     |
| Other noninterest expense                                   | 4,637         | 4,410     | 4,413     | 4,623     |
| Income before income taxes                                  | 2,147         | 3,404     | 3,254     | 3,533     |
| Income tax expense  | 762           | 1,229     | 1,191     | 1,293     |
| Net income  | 1,385         | 2,175     | 2,063     | 2,240     |
| Performance ratios  |               |           |           |           |
| Return on average assets                                    | .81%          | 1.26%     | 1.23%     | 1.38%     |
| Return on average common shareholders' equity               | 11.57         | 18.15     | 17.63     | 19.59     |
| Efficiency ratio  | 57.35         | 53.01     | 53.77     | 53.49     |
| Shareholder value added                                     | \$ 164        | \$ 953    | \$ 878    | \$ 1,086  |
| Per common share data                                       |               |           |           |           |
| Earnings  | \$ 0.85       | \$ 1.33   | \$ 1.25   | \$ 1.34   |
| Diluted earnings  | 0.85          | 1.31      | 1.23      | 1.33      |
| Cash basis financial data(/2/)                              |               |           |           |           |
| Earnings per common share                                   | \$ 0.98       | \$ 1.46   | \$ 1.38   | \$ 1.47   |
| Diluted earnings per common share                           | 0.98          | 1.44      | 1.36      | 1.46      |
| Return on average tangible assets                           | 0.96%         | 1.42%     | 1.39%     | 1.55%     |
| Return on average tangible common shareholders' equity      | 18.54         | 27.81     | 27.51     | 30.83     |
| As Reported   |               |           |           |           |
| Income statement  |               |           |           |           |
| Merger and restructuring charges                            | \$ --         | \$ 550    | \$ --     | \$ --     |
| Income before income taxes                                  | 2,147         | 2,854     | 3,254     | 3,533     |
| Income tax expense  | 762           | 1,025     | 1,191     | 1,293     |
| Net income  | 1,385         | 1,829     | 2,063     | 2,240     |
| Net income available to common shareholders                 | 1,383         | 1,828     | 2,061     | 2,239     |
| Average common shares issued and outstanding (in thousands) | 1,623,721     | 1,639,392 | 1,653,495 | 1,669,311 |
| Performance ratios  |               |           |           |           |

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Return on average assets                               | .81%       | 1.06%      | 1.23%      | 1.38%      |
| Return on average common shareholders' equity          | 11.57      | 15.25      | 17.63      | 19.59      |
| Total equity to total assets (period-end)              | 7.42       | 6.98       | 6.75       | 6.90       |
| Total average equity to total average assets           | 7.03       | 6.97       | 7.00       | 7.07       |
| Dividend payout ratio                                  | 65.58      | 44.83      | 39.94      | 37.16      |
| -----  |            |            |            |            |
| Per common share data                                  |            |            |            |            |
| Earnings   | \$ 0.85    | \$ 1.11    | \$ 1.25    | \$ 1.34    |
| Diluted earnings                                       | 0.85       | 1.10       | 1.23       | 1.33       |
| Cash dividends paid                                    | .56        | .50        | .50        | .50        |
| Book value   | 29.47      | 28.69      | 27.82      | 27.28      |
| -----  |            |            |            |            |
| Cash basis financial data(/2/)                         |            |            |            |            |
| Earnings   | \$ 1,599   | \$ 2,044   | \$ 2,281   | \$ 2,457   |
| Earnings per common share                              | 0.98       | 1.25       | 1.38       | 1.47       |
| Diluted earnings per common share                      | 0.98       | 1.23       | 1.36       | 1.46       |
| Return on average tangible assets                      | 0.96%      | 1.21%      | 1.39%      | 1.55%      |
| Return on average tangible common shareholders' equity | 18.54      | 23.78      | 27.51      | 30.83      |
| Ending tangible equity to tangible assets              | 5.48       | 5.09       | 4.85       | 4.90       |
| -----  |            |            |            |            |
| Average balance sheet                                  |            |            |            |            |
| Average total loans and leases                         | \$ 399,549 | \$ 402,763 | \$ 391,404 | \$ 376,584 |
| Average total assets                                   | 677,458    | 685,017    | 672,588    | 651,019    |
| Average total deposits                                 | 357,554    | 356,734    | 353,426    | 345,374    |
| Average total shareholders' equity                     | 47,639     | 47,735     | 47,112     | 46,030     |
| Yield on average earning assets                        | 7.60%      | 7.57%      | 7.45%      | 7.24%      |
| Rate on average interest-bearing liabilities           | 5.27       | 5.32       | 5.02       | 4.72       |
| Net interest spread                                    | 2.33       | 2.25       | 2.43       | 2.52       |
| Net interest yield                                     | 3.23       | 3.12       | 3.24       | 3.27       |
| -----  |            |            |            |            |
| Risk-based capital ratios (period end)                 |            |            |            |            |
| Tier 1 capital   | 7.50%      | 7.32%      | 7.40%      | 7.42%      |
| Total capital  | 11.04      | 10.80      | 11.03      | 11.00      |
| Leverage ratio   | 6.12       | 6.06       | 6.11       | 6.17       |
| -----  |            |            |            |            |
| Market price per share of common stock                 |            |            |            |            |
| Closing  | \$ 45.88   | \$ 52.38   | \$ 43.00   | \$ 52.44   |
| High   | 54.75      | 57.63      | 61.00      | 55.19      |
| Low  | 36.31      | 43.63      | 42.98      | 42.31      |

<CAPTION>

1999 Quarters

|  |          |          |          |          |
|--|----------|----------|----------|----------|
| (Dollars in millions, except per share information)    | Fourth   | Third    | Second   | First    |
| -----  |          |          |          |          |
| <S>  | <C>      | <C>      | <C>      | <C>      |
| -----  |          |          |          |          |
| Operating Basis(/1/)                                   |          |          |          |          |
| Income statement                                       |          |          |          |          |
| Interest income  | \$ 9,622 | \$ 9,294 | \$ 9,206 | \$ 9,201 |
| Interest expense                                       | 5,147    | 4,744    | 4,594    | 4,601    |
| Net interest income                                    | 4,475    | 4,550    | 4,612    | 4,600    |
| Net interest income (taxable-equivalent basis)         | 4,541    | 4,603    | 4,663    | 4,645    |
| Provision for credit losses                            | 350      | 450      | 510      | 510      |
| Gains on sales of securities                           | 14       | 44       | 52       | 130      |
| Noninterest income                                     | 3,596    | 3,728    | 3,522    | 3,223    |
| Other noninterest expense                              | 4,550    | 4,526    | 4,457    | 4,453    |
| Income before income taxes                             | 3,185    | 3,346    | 3,219    | 2,990    |
| Income tax expense                                     | 1,070    | 1,195    | 1,159    | 1,076    |
| Net income   | 2,115    | 2,151    | 2,060    | 1,914    |
| -----  |          |          |          |          |
| Performance ratios                                     |          |          |          |          |
| Return on average assets                               | 1.33%    | 1.40%    | 1.34%    | 1.27%    |
| Return on average common shareholders' equity          | 17.95    | 18.40    | 17.64    | 16.78    |
| Efficiency ratio                                       | 55.91    | 54.34    | 54.44    | 56.59    |
| Shareholder value added                                | \$ 921   | \$ 971   | \$ 884   | \$ 769   |
| -----  |          |          |          |          |
| Per common share data                                  |          |          |          |          |
| Earnings   | \$ 1.24  | \$ 1.25  | \$ 1.18  | \$ 1.10  |
| Diluted earnings                                       | 1.23     | 1.23     | 1.15     | 1.08     |
| -----  |          |          |          |          |
| Cash basis financial data(/2/)                         |          |          |          |          |
| Earnings per common share                              | \$ 1.37  | \$ 1.38  | \$ 1.31  | \$ 1.23  |
| Diluted earnings per common share                      | 1.35     | 1.35     | 1.28     | 1.20     |
| Return on average tangible assets                      | 1.50%    | 1.58%    | 1.53%    | 1.46%    |
| Return on average tangible common shareholders' equity | 28.38    | 29.48    | 28.49    | 27.44    |

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| As Reported   |            |            |            |            |
| Income statement  |            |            |            |            |
| Merger and restructuring charges                            | \$ 325     | \$ --      | \$ 200     | \$ --      |
| Income before income taxes                                  | 2,860      | 3,346      | 3,019      | 2,990      |
| Income tax expense  | 958        | 1,195      | 1,104      | 1,076      |
| Net income  | 1,902      | 2,151      | 1,915      | 1,914      |
| Net income available to common shareholders                 | 1,901      | 2,149      | 1,914      | 1,912      |
| Average common shares issued and outstanding (in thousands) | 1,701,092  | 1,722,307  | 1,743,503  | 1,737,562  |
| -----   |            |            |            |            |
| Performance ratios  |            |            |            |            |
| Return on average assets                                    | 1.20%      | 1.40%      | 1.25%      | 1.27%      |
| Return on average common shareholders' equity               | 16.14      | 18.40      | 16.40      | 16.78      |
| Total equity to total assets (period-end)                   | 7.02       | 7.39       | 7.43       | 7.62       |
| Total average equity to total average assets                | 7.42       | 7.59       | 7.62       | 7.59       |
| Dividend payout ratio                                       | 44.77      | 36.02      | 41.07      | 40.90      |
| -----   |            |            |            |            |
| Per common share data                                       |            |            |            |            |
| Earnings  | \$ 1.12    | \$ 1.25    | \$ 1.10    | \$ 1.10    |
| Diluted earnings  | 1.10       | 1.23       | 1.07       | 1.08       |
| Cash dividends paid   | .50        | .45        | .45        | .45        |
| Book value  | 26.44      | 26.79      | 26.44      | 26.86      |
| -----   |            |            |            |            |
| Cash basis financial data (/2/)                             |            |            |            |            |
| Earnings  | \$ 2,121   | \$ 2,373   | \$ 2,140   | \$ 2,136   |
| Earnings per common share                                   | 1.25       | 1.38       | 1.23       | 1.23       |
| Diluted earnings per common share                           | 1.23       | 1.35       | 1.20       | 1.20       |
| Return on average tangible assets                           | 1.36%      | 1.58%      | 1.43%      | 1.46%      |
| Return on average tangible common shareholders' equity      | 25.79      | 29.48      | 26.68      | 27.44      |
| Ending tangible equity to tangible assets                   | 4.92       | 5.22       | 5.17       | 5.38       |
| -----   |            |            |            |            |
| Average balance sheet                                       |            |            |            |            |
| Average total loans and leases                              | \$ 364,210 | \$ 361,400 | \$ 364,753 | \$ 360,746 |
| Average total assets  | 630,743    | 611,448    | 615,364    | 609,624    |
| Average total deposits                                      | 341,913    | 336,998    | 342,249    | 345,931    |
| Average total shareholders' equity                          | 46,792     | 46,439     | 46,891     | 46,279     |
| Yield on average earning assets                             | 7.09%      | 7.03%      | 7.00%      | 7.13%      |
| Rate on average interest-bearing liabilities                | 4.54       | 4.30       | 4.16       | 4.26       |
| Net interest spread   | 2.55       | 2.73       | 2.84       | 2.87       |
| Net interest yield  | 3.32       | 3.46       | 3.53       | 3.58       |
| -----   |            |            |            |            |
| Risk-based capital ratios (period end)                      |            |            |            |            |
| Tier 1 capital  | 7.35%      | 7.71%      | 7.38%      | 7.40%      |
| Total capital   | 10.88      | 11.39      | 11.09      | 11.17      |
| Leverage ratio  | 6.26       | 6.59       | 6.34       | 6.47       |
| -----   |            |            |            |            |
| Market price per share of common stock                      |            |            |            |            |
| Closing   | \$ 50.19   | \$ 55.69   | \$ 73.31   | \$ 70.63   |
| High  | 67.50      | 76.38      | 76.13      | 74.50      |
| Low   | 47.63      | 53.25      | 61.50      | 59.50      |
| -----   |            |            |            |            |

</TABLE>

- (1) Operating basis excludes merger and restructuring charges.  
(2) Cash basis calculations exclude goodwill and other intangible assets and the related amortization expense.

Table Twenty-Four  
Quarterly Average Balances and Interest Rates - Taxable-Equivalent Basis

|  |                     |          |        |                    |          |        |
|--|---------------------|----------|--------|--------------------|----------|--------|
| -----  |                     |          |        |                    |          |        |
| <TABLE>  |                     |          |        |                    |          |        |
| <CAPTION>  |                     |          |        |                    |          |        |
|  | Fourth Quarter 2000 |          |        | Third Quarter 2000 |          |        |
|  | -----               |          |        | -----              |          |        |
|  | Average             | Interest |        | Average            | Interest |        |
| (Dollars in millions)  | Balance             | Income/  | Yield/ | Balance            | Income/  | Yield/ |
|  |                     | Expense  | Rate   |                    | Expense  | Rate   |
| -----  |                     |          |        |                    |          |        |
| <\$>   | <C>                 | <C>      | <C>    | <C>                | <C>      | <C>    |
| Earning assets   |                     |          |        |                    |          |        |
| Time deposits placed and other short-term investments                  | \$ 5,663            | \$ 99    | 6.96%  | \$ 4,700           | \$ 83    | 6.97%  |
| Federal funds sold and securities purchased under agreements to resell | 37,936              | 551      | 5.79   | 40,763             | 633      | 6.20   |
| Trading account assets   | 53,251              | 758      | 5.68   | 53,793             | 749      | 5.55   |

|   |           |        |       |           |        |       |
|---|-----------|--------|-------|-----------|--------|-------|
| Securities:   |           |        |       |           |        |       |
| Available-for-sale(/1/)   | 78,242    | 1,193  | 6.09  | 82,333    | 1,254  | 6.08  |
| Held-to-maturity  | 1,259     | 19     | 6.12  | 1,395     | 30     | 8.59  |
| -----   |           |        |       |           |        |       |
| Total securities  | 79,501    | 1,212  | 6.09  | 83,728    | 1,284  | 6.12  |
| -----   |           |        |       |           |        |       |
| Loans and leases(/2/):  |           |        |       |           |        |       |
| Commercial - domestic   | 147,336   | 3,057  | 8.26  | 151,903   | 3,173  | 8.31  |
| Commercial - foreign  | 30,408    | 563    | 7.36  | 29,845    | 555    | 7.39  |
| Commercial real estate - domestic   | 27,220    | 622    | 9.09  | 26,113    | 597    | 9.09  |
| Commercial real estate - foreign  | 264       | 6      | 8.44  | 235       | 5      | 8.30  |
| -----   |           |        |       |           |        |       |
| Total commercial  | 205,228   | 4,248  | 8.23  | 208,096   | 4,330  | 8.28  |
| -----   |           |        |       |           |        |       |
| Residential mortgage  | 92,679    | 1,733  | 7.47  | 94,380    | 1,759  | 7.45  |
| Home equity lines   | 21,117    | 483    | 9.11  | 20,185    | 466    | 9.18  |
| Direct/Indirect consumer  | 40,390    | 843    | 8.30  | 41,905    | 848    | 8.06  |
| Consumer finance  | 25,592    | 570    | 8.91  | 25,049    | 559    | 8.93  |
| Bankcard  | 12,295    | 384    | 12.43 | 10,958    | 344    | 12.49 |
| Foreign consumer  | 2,248     | 48     | 8.49  | 2,190     | 48     | 8.79  |
| -----   |           |        |       |           |        |       |
| Total consumer  | 194,321   | 4,061  | 8.34  | 194,667   | 4,024  | 8.25  |
| -----   |           |        |       |           |        |       |
| Total loans and leases  | 399,549   | 8,309  | 8.28  | 402,763   | 8,354  | 8.26  |
| -----   |           |        |       |           |        |       |
| Other earning assets  | 14,828    | 335    | 9.00  | 11,501    | 241    | 8.39  |
| -----   |           |        |       |           |        |       |
| Total earning assets(/3/)   | 590,728   | 11,264 | 7.60  | 597,248   | 11,344 | 7.57  |
| -----   |           |        |       |           |        |       |
| Cash and cash equivalents   | 23,458    |        |       | 24,191    |        |       |
| Other assets, less allowance for credit losses  | 63,272    |        |       | 63,578    |        |       |
| -----   |           |        |       |           |        |       |
| Total assets  | \$677,458 |        |       | \$685,017 |        |       |
| -----   |           |        |       |           |        |       |
| Interest-bearing liabilities  |           |        |       |           |        |       |
| Domestic interest-bearing deposits:   |           |        |       |           |        |       |
| Savings   | \$ 22,454 | 80     | 1.42  | \$ 23,195 | 78     | 1.33  |
| NOW and money market deposit accounts   | 101,376   | 788    | 3.09  | 99,710    | 740    | 2.96  |
| Consumer CDs and IRAs   | 78,298    | 1,108  | 5.63  | 77,864    | 1,083  | 5.53  |
| Negotiable CDs, public funds and other time deposits  | 7,570     | 127    | 6.68  | 8,598     | 140    | 6.46  |
| -----   |           |        |       |           |        |       |
| Total domestic interest-bearing deposits  | 209,698   | 2,103  | 3.99  | 209,367   | 2,041  | 3.88  |
| -----   |           |        |       |           |        |       |
| Foreign interest-bearing deposits(/4/):   |           |        |       |           |        |       |
| Banks located in foreign countries  | 26,223    | 424    | 6.43  | 18,845    | 286    | 6.03  |
| Governments and official institutions   | 5,884     | 61     | 4.14  | 11,182    | 177    | 6.30  |
| Time, savings and other   | 24,064    | 339    | 5.62  | 25,972    | 364    | 5.58  |
| -----   |           |        |       |           |        |       |
| Total foreign interest-bearing deposits   | 56,171    | 824    | 5.84  | 55,999    | 827    | 5.87  |
| -----   |           |        |       |           |        |       |
| Total interest-bearing deposits   | 265,869   | 2,927  | 4.38  | 265,366   | 2,868  | 4.30  |
| -----   |           |        |       |           |        |       |
| Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings |           |        |       |           |        |       |
|   | 122,680   | 1,942  | 6.30  | 136,007   | 2,223  | 6.51  |
| Trading account liabilities   | 27,548    | 285    | 4.13  | 24,233    | 237    | 3.88  |
| Long-term debt(/5/)   | 73,041    | 1,322  | 7.24  | 74,022    | 1,344  | 7.26  |
| -----   |           |        |       |           |        |       |
| Total interest-bearing liabilities(/6/)   | 489,138   | 6,476  | 5.27  | 499,628   | 6,672  | 5.32  |
| -----   |           |        |       |           |        |       |
| Noninterest-bearing sources:  |           |        |       |           |        |       |
| Noninterest-bearing deposits  | 91,685    |        |       | 91,368    |        |       |
| Other liabilities   | 48,996    |        |       | 46,286    |        |       |
| Shareholders' equity  | 47,639    |        |       | 47,735    |        |       |

|   |           |       |           |       |
|---|-----------|-------|-----------|-------|
| Total liabilities and shareholders' equity  | \$677,458 |       | \$685,017 |       |
| Net interest spread                         |           | 2.33  |           | 2.25  |
| Impact of noninterest-bearing sources       |           | .90   |           | .87   |
| Net interest income/yield on earning assets | \$ 4,788  | 3.23% | \$ 4,672  | 3.12% |

</TABLE>

- (1) The average balance and yield on available-for-sale 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 taxable-equivalent basis adjustments of \$94, \$79, \$78 and \$71 in the fourth, third, second and first quarters of 2000 and \$66 in the fourth quarter of 1999, respectively. Interest income also includes the impact of risk management interest rate contracts, which increased (decreased) interest income on the underlying assets \$(31), \$(13), \$(11) and \$7 in the fourth, third, second and first quarters of 2000 and \$57 in the fourth quarter of 1999, respectively.
- (4) Primarily consists of time deposits in denominations of \$100,000 or more.
- (5) Long-term debt includes trust preferred securities.
- (6) Interest expense includes the impact of risk management interest rate contracts, which increased interest expense on the underlying liabilities \$7, \$16, \$5 and \$8 in the fourth, third, second and first quarters of 2000 and \$2 in the fourth quarter of 1999, respectively.

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<TABLE>

<CAPTION>

| Second Quarter 2000 |                         |            | First Quarter 2000 |                         |            | Fourth Quarter 1999 |                         |            |
|---------------------|-------------------------|------------|--------------------|-------------------------|------------|---------------------|-------------------------|------------|
| Average Balance     | Interest Income/Expense | Yield/Rate | Average Balance    | Interest Income/Expense | Yield/Rate | Average Balance     | Interest Income/Expense | Yield/Rate |
| <S>                 | <C>                     | <C>        | <C>                | <C>                     | <C>        | <C>                 | <C>                     | <C>        |
| \$ 4,578            | \$ 79                   | 7.02%      | \$ 4,504           | \$ 75                   | 6.65%      | \$ 4,512            | \$ 73                   | 6.33%      |
| 43,983              | 595                     | 5.43       | 45,459             | 575                     | 5.07       | 39,700              | 458                     | 4.60       |
| 48,874              | 702                     | 5.77       | 39,733             | 542                     | 5.47       | 38,453              | 544                     | 5.63       |
| 84,054              | 1,270                   | 6.05       | 86,878             | 1,332                   | 6.15       | 85,009              | 1,301                   | 6.10       |
| 1,406               | 27                      | 7.68       | 1,333              | 24                      | 7.19       | 1,433               | 25                      | 7.25       |
| 85,460              | 1,297                   | 6.08       | 88,211             | 1,356                   | 6.16       | 86,442              | 1,326                   | 6.12       |
| 148,034             | 3,023                   | 8.21       | 145,362            | 2,824                   | 7.81       | 140,674             | 2,707                   | 7.64       |
| 29,068              | 515                     | 7.12       | 27,927             | 486                     | 6.99       | 27,430              | 453                     | 6.56       |
| 25,497              | 563                     | 8.88       | 24,664             | 517                     | 8.43       | 24,345              | 506                     | 8.23       |
| 376                 | 8                       | 9.15       | 344                | 8                       | 9.29       | 306                 | 6                       | 8.96       |
| 202,975             | 4,109                   | 8.14       | 198,297            | 3,835                   | 7.78       | 192,755             | 3,672                   | 7.56       |
| 91,825              | 1,696                   | 7.40       | 85,427             | 1,566                   | 7.34       | 79,783              | 1,450                   | 7.26       |
| 19,067              | 422                     | 8.91       | 17,573             | 377                     | 8.62       | 16,882              | 345                     | 8.12       |
| 41,757              | 867                     | 8.36       | 41,858             | 887                     | 8.52       | 42,442              | 888                     | 8.30       |
| 24,123              | 545                     | 9.03       | 22,798             | 486                     | 8.53       | 21,340              | 440                     | 8.18       |
| 9,429               | 279                     | 11.87      | 8,404              | 234                     | 11.22      | 8,578               | 245                     | 11.32      |
| 2,228               | 48                      | 8.81       | 2,227              | 50                      | 9.00       | 2,430               | 54                      | 8.77       |
| 188,429             | 3,857                   | 8.21       | 178,287            | 3,600                   | 8.10       | 171,455             | 3,422                   | 7.94       |
| 391,404             | 7,966                   | 8.17       | 376,584            | 7,435                   | 7.93       | 364,210             | 7,094                   | 7.74       |
| 8,191               | 176                     | 8.53       | 8,679              | 174                     | 8.11       | 10,247              | 193                     | 7.51       |
| 582,490             | 10,815                  | 7.45       | 563,170            | 10,157                  | 7.24       | 543,564             | 9,688                   | 7.09       |
| 25,605              |                         |            | 25,830             |                         |            | 25,467              |                         |            |
| 64,493              |                         |            | 62,019             |                         |            | 61,712              |                         |            |
| \$672,588           |                         |            | \$651,019          |                         |            | \$630,743           |                         |            |
| \$ 23,936           | 78                      | 1.32       | \$ 24,237          | 78                      | 1.29       | \$ 25,082           | 80                      | 1.27       |
| 100,186             | 734                     | 2.94       | 98,424             | 679                     | 2.78       | 97,481              | 639                     | 2.60       |
| 77,384              | 1,034                   | 5.38       | 76,074             | 983                     | 5.20       | 74,653              | 932                     | 4.95       |
| 7,361               | 111                     | 6.09       | 6,966              | 103                     | 5.93       | 6,825               | 98                      | 5.73       |
| 208,867             | 1,957                   | 3.77       | 205,701            | 1,843                   | 3.60       | 204,041             | 1,749                   | 3.40       |

|           |       |      |           |       |      |           |       |      |
|-----------|-------|------|-----------|-------|------|-----------|-------|------|
| 15,823    | 232   | 5.92 | 14,180    | 188   | 5.33 | 14,305    | 178   | 4.93 |
| 9,885     | 151   | 6.12 | 8,745     | 124   | 5.72 | 7,121     | 99    | 5.53 |
| 27,697    | 380   | 5.51 | 26,382    | 340   | 5.17 | 24,993    | 298   | 4.72 |
| 53,405    | 763   | 5.74 | 49,307    | 652   | 5.31 | 46,419    | 575   | 4.91 |
| 262,272   | 2,720 | 4.17 | 255,008   | 2,495 | 3.93 | 250,460   | 2,324 | 3.68 |
| 135,817   | 1,990 | 5.89 | 131,517   | 1,802 | 5.51 | 120,858   | 1,638 | 5.38 |
| 20,532    | 189   | 3.70 | 23,013    | 181   | 3.16 | 19,223    | 190   | 3.92 |
| 69,779    | 1,207 | 6.92 | 64,256    | 1,084 | 6.75 | 59,972    | 995   | 6.63 |
| 488,400   | 6,106 | 5.02 | 473,794   | 5,562 | 4.72 | 450,513   | 5,147 | 4.54 |
| 91,154    |       |      | 90,366    |       |      | 91,453    |       |      |
| 45,922    |       |      | 40,829    |       |      | 41,985    |       |      |
| 47,112    |       |      | 46,030    |       |      | 46,792    |       |      |
| \$672,588 |       |      | \$651,019 |       |      | \$630,743 |       |      |
|           | 2.43  |      |           | 2.52  |      |           | 2.55  |      |
|           | .81   |      |           | .75   |      |           | .77   |      |
| \$4,709   | 3.24% |      | \$4,595   | 3.27% |      | \$4,541   | 3.32% |      |

</TABLE>

#### 1999 Compared to 1998

The following discussion and analysis provides a comparison of the Corporation's results of operations for the years ended December 31, 1999 and 1998. This discussion should be read in conjunction with the consolidated financial statements and related notes on pages 60 through 107.

#### Overview

The Corporation's operating net income increased 27 percent to \$8.24 billion in 1999 compared to \$6.49 billion in 1998. Diluted operating earnings per common share for 1999 increased to \$4.68 from \$3.64 in 1998. Excluding merger-related charges, the return on average common shareholders' equity increased 316 basis points to 17.70 percent in 1999 from 14.54 percent in 1998. The efficiency ratio, excluding merger-related charges, improved 585 basis points to 55.30 percent in 1999 from 61.15 percent in 1998. Including merger-related charges, net income increased 53 percent to \$7.88 billion in 1999 compared to \$5.17 billion in 1998. Diluted earnings per common share was \$4.48 in 1999 compared to \$2.90 in 1998.

Cash basis diluted operating earnings per common share increased to \$5.19 in 1999 compared to \$4.15 in 1998. Return on average tangible common shareholders' equity increased to 28.46 percent compared to 25.24 percent in 1998. The cash basis efficiency ratio was 52.57 percent in 1999, an improvement of 563 basis points from 58.20 percent in 1998, due to a four percent decline in non-interest expense and a 15.4 percent increase in noninterest income.

#### Business Segment Operations

Consumer and Commercial Banking's taxable-equivalent net interest income decreased one percent to \$13.7 billion in 1999 compared to \$13.9 billion in 1998. Noninterest income remained essentially unchanged at \$7.4 billion. Revenue decreased one percent to \$21.1 billion in 1999 compared to \$21.2 billion in 1998. Cash basis earnings remained essentially unchanged at \$5.5 billion. The net interest yield increased 13 basis points from 1998 to 5.24 percent. Return on tangible equity increased to 29.1 percent in 1999 from 28.6 percent in 1998. The cash basis efficiency ratio decreased to 53.74 percent in 1999 from 55.26 percent in 1998. SVA remained essentially unchanged at \$2.6 billion.

Asset Management's taxable-equivalent net interest income increased 16 percent to \$580 million in 1999 compared to \$502 million in 1998. Noninterest income increased 10 percent to \$1.6 billion in 1999 compared to \$1.4 billion in 1998. Revenue increased 12 percent to \$2.1 billion in 1999 compared to \$1.9 billion in 1998. Cash basis earnings increased 77 percent to \$535 million in 1999 compared to \$302 million in 1998. The net interest yield decreased 24 basis points from 1998 to 2.98 percent. Return on tangible equity increased to 35.3 percent in 1999 from 22.2 percent in 1998. The cash basis efficiency ratio decreased to 56.43 percent in 1999 from 75.97 percent in 1998. SVA almost tripled to \$330 million in 1999 compared to \$118 million in 1998.

Global Corporate and Investment Banking's taxable-equivalent net interest income remained essentially unchanged at \$3.9 billion. Noninterest income increased 51 percent to \$4.3 billion in 1999 compared to \$2.9 billion in 1998. Revenue increased 22 percent to \$8.2 billion in 1999 compared to \$6.7 billion in 1998. Cash basis earnings increased more than four times to \$2.5 billion in



1999 compared to \$522 million in 1998. The net interest yield decreased three basis points from 1998 to 2.13 percent. Return on tangible equity increased to 20.4 percent in 1999 from 4.6 percent in 1998. The cash basis efficiency ratio decreased to 53.97 percent in 1999 from 67.24 percent in 1998. SVA was \$848 million in 1999 compared to \$(1.0) billion in 1998.

Equity Investment's taxable-equivalent net interest income decreased 53 percent to \$(89) million in 1999 compared to \$(58) million in 1998. Noninterest income increased 56 percent to \$775 million in 1999 compared to \$498 million in 1998. Revenue increased 56 percent to \$686 million in 1999 compared to \$440 million in 1998. Cash basis earnings increased 46 percent to \$341 million in 1999 compared to \$233 million in 1998. Return on tangible equity decreased to 26.3 percent in 1999 from 25.5 percent in 1998. The cash basis efficiency ratio decreased to 17.01 percent in 1999 from 18.31 percent in 1998. SVA increased 27 percent to \$176 million in 1999 compared to \$139 million in 1998.

#### Net Interest Income

Net interest income on a taxable-equivalent basis remained essentially unchanged at \$18.5 billion in 1999 and 1998. Core net interest income on a taxable-equivalent basis increased three percent to \$18.7

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billion in 1999 compared to \$18.2 billion in 1998. Managed loan growth, particularly in consumer loan products, and higher levels of customer-based deposits and equity were partially offset by the impact of changing rates and spread compression during 1999.

The net interest yield decreased 22 basis points to 3.47 percent in 1999 compared to 3.69 percent in 1998. The core net interest yield decreased 17 basis points to 4.02 percent in 1999 compared to 4.19 in 1998, mainly due to higher levels of lower-yielding investment securities, a shift in loan mix to lower-yielding residential mortgages, changes in interest rates and spread compression and the cost of the Corporation's share repurchase program during 1999.

#### Provision for Credit Losses

The provision for credit losses was \$1.8 billion in 1999 compared to \$2.9 billion in 1998. The decrease in the provision for credit losses was primarily due to a significant reduction in the inherent risk and size of the Corporation's emerging markets portfolio, a change in the composition of the loan portfolio from commercial real estate and foreign to more consumer residential mortgage loans, and a \$467 million decline in net charge-offs. The decrease in net charge-offs was due mainly to lower bankcard and consumer finance net charge-offs.

#### Gains on Sales of Securities

Gains on sales of securities were \$240 million in 1999 compared to \$1.0 billion in 1998. Securities gains were higher in 1998 as a result of favorable market conditions for certain debt instruments and higher activity in connection with the Corporation's overall risk management operations.

#### Noninterest Income

Noninterest income increased 15 percent to \$14.1 billion in 1999 compared to \$12.2 billion in 1998, primarily reflecting higher levels of trading account profits and fees, mortgage servicing income and credit card income, partially offset by declines in nondeposit-related service fees and other income.

#### Other Noninterest Expense

Other noninterest expense decreased four percent to \$18.0 billion in 1999 compared to \$18.7 billion in 1998. This decrease was attributable to merger-related savings, resulting in lower levels of personnel, professional fees, other general operating expense and general administrative and other expense.

#### Income Taxes

The Corporation's income tax expense for 1999 and 1998 was \$4.3 billion and \$2.9 billion, respectively. The effective tax rates for 1999 and 1998 were 35.5 percent and 35.8 percent, respectively.

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#### Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Management's Discussion and Analysis of Results of Operations and Financial Condition-Market Risk Management" on page 47 for Quantitative and Qualitative Disclosures about Market Risk.

#### Item 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

## Report of Management

The management of Bank of America Corporation is responsible for the preparation, integrity and objectivity of the consolidated financial statements of the Corporation. The consolidated financial statements and notes have been prepared by the Corporation in accordance with accounting principles generally accepted in the United States of America and, in the judgment of management, present fairly the Corporation's financial position and results of operations. The financial information contained elsewhere in this report is consistent with that in the consolidated financial statements. The financial statements and other financial information in this report include amounts that are based on management's best estimates and judgments giving due consideration to materiality.

The Corporation maintains a system of internal accounting controls to provide reasonable assurance that assets are safe-guarded and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Management recognizes that even a highly effective internal control system has inherent risks, including the possibility of human error and the circumvention or overriding of controls, and that the effectiveness of an internal control system can change with circumstances. However, management believes that the internal control system provides reasonable assurance that errors or irregularities that could be material to the consolidated financial statements are prevented or would be detected on a timely basis and corrected through the normal course of business. As of December 31, 2000, management believes that the internal controls are in place and operating effectively.

The Internal Audit Division of the Corporation reviews, evaluates, monitors and makes recommendations on both administrative and accounting control, which acts as an integral, but independent, part of the system of internal controls.

The independent accountants were engaged to perform an independent audit of the consolidated financial statements. In determining the nature and extent of their auditing procedures, they have evaluated the Corporation's accounting policies and procedures and the effectiveness of the related internal control system. An independent audit provides an objective review of management's responsibility to report operating results and financial condition. Their report appears on page 61.

The Board of Directors discharges its responsibility for the Corporation's consolidated financial statements through its Audit Committee. The Audit Committee meets periodically with the independent accountants, internal auditors and management. Both the independent accountants and internal auditors have direct access to the Audit Committee to discuss the scope and results of their work, the adequacy of internal accounting controls and the quality of financial reporting.

/s/ Hugh L. McColl, Jr.

/s/ James H. Hance, Jr.

<TABLE>

<S>

<C>

Hugh L. McColl, Jr.  
Chairman of the Board and  
Chief Executive Officer

James H. Hance, Jr.  
Vice Chairman and  
Chief Financial Officer

</TABLE>

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## Report of Independent Accountants

To the Board of Directors and Shareholders of Bank of America Corporation:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Bank of America Corporation and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

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Bank of America Corporation and Subsidiaries  
Consolidated Statement of Income  
<TABLE>  
-----

<CAPTION>

|  | Year Ended December 31 |           |           |
|--|------------------------|-----------|-----------|
|  | 2000                   | 1999      | 1998      |
| (Dollars in millions, except per share information)                    |                        |           |           |
| <S>  | <C>                    | <C>       | <C>       |
| Interest income  |                        |           |           |
| Interest and fees on loans and leases                                  | \$ 31,872              | \$ 27,569 | \$ 28,331 |
| Interest and dividends on securities                                   | 5,045                  | 4,826     | 4,502     |
| Federal funds sold and securities purchased under agreements to resell | 2,354                  | 1,666     | 1,828     |
| Trading account assets   | 2,725                  | 2,087     | 2,626     |
| Other interest income  | 1,262                  | 1,175     | 1,301     |
| Total interest income  | 43,258                 | 37,323    | 38,588    |
| Interest expense   |                        |           |           |
| Deposits   | 11,010                 | 9,002     | 10,811    |
| Short-term borrowings  | 7,957                  | 5,826     | 5,239     |
| Trading account liabilities  | 892                    | 658       | 895       |
| Long-term debt   | 4,957                  | 3,600     | 3,345     |
| Total interest expense   | 24,816                 | 19,086    | 20,290    |
| Net interest income  | 18,442                 | 18,237    | 18,298    |
| Provision for credit losses  | 2,535                  | 1,820     | 2,920     |
| Net interest income after provision for credit losses                  | 15,907                 | 16,417    | 15,378    |
| Gains on sales of securities   | 25                     | 240       | 1,017     |
| Noninterest income   |                        |           |           |
| Consumer service charges   | 2,654                  | 2,550     | 2,632     |
| Corporate service charges  | 1,946                  | 1,849     | 1,694     |
| Total service charges  | 4,600                  | 4,399     | 4,326     |
| Consumer investment and brokerage services                             | 1,466                  | 1,334     | 1,238     |
| Corporate investment and brokerage services                            | 463                    | 414       | 464       |
| Total investment and brokerage services                                | 1,929                  | 1,748     | 1,702     |
| Mortgage servicing income  | 560                    | 673       | 389       |
| Investment banking income  | 1,512                  | 1,411     | 1,430     |
| Equity investment gains  | 1,054                  | 833       | 579       |
| Card income  | 2,229                  | 2,006     | 1,569     |
| Trading account profits  | 1,830                  | 1,495     | 171       |
| Other income   | 775                    | 1,504     | 2,023     |
| Total noninterest income   | 14,489                 | 14,069    | 12,189    |
| Merger and restructuring charges                                       | 550                    | 525       | 1,795     |
| Other noninterest expense  |                        |           |           |
| Personnel  | 9,400                  | 9,308     | 9,412     |
| Occupancy  | 1,682                  | 1,627     | 1,643     |
| Equipment  | 1,173                  | 1,346     | 1,404     |
| Marketing  | 621                    | 537       | 581       |
| Professional fees  | 452                    | 630       | 843       |
| Amortization of intangibles  | 864                    | 888       | 902       |
| Data processing  | 667                    | 763       | 765       |
| Telecommunications   | 527                    | 549       | 563       |
| Other general operating  | 2,114                  | 1,820     | 2,044     |
| General administrative and other                                       | 583                    | 518       | 584       |
| Total other noninterest expense  | 18,083                 | 17,986    | 18,741    |
| Income before income taxes   | 11,788                 | 12,215    | 8,048     |
| Income tax expense   | 4,271                  | 4,333     | 2,883     |
| Net income   | \$ 7,517               | \$ 7,882  | \$ 5,165  |
| Net income available to common shareholders                            | \$ 7,511               | \$ 7,876  | \$ 5,140  |

|  |    |           |    |           |           |
|--|----|-----------|----|-----------|-----------|
| Per share information  |    |           |    |           |           |
| Earnings per common share                                      | \$ | 4.56      | \$ | 4.56      | \$ 2.97   |
| -----  |    |           |    |           |           |
| Diluted earnings per common share                              | \$ | 4.52      | \$ | 4.48      | \$ 2.90   |
| -----  |    |           |    |           |           |
| Dividends per common share                                     | \$ | 2.06      | \$ | 1.85      | \$ 1.59   |
| -----  |    |           |    |           |           |
| Average common shares issued and outstanding<br>(in thousands) |    | 1,646,398 |    | 1,726,006 | 1,732,057 |
| -----  |    |           |    |           |           |
| </TABLE>   |    |           |    |           |           |

</TABLE>

See accompanying notes to consolidated financial statements.

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Bank of America Corporation and Subsidiaries  
Consolidated Balance Sheet

<TABLE>

<CAPTION>

|   | December 31 |           |
|---|-------------|-----------|
|   | 2000        | 1999      |
| (Dollars in millions)   |             |           |
| <S>   | <C>         | <C>       |
| Assets  |             |           |
| Cash and cash equivalents   | \$ 27,513   | \$ 26,989 |
| Time deposits placed and other short-term investments   | 5,448       | 4,838     |
| Federal funds sold and securities purchased under<br>agreements to resell (includes \$24,622 pledged as<br>collateral(/1/)) | 28,055      | 37,928    |
| Trading account assets (includes \$21,216 pledged as<br>collateral(/1/))  | 43,041      | 38,460    |
| Derivative-dealer assets  | 15,534      | 16,055    |
| Securities:   |             |           |
| Available-for-sale (includes \$40,674 pledged as<br>collateral(/1/))  | 64,651      | 81,647    |
| Held-to-maturity, at cost (market value - \$1,133 and<br>\$1,270)   | 1,187       | 1,422     |
| Total securities  | 65,838      | 83,069    |
| Loans and leases  | 392,193     | 370,662   |
| Allowance for credit losses   | (6,838)     | (6,828)   |
| Loans and leases, net of allowance for credit losses  | 385,355     | 363,834   |
| Premises and equipment, net   | 6,433       | 6,713     |
| Customers' acceptance liability   | 1,972       | 1,869     |
| Interest receivable   | 4,432       | 3,777     |
| Mortgage servicing rights   | 3,762       | 4,093     |
| Goodwill  | 11,643      | 12,262    |
| Core deposits and other intangibles   | 1,499       | 1,730     |
| Other assets  | 41,666      | 30,957    |
| Total assets  | \$642,191   | \$632,574 |
| Liabilities   |             |           |
| Deposits in domestic offices:   |             |           |
| Noninterest-bearing   | \$ 98,722   | \$ 93,476 |
| Interest-bearing  | 211,978     | 207,048   |
| Deposits in foreign offices:  |             |           |
| Noninterest-bearing   | 1,923       | 1,993     |
| Interest-bearing  | 51,621      | 44,756    |
| Total deposits  | 364,244     | 347,273   |
| Federal funds purchased and securities sold under<br>agreements to repurchase   | 49,411      | 74,561    |
| Trading account liabilities   | 20,947      | 20,958    |
| Derivative-dealer liabilities   | 22,402      | 16,200    |
| Commercial paper  | 6,955       | 7,331     |
| Other short-term borrowings   | 35,243      | 40,340    |
| Acceptances outstanding   | 1,972       | 1,869     |
| Accrued expenses and other liabilities  | 20,887      | 19,169    |
| Long-term debt  | 67,547      | 55,486    |
| Trust preferred securities  | 4,955       | 4,955     |
| Total liabilities   | 594,563     | 588,142   |
| Commitments and contingencies (Notes Thirteen and<br>Fifteen)   |             |           |



|  |       |           |          |          |            |          |          |
|--|-------|-----------|----------|----------|------------|----------|----------|
| stock                                    | (6)   | 284       | 6        |          |            |          |          |
| Other                                    |       | 4         | 263      |          |            | 58       | 321      |
| -----                                    |       |           |          |          |            |          |          |
| -----                                    |       |           |          |          |            |          |          |
| Balance, December 31, 1999               | \$ 77 | 1,677,273 | \$11,671 | \$35,681 | \$ (2,658) | \$ (339) | \$44,432 |
| -----                                    |       |           |          |          |            |          |          |
| -----                                    |       |           |          |          |            |          |          |
| Net income                               |       |           |          | 7,517    |            | 7,517    | \$7,517  |
| Other comprehensive income, net of tax   |       |           |          |          | 1,912      | 1,912    | 1,912    |
| -----                                    |       |           |          |          |            |          |          |
| Comprehensive income                     |       |           |          |          |            |          | \$9,429  |
| -----                                    |       |           |          |          |            |          |          |
| -----                                    |       |           |          |          |            |          |          |
| Cash dividends:                          |       |           |          |          |            |          |          |
| Common                                   |       |           |          | (3,382)  |            | (3,382)  |          |
| Preferred                                |       |           |          | (6)      |            | (6)      |          |
| Common stock issued under employee plans |       | 3,781     | 68       |          |            | 226      | 294      |
| Common stock repurchased                 |       | (67,577)  | (3,256)  |          |            |          | (3,256)  |
| Conversion of preferred stock            | (5)   | 177       | 5        |          |            |          |          |
| Other                                    |       | (22)      | 125      | 5        |            | (13)     | 117      |
| -----                                    |       |           |          |          |            |          |          |
| -----                                    |       |           |          |          |            |          |          |
| Balance, December 31, 2000               | \$ 72 | 1,613,632 | \$ 8,613 | \$39,815 | \$ (746)   | \$ (126) | \$47,628 |
| -----                                    |       |           |          |          |            |          |          |

</TABLE>

- (1) Changes in Accumulated Other Comprehensive Income (Loss) include after-tax net unrealized gains (losses) on available-for-sale and marketable equity securities of \$1,910, \$(2,773) and \$(242) and after-tax net unrealized gains (losses) on foreign currency translation adjustments of \$2, \$(37) and \$(13) in 2000, 1999 and 1998, respectively.
- (2) Accumulated Other Comprehensive Income (Loss) consists of the after-tax valuation allowance for available-for-sale and marketable equity securities of \$(560), \$(2,470) and \$303 and foreign currency translation adjustments of \$(186), \$(188) and \$(151) at December 31, 2000, 1999 and 1998, respectively.

See accompanying notes to consolidated financial statements.

-----  
Bank of America Corporation and Subsidiaries  
Consolidated Statement of Cash Flows  
-----

<TABLE>  
<CAPTION>

| (Dollars in millions)   | Year Ended December 31 |          |          |
|---|------------------------|----------|----------|
|   | 2000                   | 1999     | 1998     |
| -----   |                        |          |          |
| <S>   | <C>                    | <C>      | <C>      |
| Operating activities  |                        |          |          |
| Net income  | \$ 7,517               | \$ 7,882 | \$ 5,165 |
| Reconciliation of net income to net cash provided by operating activities:                        |                        |          |          |
| Provision for credit losses   | 2,535                  | 1,820    | 2,920    |
| Gains on sales of securities  | (25)                   | (240)    | (1,017)  |
| Merger and restructuring charges  | 550                    | 525      | 1,795    |
| Depreciation and premises improvements amortization   | 920                    | 1,029    | 1,096    |
| Amortization of intangibles   | 864                    | 888      | 902      |
| Deferred income tax expense   | 648                    | 2,459    | 216      |
| Net (increase) decrease in trading instruments  | 2,119                  | 7,640    | (1,378)  |
| Net increase in interest receivable   | (658)                  | (51)     | (157)    |
| Net (increase) decrease in other assets   | (10,055)               | 2,611    | (11,271) |
| Net increase in interest payable  | 575                    | 332      | 94       |
| Net increase (decrease) in accrued expenses and other liabilities                                 | 1,234                  | (13,326) | 13,702   |
| Other operating activities, net   | (959)                  | 496      | 1,450    |
| -----   |                        |          |          |
| Net cash provided by operating activities   | 5,265                  | 12,065   | 13,517   |
| -----   |                        |          |          |
| Investing activities  |                        |          |          |
| Net (increase) decrease in time deposits placed and other short-term investments                  | (685)                  | 1,625    | 1,612    |
| Net (increase) decrease in federal funds sold and securities purchased under agreements to resell | 9,857                  | (10,782) | (7,028)  |

|   |           |          |          |
|---|-----------|----------|----------|
| Proceeds from sales of available-for-sale securities  | 34,671    | 38,587   | 78,313   |
| Proceeds from maturities of available-for-sale securities   | 6,396     | 10,003   | 2,941    |
| Purchases of available-for-sale securities  | (19,132)  | (48,917) | (93,136) |
| Proceeds from maturities of held-to-maturity securities   | 380       | 575      | 1,162    |
| Purchases of held-to-maturity securities  | --        | --       | (249)    |
| Proceeds from sales and securitizations of loans and leases   | 41,594    | 44,574   | 59,297   |
| Purchases and net originations of loans and leases  | (70,444)  | (63,401) | (91,681) |
| Purchases and originations of mortgage servicing rights   | (208)     | (2,258)  | (853)    |
| Net purchases of premises and equipment   | (642)     | (465)    | (437)    |
| Proceeds from sales of foreclosed properties  | 260       | 350      | 525      |
| Acquisitions and divestitures of business activities  | 843       | (1,212)  | (335)    |
| <hr/>   |           |          |          |
| Net cash provided by (used in) investing activities   | 2,890     | (31,321) | (49,869) |
| <hr/>   |           |          |          |
| Financing activities  |           |          |          |
| Net increase (decrease) in deposits   | 17,155    | (8,299)  | 16,476   |
| Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase | (25,150)  | 7,018    | 6,137    |
| Net increase (decrease) in commercial paper and other short-term borrowings                           | (5,376)   | 16,214   | 13,672   |
| Proceeds from issuance of long-term debt  | 23,451    | 17,630   | 12,166   |
| Retirement of long-term debt  | (11,078)  | (7,763)  | (8,809)  |
| Proceeds from issuance of trust preferred securities  | --        | --       | 340      |
| Proceeds from issuance of common stock  | 294       | 1,158    | 1,367    |
| Common stock repurchased  | (3,256)   | (4,858)  | (1,751)  |
| Cash dividends paid   | (3,388)   | (3,199)  | (2,604)  |
| Other financing activities, net   | (218)     | 12       | (863)    |
| <hr/>   |           |          |          |
| Net cash provided by (used in) financing activities   | (7,566)   | 17,913   | 36,131   |
| <hr/>   |           |          |          |
| Effect of exchange rate changes on cash and cash equivalents  | (65)      | 55       | 32       |
| <hr/>   |           |          |          |
| Net increase (decrease) in cash and cash equivalents  | 524       | (1,288)  | (189)    |
| Cash and cash equivalents at January 1  | 26,989    | 28,277   | 28,466   |
| <hr/>   |           |          |          |
| Cash and cash equivalents at December 31  | 27,513    | \$26,989 | \$28,277 |
| <hr/>   |           |          |          |
| Supplemental cash flow disclosures  |           |          |          |
| Cash paid for interest  | \$ 24,241 | \$18,754 | \$20,198 |
| Cash paid for income taxes  | 2,130     | 1,595    | 2,695    |

</TABLE>

Loans transferred to foreclosed properties amounted to \$380, \$305 and \$353 in 2000, 1999 and 1998, respectively.

Loans securitized and retained in the trading and available-for-sale securities portfolio amounted to \$2,483, \$6,682 and \$6,083 in 2000, 1999 and 1998, respectively.

There were no acquisitions for the year ended December 31, 2000. The fair value of noncash assets acquired and liabilities assumed in acquisitions during 1999 was approximately \$1,557 and \$74, respectively, net of cash acquired. The fair value of noncash assets acquired in 1998 was approximately \$109, net of cash acquired.

See accompanying notes to consolidated financial statements.

Bank of America Corporation and Subsidiaries

Notes to Consolidated Financial Statements

On September 30, 1998, BankAmerica Corporation (BankAmerica) merged (the Merger) with and into Bank of America Corporation (Corporation), formerly NationsBank Corporation (NationsBank). On January 9, 1998, the Corporation completed its merger (the Barnett merger) with Barnett Banks, Inc. (Barnett). These transactions were accounted for as pooling of interests. The consolidated financial statements have been restated to present the combined results of the Corporation as if the Merger and the Barnett merger had been in effect for all periods presented.

The Corporation is a Delaware corporation, a bank holding company and, effective March 11, 2000, a financial holding company. Through its banking

subsidiaries and nonbanking subsidiaries, the Corporation provides a diverse range of financial services and products throughout the U.S. and in selected international markets.

#### Note One - Summary of Significant Accounting Policies

##### Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of the Corporation and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Results of operations of companies purchased are included from the dates of acquisition. Certain prior period amounts have been reclassified to conform to current year classifications. Assets held in an agency or fiduciary capacity are not included in the consolidated financial statements.

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates made by management are discussed in these footnotes as applicable.

##### Cash and Cash Equivalents

Cash on hand, cash items in the process of collection and amounts due from correspondent banks and the Federal Reserve Bank are included in cash and cash equivalents.

##### Securities Purchased Under Agreements To Resell And Securities Sold Under Agreements To Repurchase

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions and are recorded at the amounts at which the securities were acquired or sold plus accrued interest. The Corporation's policy is to obtain the use of securities purchased under agreements to resell. The market value of the underlying securities, which collateralize the related receivable on agreements to resell, is monitored, including accrued interest, and additional collateral is requested when deemed appropriate.

##### Collateral

The Corporation has accepted collateral that it is permitted by contract or custom to sell or repledge. At December 31, 2000, the fair value of this collateral was approximately \$25.1 billion of which \$22.7 billion was sold or repledged. The primary source of this collateral is reverse repurchase agreements. The Corporation pledges securities as collateral in transactions that are primarily repurchase agreements, public and trust deposits, treasury tax and loan and other short-term borrowings. This collateral can be sold or repledged by the counterparties to the transactions.

##### Trading Instruments

Instruments utilized in trading activities include securities stated at fair value. Fair value is generally based on quoted market prices. If quoted market prices are not available, fair values are estimated based on dealer quotes, pricing models or quoted prices for instruments with similar characteristics. Realized and unrealized gains and losses are recognized as trading account profits and fees.

##### Derivative-Dealer Positions

Derivative-dealer assets and liabilities represent trading positions including unrealized gains and losses, respectively, on interest rate, foreign exchange, commodity, equity, credit derivative and other derivative contract positions included in the Corporation's trading portfolio. Derivative-dealer positions are reflected at fair value with changes in fair value reflected in trading account profits and fees. Fair values are estimated based on dealer quotes, pricing models or quoted prices for instruments with similar characteristics.

##### Securities

Debt securities are classified based on management's intention on the date of purchase. Debt securities which management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. Securities that are bought and held principally for the purpose of resale in the near term are classified as trading instruments and are stated at fair value. All other debt securities are classified as available-for-sale and carried at fair value with net unrealized gains and losses included in shareholders' equity on an after-tax basis.

Interest and dividends on securities, including amortization of premiums and



accretion of discounts, are included in interest income. Realized gains and losses from the sales of securities are determined using the specific identification method.

Marketable equity securities, which are included in other assets, are carried at fair value with net unrealized gains and losses included in shareholders' equity, net of tax. Income on marketable equity securities is included in noninterest income.

#### Loans and Leases

Loans are reported at their outstanding principal balances net of any unearned income, charge-offs, unamortized deferred fees and costs on originated loans and premiums or discounts on purchased loans. Loan origination fees and certain direct origination costs are deferred and recognized as adjustments to income over the lives of the related loans. Unearned income, discounts and premiums are amortized to income using methods that approximate the interest method.

The Corporation provides equipment financing to its customers through a variety of lease arrangements. Direct financing leases are carried at the aggregate of lease payments receivable plus estimated residual value of the leased property, less unearned income. Leveraged leases, which are a form of financing lease, are carried net of nonrecourse debt. Unearned income on leveraged and direct financing leases is amortized over the lease terms by methods that approximate the interest method.

#### Allowance for Credit Losses

The allowance for credit losses is available to absorb management's estimate of probable incurred credit losses in the loan and lease portfolios. Additions to the allowance for credit losses are made by charges to the provision for credit losses. Credit exposures deemed to be uncollectible are charged against the allowance for credit losses. Recoveries of previously charged off amounts are credited to the allowance for credit losses.

The Corporation performs periodic and systematic detailed reviews of its loan and lease portfolios to identify inherent risks and to assess the overall collectibility of those portfolios. The allowance on certain homogeneous loan portfolios, which generally consist of consumer loans, is based on aggregated portfolio segment evaluations generally by loan type. Loss forecast models are utilized for these segments which consider a variety of factors including, but not limited to, anticipated defaults or foreclosures based on portfolio trends, delinquencies and credit scores, and expected loss factors by loan type. The remaining portfolios are reviewed on an individual loan basis. Loans subject to individual reviews are analyzed and segregated by risk according to the Corporation's internal risk rating scale. These risk classifications, in conjunction with an analysis of historical loss experience, current economic conditions and performance trends within specific portfolio segments, and any other pertinent information (including individual valuations on nonperforming loans in accordance with Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan" (SFAS 114)) result in the estimation of specific allowances for credit losses.

If necessary, an allowance for credit losses is established for individual impaired loans. A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect all amounts due, including principal and interest, according to the contractual terms of the agreement. Once a loan has been identified as impaired, management measures impairment in accordance with SFAS 114. Impaired loans are measured based on the present value of payments expected to be received, observable market prices, or for loans that are solely dependent on the collateral for repayment, the estimated fair value of the collateral. If the recorded investment in impaired loans exceeds the measure of estimated fair value, a valuation allowance is established as a component of the allowance for credit losses.

Portions of the allowance for credit losses are assigned to cover the estimated probable incurred credit losses in each loan and lease category based on the results of the Corporation's detail review process described above. The assigned portion continues to be weighted toward the commercial loan portfolio, which reflects a higher level of nonperforming loans and the potential for higher individual losses. The remaining or unassigned portion of the allowance for credit losses, determined separately from the procedures outlined above, addresses certain industry and geographic concentrations, including global economic conditions. This procedure helps to minimize the risk related to the margin of imprecision inherent in the estimation of the assigned allowance for credit losses. Due to the subjectivity involved in the determination of the unassigned portion of the allowance for credit losses, the relationship of the unassigned component to the total allowance for credit losses may fluctuate from period to period. Management evaluates the adequacy of the allowance for credit losses based on the combined total of the assigned

and unassigned components.

#### Nonperforming Loans

Commercial loans and leases that are past due 90 days or more as to principal or interest, or where reasonable doubt exists as to timely collection, including loans that are individually identified as being impaired, are generally classified as nonperforming loans unless well secured and in the process of collection. Loans whose contractual terms have been restructured in a manner which grants a concession to a borrower experiencing financial difficulties are classified as nonperforming until the loan is performing for an adequate period of time under the restructured agreement. Interest accrued but not collected is reversed when a commercial loan is classified as nonperforming. Interest collections on commercial nonperforming loans and leases for which the ultimate collectibility of principal is uncertain are applied as principal reductions. Otherwise, such collections are credited to income when received.

Credit card loans are charged off at 180 days past due and not classified as nonperforming. Unsecured loans and deficiencies in personal property secured loans are charged off at 120 days past due and not classified as nonperforming. Real estate secured consumer loans are classified as nonperforming at 90 days past due. The amount deemed uncollectible on real estate secured loans is charged off at 180 days past due. Loans in bankruptcy are charged off when deemed uncollectible, which may be earlier than the timeframes noted above.

#### Loans Held for Sale

Loans held for sale include residential mortgage, commercial real estate and other loans and are carried at the lower of aggregate cost or market value. Loans originated with the intent to sell are included in other assets.

#### Foreclosed Properties

Assets are classified as foreclosed properties and included in other assets upon actual foreclosure or when physical possession of the collateral is taken regardless of whether foreclosure proceedings have taken place.

Foreclosed properties are carried at the lower of the recorded amount of the loan or lease for which the property previously served as collateral, or the fair value of the property less estimated costs to sell. Prior to foreclosure, any write-downs, if necessary, are charged to the allowance for credit losses.

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Subsequent to foreclosure, gains or losses on the sale of and losses on the periodic revaluation of foreclosed properties are credited or charged to expense. Net costs of maintaining and operating foreclosed properties are expensed as incurred.

#### Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized principally using the straight-line method over the estimated useful lives of the assets.

#### Mortgage Servicing Rights

The total cost of mortgage loans originated for sale or purchased is allocated between the cost of the loans and the mortgage servicing rights (MSR) based on the relative fair values of the loans and the MSR. MSR acquired separately are capitalized at cost. The Corporation capitalized \$836 million, \$1.6 billion and \$1.5 billion of MSR during 2000, 1999 and 1998, respectively. The cost of the MSR is amortized in proportion to and over the estimated period that servicing revenues are recognized. Amortization was \$540 million, \$566 million and \$476 million during 2000, 1999 and 1998, respectively.

The fair value of capitalized MSR was \$3.7 billion and \$4.1 billion at December 31, 2000 and 1999, respectively. Total loans serviced approximated \$335.9 billion, \$314.3 billion and \$249.7 billion at December 31, 2000, 1999 and 1998, respectively, including loans serviced on behalf of the Corporation's banking subsidiaries. The Corporation's valuation methodology uses several key assumptions including, but not limited to, published prepayment speeds, discount rates based on the Constant Maturity Treasury, servicing costs, inflation rates and ancillary fees to estimate the fair value of capitalized MSR. The predominant characteristics used as the basis for stratifying MSR are loan type and interest rate. The MSR strata are evaluated for impairment by estimating their fair value based on anticipated future net cash flows, taking into consideration prepayment predictions. If the carrying value of the MSR, including the results of risk management activities, exceeds the estimated fair value, a valuation allowance is established for any decline which is viewed to be temporary. Changes to the valuation allowance are charged against or credited to mortgage servicing income and fees. There was no valuation allowance at December 31, 2000. The valuation allowance was \$6

million at December 31, 1999. To manage risk associated with changes in prepayment rates, the Corporation uses various financial instruments including purchased options and swaps. The notional amounts of such contracts at December 31, 2000 and 1999 were \$42.1 billion and \$43.4 billion, respectively, and the related unrealized gain was \$424 million and unrealized loss was \$333 million, respectively.

#### Goodwill and Other Intangibles

Net assets of companies acquired in purchase transactions are recorded at fair value at the date of acquisition. Identified intangibles are amortized on an accelerated or straight-line basis over the period benefited. Goodwill is amortized on a straight-line basis over a period not to exceed 25 years. The recoverability of goodwill and other intangibles is evaluated if events or circumstances indicate a possible impairment. Such evaluation is based on various analyses, including undiscounted cash flow projections.

#### Securitizations

The Corporation securitizes, sells and services interests in consumer finance, commercial and bankcard loans. When the Corporation securitizes assets, it may retain interest-only strips, one or more subordinated tranches and, in some cases, a cash reserve account, all of which are considered retained interests in the securitized assets. Gains upon sale of the assets depend, in part, on the Corporation's allocation of the previous carrying amount of the assets to the retained interests. Previous carrying amounts are allocated in proportion to the relative fair values of the assets sold and interests retained.

Quoted market prices, if available, are used to obtain fair values. Generally, quoted market prices for retained interests are not available; therefore, the Corporation estimates fair values based upon the present value of the associated expected future cash flows. This may require management to estimate credit losses, prepayment speeds, forward yield curves, discount rates and other factors that impact the value of retained interests.

After the securitization, any of these retained interests that can be contractually settled in such a way that the Corporation could not recover substantially all of its recorded investment are adjusted to fair value with the adjustment reflected as an unrealized loss in shareholders' equity. If a decline in the fair value is determined to be unrecoverable, it is charged to expense.

See Note Eight for additional disclosures related to securitizations.

#### Income Taxes

There are two components of income tax expense: current and deferred. Current income tax expense approximates taxes to be paid or refunded for the applicable period. Balance sheet amounts of deferred taxes are recognized on the temporary differences between the bases of assets and liabilities as measured by tax laws and their bases as reported in the financial statements. Deferred tax expense or benefit is then recognized for the change in deferred tax liabilities or assets between periods.

Recognition of deferred tax assets is based on management's belief that it is more likely than not that the tax benefit associated with certain temporary differences, tax operating loss carryforwards and tax credits will be realized. A valuation allowance is recorded for those deferred tax items for which it is more likely than not that realization will not occur.

#### Retirement Benefits

The Corporation has established qualified retirement plans covering full-time, salaried employees and certain part-time employees. Pension expense under these plans is charged to current operations and consists of several components of net pension cost based on various actuarial assumptions regarding future experience under the plans.

In addition, the Corporation and its subsidiaries have established unfunded supplemental benefit plans providing any benefits that could not be paid from a qualified retirement plan because of Internal Revenue Code restrictions and supplemental executive retirement plans for selected officers of the Corporation and its subsidiaries. These plans are nonqualified and, therefore, in general, a participant's or beneficiary's claim to benefits is as a general creditor.

The Corporation and its subsidiaries have established several unfunded postretirement medical benefit plans.

#### Risk Management Instruments

Risk management instruments are utilized to modify the interest rate charac-

teristics of related assets or liabilities or hedge against fluctuations in interest rates, currency exchange rates or other such exposures as part of the Corporation's asset and liability management process. Instruments must be designated as hedges and must be effective throughout the hedge period. To qualify as hedges, risk management instruments must be linked to specific assets or liabilities or pools of similar assets or liabilities. For risk management instruments that fail to qualify as hedges, the instruments are recorded at market value with changes in market value reflected in trading account profits and fees.

Swaps, principally interest rate, used in the asset and liability management process are accounted for on the accrual basis with revenues or expenses recognized as adjustments to income or expense on the underlying linked assets or liabilities.

Gains and losses associated with interest rate futures and forward contracts used as effective hedges of existing risk positions or anticipated transactions are deferred as an adjustment to the carrying value of the related asset or liability and recognized in income over the remaining term of the related asset or liability.

Risk management instruments used to hedge or modify the interest rate characteristics of debt securities classified as available-for-sale are carried at fair value with unrealized gains or losses deferred as a component of shareholders' equity, net of tax.

To manage interest rate risk, the Corporation also uses interest rate option products, primarily purchased caps and floors. Interest rate caps and floors are agreements where, for a fee, the purchaser obtains the right to receive interest payments when a variable interest rate moves above or below a specified cap or floor rate, respectively. Such instruments are primarily linked to long-term debt, short-term borrowings and pools of similar residential mortgages. The Corporation also purchases options to protect the value of certain assets, principally MSR, against changes in prepayment rates. Option premiums are amortized over the option life on a straight-line basis. Such contracts are designated as hedges, and gains or losses are recorded as adjustments to the carrying value of the MSR, which are then subjected to impairment valuations.

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The Corporation also utilizes forward delivery contracts and options to reduce the interest rate risk inherent in mortgage loans held for sale and the commitments made to borrowers for mortgage loans which have not been funded. These financial instruments are considered in the Corporation's lower of cost or market valuation of its mortgage loans held for sale.

The Corporation has made investments in a number of operations in foreign countries. Certain assets and liabilities of these operations are often denominated in foreign currencies, which exposes the Corporation to foreign currency risks. To qualify for hedge accounting, a foreign exchange contract must reduce risk at the level of the specific transaction. Realized and unrealized gains and losses on instruments that hedge firm commitments are deferred and included in the measurement of the subsequent transaction; however, losses are deferred only to the extent of expected gains on the future commitment. Realized and unrealized gains and losses on instruments that hedge net foreign capital exposure are recorded in shareholders' equity as foreign currency translation adjustments and included in accumulated other comprehensive income (loss).

Risk management instruments generally are not terminated. When terminations do occur, gains or losses are recorded as adjustments to the carrying value of the underlying assets or liabilities and recognized as income or expense over either the remaining expected lives of such underlying assets or liabilities or the remaining life of the instrument. In circumstances where the underlying assets or liabilities are sold, any remaining carrying value adjustments and the cumulative change in value of any open positions are recognized immediately as a component of the gain or loss on disposition of such underlying assets or liabilities. If a forecasted transaction to which a risk management instrument is linked fails to occur, any deferred gain or loss on the instrument is recognized immediately in income.

#### Earnings Per Common Share

Earnings per common share for all periods presented is computed by dividing net income, reduced by dividends on preferred stock, by the weighted average number of common shares issued and outstanding. Diluted earnings per common share is computed by dividing net income available to common shareholders, adjusted for the effect of assumed conversions, by the weighted average number of common shares issued and outstanding and dilutive potential common shares, which include convertible preferred stock and stock options. Dilutive potential common shares are calculated using the treasury stock method.

#### Foreign Currency Translation

Assets, liabilities and operations of foreign branches and subsidiaries are recorded based on the functional currency of each entity. For the majority of the foreign operations, the functional currency is the local currency, in which case the assets, liabilities and operations are translated, for consolidation purposes, at current exchange rates from the local currency to the reporting currency, the U.S. dollar. The resulting gains or losses are reported as a component of accumulated other comprehensive income (loss) within shareholders' equity on a net-of-tax basis. When the foreign entity is not a free-standing operation or is in a hyperinflationary economy, the functional currency used to measure the financial statements of a foreign entity is the U.S. dollar. In these instances, the resulting gains and losses are included in income.

#### Recently Issued Accounting Pronouncements

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) as amended by Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of Effective Date of Financial Accounting Standards Board Statement No. 133," and Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" was effective for the Corporation as of January 1, 2001. SFAS 133 requires all derivative instruments to be recognized as either assets or liabilities and measured at their fair values. In addition, SFAS 133 allows special hedge accounting for some types of transactions provided that certain criteria are met. At the date of initial application, the Corporation recorded certain transition adjustments as required by SFAS 133. The estimated impact of such transition adjustments to net income is a loss of \$52 million (net of related income tax benefit of \$31 million) and a net transition gain of \$9 million (net of related income taxes of \$5 million) in other comprehensive income on January 1, 2001. Further, the initial adoption of SFAS 133 is estimated to result in the Corporation recognizing \$577 million of derivative assets and \$514 million of derivative liabilities on the balance sheet. These transition amounts are subject to the final outcome of several pending Financial Accounting Standards Board (FASB) conclusions surrounding the implementation of SFAS 133. The Corporation expects that the adoption of SFAS 133 will increase the volatility of reported earnings and other comprehensive income. In general, the amount of volatility is based on amounts, positions and market conditions that exist during any period.

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In 2000, the FASB issued Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities - a replacement of FASB Statement No. 125" (SFAS 140). SFAS 140 is effective for transfers occurring after March 31, 2001 and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. The December 31, 2000 consolidated financial statements include the disclosures required by SFAS 140. The Corporation is currently evaluating the impact of SFAS 140; however, at this time, the Corporation does not expect SFAS 140 to have a material impact on its results of operations or financial condition.

In 1999, the Federal Financial Institutions Examinations Council (FFIEC) issued The Uniform Classification and Account Management Policy (the Policy) which provides guidance and promotes consistency among banks on the treatment of consumer delinquent and bankruptcy-related loans. The Corporation implemented the Policy during the fourth quarter of 2000. Charge-offs of \$104 million were recorded in the consumer loan portfolio in the fourth quarter of 2000 in order to comply with the Policy.

#### Note Two - Acquisition and Merger Activities

At December 31, 2000, the Corporation operated its banking activities primarily under two charters: Bank of America, N.A. and Bank of America, N.A. (USA). On September 1, 2000, Bank of America Community Development Bank, National Association changed its name to Bank of America California, National Association. On March 31, 1999, NationsBank of Delaware, N.A. merged with and into Bank of America, N.A. (USA), a national association headquartered in Phoenix, Arizona (formerly known as Bank of America National Association), which operates the Corporation's credit card business. On April 1, 1999, the mortgage business of BankAmerica transferred to NationsBanc Mortgage Corporation. On December 1, 1999, NationsBanc Mortgage Corporation merged with and into BA Mortgage, LLC, a Delaware limited liability company and a Bank of America, N.A. subsidiary. On April 8, 1999, the Corporation merged Bank of America Texas, N.A. into NationsBank, N.A. On July 5, 1999, NationsBank, N.A. changed its name to Bank of America, N.A. On July 23, 1999, Bank of America, N.A. merged into Bank of America National Trust and Savings Association (Bank of America NT&SA), and the surviving entity of that merger changed its name to Bank of America, N.A. On December 1, 1999, Bank of America FSB, a federal savings bank formerly headquartered in Portland, Oregon, was converted into a national bank and merged into Bank of America, N.A.

On September 30, 1998, the Corporation completed the Merger. As a result of

the Merger, each outstanding share of BankAmerica common stock was converted into 1.1316 shares of the Corporation's common stock, resulting in the net issuance of approximately 779 million shares of the Corporation's common stock to the former BankAmerica shareholders. Each share of NationsBank common stock continued as one share in the combined company's common stock. In addition, approximately 88 million options to purchase the Corporation's common stock were issued to convert stock options granted to certain BankAmerica employees. This transaction was accounted for as a pooling of interests. Under this method of accounting, the recorded assets, liabilities, shareholders' equity, income and expense of NationsBank and BankAmerica have been combined and reflected at their historical amounts. NationsBank's total assets, total deposits and total shareholders' equity on the date of the Merger were approximately \$331.9 billion, \$166.8 billion and \$27.7 billion, respectively. BankAmerica's total assets, total deposits and total shareholders' equity on the date of the Merger amounted to approximately \$263.4 billion, \$179.0 billion and \$19.6 billion, respectively.

In connection with the Merger, the Corporation recorded pre-tax merger charges of \$525 million (\$358 million after-tax) in 1999 and \$1,325 million (\$960 million after-tax) in 1998. Of the \$525 million in 1999, \$200 million (\$145 million after-tax) and \$325 million (\$213 million after-tax) were recorded in the second and fourth quarters, respectively. Of the \$1,325 million in 1998, \$725 million (\$519 million after-tax) and \$600 million (\$441 million after-tax) were recorded in the third and fourth quarters, respectively. The total pre-tax charge for 1999 consisted of approximately \$219 million primarily of severance, change in control and other employee-related costs, \$187 million of conversion and related costs including occupancy, equipment and customer communication expenses, \$128 million of exit and related costs and a \$9 million reduction of other merger costs. The total pre-tax charge for 1998 consisted of approximately \$740 million primarily of severance, change in control and other employee-related costs, \$150 million of conversion and related costs including occupancy and equipment expenses (primarily lease exit costs and the elimination of duplicate facilities and other capitalized assets) and customer communication expenses, \$300 million of exit and related costs and \$135 million of other merger costs (including legal, investment banking and filing fees).

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Total severance, change in control and other employee-related costs include amounts related to job eliminations of former associates from BankAmerica and NationsBank impacted by the Merger. Through December 31, 2000, approximately 13,800 employees had entered the severance process. Employee-related costs of the Merger were principally in overlapping functions, operations and businesses of the Corporation. The BankAmerica merger reserve balance was \$300 million and \$842 million at December 31, 1999 and 1998, respectively. During 1999, the amount charged to expense and added to the reserve was \$525 million. There was no such amount charged during 2000. Cash payments applied to the reserve in 2000 and 1999 were approximately \$216 million and \$841 million, respectively. Non-cash reductions applied to the reserve in 2000 and 1999 were \$52 million and \$226 million, respectively. The remaining merger reserve balance was \$32 million at December 31, 2000.

On January 9, 1998, the Corporation completed the Barnett merger. Barnett's total assets, total deposits and total shareholders' equity on the date of the merger were approximately \$46.0 billion, \$35.4 billion and \$3.4 billion, respectively. As a result of the Barnett merger, each outstanding share of Barnett common stock was converted into 1.1875 shares of the Corporation's common stock, resulting in the net issuance of approximately 233 million common shares to the former Barnett shareholders. In addition, approximately 11 million options to purchase the Corporation's common stock were issued to convert stock options granted to certain Barnett employees. This transaction was also accounted for as a pooling of interests.

In connection with the Barnett merger, the Corporation incurred a pre-tax merger-related charge during the first quarter of 1998 of approximately \$900 million (\$642 million after-tax), which consisted of approximately \$375 million primarily in severance and change in control payments, \$300 million of conversion and related costs including occupancy and equipment expenses (primarily lease exit costs and the elimination of duplicate facilities and other capitalized assets), \$125 million of exit costs related to contract terminations and \$100 million of other merger costs (including legal, investment banking and filing fees). In the second quarter of 1998, the Corporation recognized a \$430 million (\$277 million after-tax) gain resulting from the regulatory required divestitures of certain Barnett branches. Substantially all of the Barnett merger-related reserves have been utilized.

Effective January 2, 2001, the Corporation acquired the remaining 50 percent of Marsico Capital Management LLC (Marsico) for a total investment of \$1.1 billion. The Corporation acquired the first 50 percent in 1999. Marsico is a Denver-based investment management firm specializing in large capitalization growth stocks.

As part of its productivity and investment initiatives announced on July 28, 2000, the Corporation recorded a pre-tax restructuring charge of \$550 million (\$346 million after-tax) in 2000 which is included in merger and restructuring charges in the Consolidated Statement of Income. As part of these initiatives and in order to reallocate resources, the Corporation announced that it would eliminate 9,000 to 10,000 positions, or six to seven percent of its workforce, over a twelve-month period. Of the \$550 million restructuring charge, approximately \$475 million will be used to cover severance and related costs and \$75 million will be used for other costs related to process change and channel consolidation. Over half of the severance and related costs are related to management positions which were eliminated in a review of span of control and management structure. The restructuring charge includes severance and related payments for 8,300 positions, which are company-wide and across all levels. The difference between the 8,300 positions and the 10,000 positions initially announced is expected to come from normal attrition. Through December 31, 2000, there were approximately 6,800 employees who had entered severance status as part of these initiatives. The remaining 1,500 positions associated with the July 2000 growth initiative announcement have been identified, and the employees in these positions will be notified by June 30, 2001. Cash payments applied to the restructuring reserve in 2000 were approximately \$209 million primarily related to severance costs, and noncash reductions were \$48 million, primarily related to restricted stock vesting accelerations. The remaining restructuring reserve balance was \$293 million at December 31, 2000. Approximately \$132 million of the remaining restructuring reserve is related to future payments for employees who have entered severance status.

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#### Note Four - Securities

The amortized cost, gross unrealized gains and losses, and fair value of available-for-sale and held-to-maturity securities at December 31, 2000, 1999 and 1998 were:

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| (Dollars in millions)                             | Amortized<br>Cost | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Fair<br>Value |
|---|-------------------|------------------------------|-------------------------------|---------------|
| <S>   | <C>               | <C>                          | <C>                           | <C>           |
| Available-for-sale securities                     |                   |                              |                               |               |
| 2000  |                   |                              |                               |               |
| U.S. Treasury securities and agency<br>debentures | \$17,318          | \$ 12                        | \$ 520                        | \$16,810      |
| Mortgage-backed securities                        | 37,745            | 54                           | 372                           | 37,427        |
| Foreign sovereign securities                      | 4,252             | 7                            | 108                           | 4,151         |
| Other taxable securities                          | 4,786             | 6                            | 104                           | 4,688         |
| Total taxable                                     | 64,101            | 79                           | 1,104                         | 63,076        |
| Tax-exempt securities                             | 1,541             | 43                           | 9                             | 1,575         |
| Total   | \$65,642          | \$122                        | \$1,113                       | \$64,651      |
| 1999  |                   |                              |                               |               |
| U.S. Treasury securities and agency<br>debentures | \$30,085          | \$ --                        | \$1,800                       | \$28,285      |
| Mortgage-backed securities                        | 43,673            | 21                           | 1,709                         | 41,985        |
| Foreign sovereign securities                      | 4,607             | 16                           | 256                           | 4,367         |
| Other taxable securities                          | 4,985             | --                           | 29                            | 4,956         |
| Total taxable                                     | 83,350            | 37                           | 3,794                         | 79,593        |
| Tax-exempt securities                             | 2,135             | 21                           | 102                           | 2,054         |
| Total   | \$85,485          | \$ 58                        | \$3,896                       | \$81,647      |
| 1998  |                   |                              |                               |               |
| U.S. Treasury securities and agency<br>debentures | \$17,355          | \$ 52                        | \$ 157                        | \$17,250      |
| Mortgage-backed securities                        | 51,259            | 567                          | 36                            | 51,790        |
| Foreign sovereign securities                      | 5,693             | 25                           | 138                           | 5,580         |
| Other taxable securities                          | 2,293             | 76                           | 32                            | 2,337         |
| Total taxable                                     | 76,600            | 720                          | 363                           | 76,957        |
| Tax-exempt securities                             | 1,636             | 68                           | 71                            | 1,633         |
| Total   | \$78,236          | \$788                        | \$ 434                        | \$78,590      |

<CAPTION>

| (Dollars in millions)       | Amortized<br>Cost | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Fair<br>Value |
|-----------------------------|-------------------|------------------------------|-------------------------------|---------------|
| <S>                         | <C>               | <C>                          | <C>                           | <C>           |
| Held-to-maturity securities |                   |                              |                               |               |

|  |          |       |       |          |
|--|----------|-------|-------|----------|
| U.S. Treasury securities and agency debentures | \$ 39    | \$ -- | \$ -- | \$ 39    |
| Mortgage-backed securities                     | 66       | --    | --    | 66       |
| Foreign sovereign securities                   | 800      | 5     | 69    | 736      |
| Other taxable securities                       | 27       | --    | --    | 27       |
| <hr/>  |          |       |       |          |
| Total taxable                                  | 932      | 5     | 69    | 868      |
| Tax-exempt securities                          | 255      | 11    | 1     | 265      |
| <hr/>  |          |       |       |          |
| Total  | \$ 1,187 | \$ 16 | \$ 70 | \$ 1,133 |

|  |          |       |        |          |
|--|----------|-------|--------|----------|
| U.S. Treasury securities and agency debentures | \$ 87    | \$ -- | \$ --  | \$ 87    |
| Mortgage-backed securities                     | 106      | --    | --     | 106      |
| Foreign sovereign securities                   | 902      | --    | 157    | 745      |
| Other taxable securities                       | 26       | --    | 2      | 24       |
| <hr/>  |          |       |        |          |
| Total taxable                                  | 1,121    | --    | 159    | 962      |
| Tax-exempt securities                          | 301      | 11    | 4      | 308      |
| <hr/>  |          |       |        |          |
| Total  | \$ 1,422 | \$ 11 | \$ 163 | \$ 1,270 |

|  |          |       |        |          |
|--|----------|-------|--------|----------|
| U.S. Treasury securities and agency debentures | \$ 478   | \$ 1  | \$ --  | \$ 479   |
| Mortgage-backed securities                     | 203      | --    | --     | 203      |
| Foreign sovereign securities                   | 914      | 1     | 168    | 747      |
| Other taxable securities                       | 29       | 2     | --     | 31       |
| <hr/>  |          |       |        |          |
| Total taxable                                  | 1,624    | 4     | 168    | 1,460    |
| Tax-exempt securities                          | 373      | 20    | --     | 393      |
| <hr/>  |          |       |        |          |
| Total  | \$ 1,997 | \$ 24 | \$ 168 | \$ 1,853 |

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<TABLE>  
<CAPTION>

|   | Due after 1<br>or less |       | Due in 1<br>year through<br>5<br>years |       | Due after 5<br>through 10<br>years |       | Due after<br>10 years |       | Total    |       |
|---|------------------------|-------|--|-------|------------------------------------|-------|-----------------------|-------|----------|-------|
| (Dollars in millions)                           | Amount                 | Yield | Amount                                 | Yield | Amount                             | Yield | Amount                | Yield | Amount   | Yield |
| <S>   | <C>                    | <C>   | <C>                                    | <C>   | <C>                                | <C>   | <C>                   | <C>   | <C>      | <C>   |
| Fair value of available-for-sale securities     |                        |       |  |       |                                    |       |                       |       |          |       |
| U.S. Treasury securities and agency debentures  | \$ 335                 | 5.20% | \$ 8,500                               | 4.68% | \$ 7,570                           | 4.49% | \$ 405                | 5.62% | \$16,810 | 4.63% |
| Mortgage-backed securities                      | 256                    | 7.03  | 11,080                                 | 6.40  | 19,927                             | 6.24  | 6,164                 | 6.31  | 37,427   | 6.30  |
| Foreign sovereign securities                    | 1,242                  | 6.16  | 1,400                                  | 6.28  | 508                                | 4.23  | 1,001                 | 7.38  | 4,151    | 6.26  |
| Other taxable securities                        | 58                     | 6.74  | 2,949                                  | 8.49  | 1,188                              | 6.91  | 493                   | 6.35  | 4,688    | 7.85  |
| Total taxable                                   | 1,891                  | 6.13  | 23,929                                 | 6.04  | 29,193                             | 5.78  | 8,063                 | 6.41  | 63,076   | 5.97  |
| Tax-exempt securities                           | 60                     | 6.77  | 285                                    | 7.50  | 655                                | 7.41  | 575                   | 7.80  | 1,575    | 7.55  |
| Total   | \$1,951                | 6.15% | \$24,214                               | 6.06% | \$29,848                           | 5.81% | \$ 8,638              | 6.50% | \$64,651 | 6.01% |
| Amortized cost of available-for-sale securities | \$1,955                |       | \$24,395                               |       | \$26,759                           |       | \$12,533              |       | \$65,642 |       |
| Amortized cost of held-to-maturity securities   |                        |       |  |       |                                    |       |                       |       |          |       |
| U.S. Treasury securities and agency debentures  | \$ 38                  | 7.30% | \$ --                                  | --%   | \$ 1                               | 7.69% | \$ --                 | --%   | \$ 39    | 7.31% |
| Mortgage-backed securities                      | 3                      | 7.14  | 54                                     | 6.80  | --                                 | --    | 9                     | 6.80  | 66       | 6.81  |
| Foreign sovereign securities                    | 10                     | 8.93  | 23                                     | 7.65  | 3                                  | 6.73  | 764                   | 7.31  | 800      | 7.34  |
| Other taxable securities                        | --                     | --    | --                                     | --    | --                                 | --    | 27                    | 6.64  | 27       | 6.64  |
| Total taxable                                   | 51                     | 7.61  | 77                                     | 7.05  | 4                                  | 6.97  | 800                   | 7.28  | 932      | 7.28  |
| Tax-exempt securities                           | 32                     | 8.85  | 94                                     | 9.44  | 69                                 | 8.15  | 60                    | 6.91  | 255      | 8.42  |



|   |             |              |             |              |                |
|---|-------------|--------------|-------------|--------------|----------------|
| Total                                     | \$ 83 8.09% | \$ 171 8.36% | \$ 73 8.09% | \$ 860 7.26% | \$ 1,187 7.52% |
| Fair value of held-to-maturity securities | \$ 83       | \$ 176       | \$ 76       | \$ 798       | \$ 1,133       |

</TABLE>

The components of gains and losses on sales of securities for the years ended December 31, 2000, 1999 and 1998 were:

|   |       |       |         |
|---|-------|-------|---------|
| <TABLE><br><CAPTION><br>(Dollars in millions) |       |       |         |
|   | 2000  | 1999  | 1998    |
| <S>   | <C>   | <C>   | <C>     |
| Gross gains on sales of securities            | \$123 | \$289 | \$1,039 |
| Gross losses on sales of securities           | 98    | 49    | 22      |
| Net gains on sales of securities              | \$ 25 | \$240 | \$1,017 |

</TABLE>

During 2000 and 1999, the Corporation did not sell any held-to-maturity securities. In 1998, the Corporation sold \$19.5 million of held-to-maturity securities, resulting in net gains of approximately \$2.0 million included above. The sale resulted from a realignment of the securities portfolio in connection with the Barnett merger.

Excluding securities issued by the U.S. government and its agencies and corporations, there were no investments in securities from one issuer that exceeded 10 percent of consolidated shareholders' equity at December 31, 2000 or 1999.

The income tax expense attributable to realized net gains on securities sales was \$9 million, \$84 million and \$363 million in 2000, 1999 and 1998, respectively.

Securities are pledged or assigned to secure borrowed funds, government and trust deposits and for other purposes. The carrying value of pledged securities was \$40.7 billion and \$65.8 billion at December 31, 2000 and 1999, respectively.

At December 31, 2000, the valuation allowance for available-for-sale and marketable equity securities included in shareholders' equity reflects unrealized losses of \$560 million, net of related income taxes of \$330

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million, primarily reflecting \$991 million of pre-tax net unrealized losses on available-for-sale securities and \$101 million of pre-tax net unrealized gains on marketable equity securities. At December 31, 1999, the valuation allowance included in shareholders' equity reflects unrealized losses of \$2.5 billion, net of related income taxes of \$1.1 billion, primarily reflecting \$3.8 billion of pre-tax net unrealized losses on available-for-sale securities and \$248 million of pre-tax net unrealized gains on marketable equity securities.

#### Note Five - Trading Activities

##### Trading-Related Revenue

Trading account profits represent the net amount earned from the Corporation's trading positions, which include trading account assets and liabilities as well as derivative-dealer positions. These transactions include positions to meet customer demand as well as for the Corporation's own trading account. Trading positions are taken in a diverse range of financial instruments and markets. The profitability of these trading positions is largely dependent on the volume and type of transactions, the level of risk assumed, and the volatility of price and rate movements. Trading account profits, as reported in the Consolidated Statement of Income, includes neither the net interest recognized on interest-earning and interest-bearing trading positions, nor the related funding charge or benefit. Trading account profits and trading-related net interest income ("trading-related revenue") are presented in the table below as they are both considered in evaluating the overall profitability of the Corporation's trading positions. Trading-related revenue is derived from foreign exchange spot, forward and cross-currency contracts, fixed income and equity securities and derivative contracts in interest rates, equities, credit and commodities.

|   |      |      |      |
|---|------|------|------|
| <TABLE><br><CAPTION><br>(Dollars in millions) |      |      |      |
|   | 2000 | 1999 | 1998 |

| <S>                                   | <C>     | <C>     | <C>    |
|---------------------------------------|---------|---------|--------|
| Trading account profits - as reported | \$1,830 | \$1,495 | \$ 171 |
| Net interest income                   | 1,028   | 653     | 608    |
| -----                                 |         |         |        |
| Total trading-related revenue         | \$2,858 | \$2,148 | \$ 779 |
| -----                                 |         |         |        |
| Trading-related revenue by product    |         |         |        |
| Foreign exchange contracts            | \$ 524  | \$ 569  | \$ 617 |
| Interest rate contracts               | 698     | 567     | 172    |
| Fixed income                          | 360     | 444     | (256)  |
| Equities and equity derivatives       | 1,203   | 501     | 184    |
| Commodities and other                 | 73      | 67      | 62     |
| -----                                 |         |         |        |
| Total trading-related revenue         | \$2,858 | \$2,148 | \$ 779 |
| -----                                 |         |         |        |

</TABLE>

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#### Trading Account Assets and Liabilities

The fair value of the components of trading account assets and liabilities at December 31, 2000 and 1999 were:

| -----  |            |          |
|--|------------|----------|
| <TABLE>  | Fair Value |          |
| <CAPTION>  | -----      |          |
| (Dollars in millions)  | 2000       | 1999     |
| -----  |            |          |
| <S>  | <C>        | <C>      |
| Trading account assets   |            |          |
| U.S. Treasury securities   | \$ 2,651   | \$ 6,793 |
| Securities of other U.S. Government agencies and corporations      | 5,640      | 3,554    |
| Certificates of deposit, bankers' acceptances and commercial paper | 2,729      | 3,039    |
| Corporate debt   | 2,819      | 2,993    |
| Foreign sovereign debt   | 11,646     | 9,532    |
| Mortgage-backed securities   | 3,962      | 6,748    |
| Equity securities  | 6,363      | 2,856    |
| Other  | 7,231      | 2,945    |
| -----  |            |          |
| Total  | \$43,041   | \$38,460 |
| -----  |            |          |
| Trading account liabilities  |            |          |
| U.S. Treasury securities   | \$10,747   | \$ 8,414 |
| Corporate debt   | 2,416      | --       |
| Foreign sovereign debt   | 1,928      | 3,490    |
| Equity securities  | 5,681      | 7,840    |
| Other  | 175        | 1,214    |
| -----  |            |          |
| Total  | \$20,947   | \$20,958 |
| -----  |            |          |

</TABLE>

See Note Thirteen on page 87 for additional information on derivative-dealer positions, including credit risk.

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#### Note Six - Loans and Leases

Loans and leases at December 31, 2000 and 1999 were:

| -----                             |           |         |           |         |  |
|-----------------------------------|-----------|---------|-----------|---------|--|
| <TABLE>                           | 2000      |         | 1999      |         |  |
| <CAPTION>                         | -----     |         | -----     |         |  |
| (Dollars in millions)             | Amount    | Percent | Amount    | Percent |  |
| -----                             |           |         |           |         |  |
| <S>                               | <C>       | <C>     | <C>       | <C>     |  |
| Commercial - domestic             | \$146,040 | 37.2%   | \$143,450 | 38.7%   |  |
| Commercial - foreign              | 31,066    | 7.9     | 27,978    | 7.5     |  |
| Commercial real estate - domestic | 26,154    | 6.7     | 24,026    | 6.5     |  |
| Commercial real estate - foreign  | 282       | .1      | 325       | .1      |  |
| -----                             |           |         |           |         |  |
| Total commercial                  | 203,542   | 51.9    | 195,779   | 52.8    |  |
| -----                             |           |         |           |         |  |
| Residential mortgage              | 84,394    | 21.5    | 81,860    | 22.1    |  |
| Home equity lines                 | 21,598    | 5.5     | 17,273    | 4.7     |  |

|                          |           |        |           |        |
|--------------------------|-----------|--------|-----------|--------|
| Direct/Indirect consumer | 40,457    | 10.3   | 42,161    | 11.4   |
| Consumer finance         | 25,800    | 6.6    | 22,326    | 6.0    |
| Bankcard                 | 14,094    | 3.6    | 9,019     | 2.4    |
| Foreign consumer         | 2,308     | .6     | 2,244     | .6     |
| -----                    |           |        |           |        |
| Total consumer           | 188,651   | 48.1   | 174,883   | 47.2   |
| -----                    |           |        |           |        |
| Total loans and leases   | \$392,193 | 100.0% | \$370,662 | 100.0% |
| -----                    |           |        |           |        |

</TABLE>

The following table presents the recorded investment in specific loans that were considered individually impaired in accordance with SFAS 114 at December 31, 2000 and 1999:

<TABLE>  
<CAPTION>

|                                   |         |         |
|-----------------------------------|---------|---------|
| (Dollars in millions)             | 2000    | 1999    |
| -----                             |         |         |
| <S>                               | <C>     | <C>     |
| Commercial - domestic             | \$2,891 | \$1,133 |
| Commercial - foreign              | 521     | 503     |
| Commercial real estate - domestic | 412     | 449     |
| Commercial real estate - foreign  | 2       | --      |
| -----                             |         |         |
| Total impaired loans              | \$3,826 | \$2,085 |
| -----                             |         |         |

</TABLE>

The average recorded investment in certain impaired loans for the years ended December 31, 2000, 1999 and 1998 was approximately \$3.0 billion, \$2.0 billion and \$1.6 billion, respectively. At December 31, 2000 and 1999, the recorded investment on impaired loans requiring an allowance for credit losses was \$2.1 billion and \$1.1 billion, and the related allowance for credit losses was \$640 million and \$370 million, respectively. For the years ended December 31, 2000, 1999 and 1998, interest income recognized on impaired loans totaled \$174 million, \$84 million and \$50 million, respectively, all of which was recognized on a cash basis.

At December 31, 2000, 1999 and 1998, nonperforming loans, including certain loans which were considered impaired, totaled \$5.2 billion, \$3.0 billion and \$2.5 billion, respectively. In addition, \$124 million of loans included in other assets in the Consolidated Balance Sheet as of December 31, 2000 would have been classified as nonperforming had they been included in loans. The net amount of interest recorded during each year on loans that were classified as nonperforming or restructured at December 31, 2000, 1999 and 1998 was \$237 million in 2000, \$123 million in 1999 and \$130 million in 1998. If these loans had been accruing interest at their originally contracted rates, related income would have been \$666 million, \$419 million and \$367 million in 2000, 1999 and 1998, respectively.

Foreclosed properties amounted to \$249 million, \$163 million and \$282 million at December 31, 2000, 1999 and 1998, respectively. The cost of carrying foreclosed properties amounted to \$12 million, \$13 million and \$16 million in 2000, 1999 and 1998, respectively.

#### Note Seven - Allowance for Credit Losses

The table below summarizes the changes in the allowance for credit losses on loans and leases for 2000, 1999 and 1998:

<TABLE>  
<CAPTION>

|   |         |         |         |
|---|---------|---------|---------|
| (Dollars in millions)                                 | 2000    | 1999    | 1998    |
| -----   |         |         |         |
| <S>   | <C>     | <C>     | <C>     |
| Balance, January 1                                    | \$6,828 | \$7,122 | \$6,778 |
| -----   |         |         |         |
| Loans and leases charged off                          | (2,995) | (2,582) | (3,050) |
| Recoveries of loans and leases previously charged off | 595     | 582     | 583     |
| -----   |         |         |         |
| Net charge-offs                                       | (2,400) | (2,000) | (2,467) |
| -----   |         |         |         |
| Provision for credit losses                           | 2,535   | 1,820   | 2,920   |
| Other, net  | (125)   | (114)   | (109)   |
| -----   |         |         |         |
| Balance, December 31                                  | \$6,838 | \$6,828 | \$7,122 |
| -----   |         |         |         |

</TABLE>

# Note Eight - Securitizations

At December 31, 2000, key economic assumptions used in measuring the fair value of retained interests in securitizations and the sensitivity of the current fair value of residual cash flows to changes in those assumptions are as follows:

<TABLE>

<CAPTION>

| (Dollars in millions)                                    | December 31, 2000        |          |                          |
|--|--------------------------|----------|--------------------------|
|  | Commercial--<br>Domestic | Bankcard | Consumer<br>Finance(/1/) |
| <S>  | <C>                      | <C>      | <C>                      |
| Carrying amount of retained interests (at fair value)    | \$113.4                  | \$183.8  | \$ 717.6                 |
| Weighted-average remaining life (in years)               | 1.74                     | 2.27     | 3.29                     |
| Revolving structures - annual payment rate               | 25.0 %                   | 14.8 %   |                          |
| Amortizing structures - annual constant prepayment rate: |                          |          |                          |
| Fixed rate loans   |                          |          | 8.7 - 25.0%              |
| Adjustable rate loans                                    |                          |          | 32.0%                    |
| Impact on fair value of 100 bps favorable change         | 0.1                      | 5.6      | 9.9                      |
| Impact on fair value of 200 bps favorable change         | 0.2                      | 11.8     | 21.4                     |
| Impact on fair value of 100 bps adverse change           | (0.1)                    | (4.7)    | (8.1)                    |
| Impact on fair value of 200 bps adverse change           | (0.2)                    | (9.3)    | (14.5)                   |
| Expected credit losses(/2/)                              | 0.5 %                    | 6.1 %    | 1.1 - 10.6%              |
| Impact on fair value of 10% favorable change             | 0.4                      | 13.8     | 23.6                     |
| Impact on fair value of 25% favorable change             | 0.9                      | 34.5     | 59.4                     |
| Impact on fair value of 10% adverse change               | (0.4)                    | (13.8)   | (23.1)                   |
| Impact on fair value of 25% adverse change               | (0.9)                    | (34.5)   | (56.9)                   |
| Residual cash flows discount rate (annual rate)          | 7.5 %                    | 7.5 %    | 13.9 - 16.0%             |
| Impact on fair value of 100 bps favorable change         | 0.4                      | 0.4      | 13.9                     |
| Impact on fair value of 200 bps favorable change         | 0.7                      | 0.7      | 28.7                     |
| Impact on fair value of 100 bps adverse change           | (0.4)                    | (0.4)    | (13.0)                   |
| Impact on fair value of 200 bps adverse change           | (0.7)                    | (0.7)    | (25.3)                   |

</TABLE>

- (1) Consumer finance includes closed end home equity loan and manufactured housing loan securitizations.
- (2) Annual rates of expected credit losses are presented for commercial - domestic and bankcard securitizations. Cumulative lifetime rates of expected credit losses (incurred plus projected) are presented for the consumer finance loans.

The above sensitivities are hypothetical and should be used with caution. As the amounts indicate, changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another, which might magnify or counteract the sensitivities.

At December 31, 2000, the Corporation had retained interests of \$2.7 billion in securities backed by prime mortgage assets. These retained interests are valued monthly using key economic assumptions of 15 percent constant prepayment rate and an 85 basis point discount margin. The sensitivities to changes in the assumptions used in measuring the fair value are not significant. In addition, at December 31, 2000, the Corporation had retained \$5.1 billion in securities backed by the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation resulting from the securitization of mortgage loans. These retained interests are valued using quoted market values.

Static pool net credit losses include actual incurred plus projected credit losses divided by the original balance of each securitization pool. At Decem-

ber 31, 2000, static pool net credit losses for consumer finance loans securitized were 1.18, 1.96, 4.53, 4.54, 6.54, 6.30, and 4.12 percent in 1993, 1994, 1995, 1996, 1997, 1998, and 1999, respectively. Static pool credit losses shown for each year are weighted averages for all securitizations transacted during that year. No consumer finance securitizations were transacted in 2000.

For revolving securitizations, the table below summarizes certain cash flows received from and paid to securitization trusts in 2000:

<TABLE>

<CAPTION>

| (Dollars in millions)   | Year ended<br>December 31, 2000 |          |
|---|---------------------------------|----------|
|   | Commercial--<br>Domestic        | Bankcard |
| <S>   | <C>                             | <C>      |
| Proceeds from collections reinvested in revolving securitizations | \$19,732                        | \$21,247 |
| Servicing fees received   | 2                               | --       |
| Other cash flows received on retained interests(/1/)              | 53                              | 767      |

</TABLE>

(1) Other cash flows represents amounts received on retained interests by the transferor other than servicing fees (e.g., cash flows from interest-only strips).

Portfolio balances, historical loss and delinquency amounts for the managed loan and lease portfolio for the year ended December 31, 2000 were as follows:

<TABLE>

<CAPTION>

| (Dollars in millions)             | December 31, 2000                                   |   | Year ended December 31, 2000                  |                                   |                        |
|-----------------------------------|---|---|---|-----------------------------------|------------------------|
|                                   | Total Principal<br>Amount of<br>Loans and<br>Leases | Principal Amount<br>of Loans<br>Past Due 90<br>Days or More or<br>Nonperforming | Average<br>Loans and<br>Leases<br>Outstanding | Loans and<br>Leases Net<br>Losses | Net Loss<br>Ratio(/1/) |
| <S>                               | <C>   | <C>   | <C>   | <C>                               | <C>                    |
| Commercial - domestic             | \$148,238   | \$2,918   | \$151,689                                     | \$1,287                           | .85                    |
| Commercial - foreign              | 31,066  | 523   | 29,316  | 86                                | .29                    |
| Commercial real estate - domestic | 26,154  | 252   | 25,878  | 13                                | .05                    |
| Commercial real estate - foreign  | 282   | 2   | 304   | (2)                               | n/m                    |
| Total commercial                  | 205,740   | 3,695   | 207,187                                       | 1,384                             | .67                    |
| Residential mortgage              | 87,479  | 574   | 94,659  | 27                                | .03                    |
| Home equity lines                 | 21,598  | 33  | 19,492  | 20                                | .10                    |
| Direct/Indirect consumer          | 41,116  | 104   | 42,379  | 376                               | .89                    |
| Consumer finance                  | 32,967  | 1,612   | 32,436  | 407                               | 1.26                   |
| Bankcard                          | 22,830  | 358   | 20,222  | 944                               | 4.66                   |
| Foreign consumer                  | 2,308   | 9   | 2,223   | 3                                 | .13                    |
| Total consumer                    | 208,298   | 2,690   | 211,411                                       | 1,777                             | .84                    |
| Total managed loans and leases    | 414,038   | \$6,385   | 418,598                                       | \$3,161                           | .76                    |
| Securitized loans                 | 21,845  |   | 25,976  |                                   |                        |
| Total held loans and leases       | \$392,193   |   | \$392,622                                     |                                   |                        |

</TABLE>

n/m = not meaningful

(1) The net loss ratio is calculated by dividing managed loans and leases net losses by average managed loans and leases outstanding for each loans and leases category.

#### Note Nine - Deposits

At December 31, 2000, the Corporation had domestic certificates of deposit of \$100 thousand or greater totaling \$33.3 billion compared to \$32.7 billion at December 31, 1999. The Corporation had \$17.7 billion of domestic certifi-

cates of deposit maturing within three months, \$6.9 billion maturing within three to six months, \$4.7 billion maturing within six to twelve months and \$4.0 billion maturing after twelve months at December 31, 2000. The Corporation had other domestic time deposits of \$100 thousand or greater totaling \$866 million and \$843 million at December 31, 2000 and 1999, respectively. At December 31, 2000, the Corporation had \$128 million of other domestic time deposits maturing within three months, \$95 million maturing within three to six months, \$141 million maturing within six to twelve months and \$502 million maturing after twelve months. Foreign office certificates of deposit and other time deposits of \$100 thousand or greater totaled \$39.4 billion and \$43.3 billion at December 31, 2000 and 1999, respectively.

At December 31, 2000, the scheduled maturities for time deposits were as follows:

<TABLE>  
<CAPTION>

(Dollars in millions)

| <S>         | <C>       |
|-------------|-----------|
| Due in 2001 | \$121,835 |
| Due in 2002 | 9,181     |
| Due in 2003 | 2,075     |
| Due in 2004 | 1,038     |
| Due in 2005 | 2,152     |
| Thereafter  | 417       |
| Total       | \$136,698 |

</TABLE>

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#### Note Ten - Short-Term Borrowings and Long-Term Debt

The contractual maturities of long-term debt at December 31, 2000 and 1999 were:

<TABLE>  
<CAPTION>

|                                     | 2000                                      |  | 1999               |                    |
|-------------------------------------|---|--|--------------------|--------------------|
|                                     | Various Fixed-Rate Debt Obligations (/1/) | Various Floating-Rate Debt Obligations (/1/) | Amount Outstanding | Amount Outstanding |
| (Dollars in millions)               | <C>                                       | <C>  | <C>                | <C>                |
| Parent company                      |   |  |                    |                    |
| Senior debt:                        |   |  |                    |                    |
| Due in 2000                         | \$ --                                     | \$ --  | \$ --              | \$ 2,213           |
| Due in 2001                         | 673                                       | 3,428  | 4,101              | 4,101              |
| Due in 2002                         | 133                                       | 3,155  | 3,288              | 3,062              |
| Due in 2003                         | 499                                       | 2,292  | 2,791              | 2,572              |
| Due in 2004                         | --  | 3,853  | 3,853              | 3,822              |
| Due in 2005                         | 150                                       | 2,922  | 3,072              | 1,465              |
| Thereafter                          | 246                                       | 4,613  | 4,859              | 3,199              |
|                                     | 1,701                                     | 20,263                                       | 21,964             | 20,434             |
| Subordinated debt:                  |   |  |                    |                    |
| Due in 2000                         | --  | --   | --                 | 411                |
| Due in 2001                         | 1,312                                     | 30   | 1,342              | 1,342              |
| Due in 2002                         | 2,199                                     | 26   | 2,225              | 2,225              |
| Due in 2003                         | 1,711                                     | 323  | 2,034              | 2,034              |
| Due in 2004                         | 650                                       | --   | 650                | 800                |
| Due in 2005                         | 1,085                                     | 60   | 1,145              | 1,144              |
| Thereafter                          | 4,421                                     | 5,265  | 9,686              | 7,472              |
|                                     | 11,378                                    | 5,704  | 17,082             | 15,428             |
| Total parent company long-term debt | 13,079                                    | 25,967                                       | 39,046             | 35,862             |
| Bank and other subsidiaries         |   |  |                    |                    |
| Senior debt:                        |   |  |                    |                    |
| Due in 2000                         | --  | --   | --                 | 7,674              |
| Due in 2001                         | 476                                       | 13,134                                       | 13,610             | 3,967              |
| Due in 2002                         | 16  | 6,001  | 6,017              | 2,296              |
| Due in 2003                         | 520                                       | 1,763  | 2,283              | 751                |

|  |          |          |          |          |
|--|----------|----------|----------|----------|
| Due in 2004  | 10       | 4,018    | 4,028    | 3,973    |
| Due in 2005  | 10       | 1,650    | 1,660    | 10       |
| Thereafter   | 95       | 167      | 262      | 190      |
|  | 1,127    | 26,733   | 27,860   | 18,861   |
| Subordinated debt:   |          |          |          |          |
| Due in 2000  | --       | --       | --       | --       |
| Due in 2001  | 200      | --       | 200      | 200      |
| Due in 2002  | --       | --       | --       | --       |
| Due in 2003  | 100      | --       | 100      | 100      |
| Due in 2004  | 300      | --       | 300      | 300      |
| Due in 2005  | --       | --       | --       | --       |
| Thereafter   | --       | 8        | 8        | 8        |
|  | 600      | 8        | 608      | 608      |
| Total bank and other subsidiaries long-term debt                 | 1,727    | 26,741   | 28,468   | 19,469   |
| Total parent company, bank and other subsidiaries long-term debt | \$14,806 | \$52,708 | 67,514   | 55,331   |
| Notes payable to finance the purchase of leased vehicles         |          |          | 2        | 54       |
| Obligations under capital leases                                 |          |          | 31       | 101      |
| Total long-term debt   |          |          | \$67,547 | \$55,486 |

</TABLE>

(1) Fixed-rate and floating-rate classifications of long-term debt include the effect of interest rate swap contracts.

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The majority of the floating rates are based on three- and six-month London InterBank Offered Rates (LIBOR). At December 31, 2000, the interest rates on floating-rate long-term debt, as classified in the table on the previous page, ranged from 4.84 percent to 8.64 percent compared to 5.38 percent to 8.12 percent at December 31, 1999. These obligations were denominated primarily in U.S. dollars. The interest rates on fixed-rate long-term debt ranged from 5.16 percent to 12.50 percent and 4.50 percent to 12.50 percent at December 31, 2000 and 1999, respectively.

Bank of America Corporation had the authority to issue approximately \$13.8 billion and \$19.3 billion of corporate debt and other securities under its existing shelf registration statements at December 31, 2000 and 1999, respectively. Subsequent to December 31, 2000, Bank of America Corporation filed a \$3 billion shelf registration statement to be used exclusively for "retail targeted" offerings of InterNotes<sup>SM</sup> in the United States.

Bank of America, N.A. maintains a domestic program to offer up to a maximum of \$50.0 billion, at any one time, of bank notes with fixed or floating rates and maturities ranging from seven days or more from date of issue. Short-term bank notes outstanding under this program totaled \$14.5 billion at December 31, 2000 compared to \$15.2 billion at December 31, 1999. These short-term bank notes, along with Treasury tax and loan notes and term federal funds purchased, are reflected in other short-term borrowings in the Consolidated Balance Sheet. Long-term debt under current and former programs totaled \$17.6 billion at December 31, 2000 compared to \$10.1 billion at December 31, 1999.

Bank of America Corporation and Bank of America, N.A. maintain a joint Euro medium-term note program to offer up to \$20.0 billion of senior, or in the case of Bank of America Corporation, subordinated notes exclusively to non-United States residents. The notes bear interest at fixed or floating rates and may be denominated in U.S. dollars or foreign currencies. Bank of America Corporation uses foreign currency contracts to convert certain foreign-denominated debt into U.S. dollars. Bank of America Corporation's notes outstanding under this program totaled \$5.2 billion at December 31, 2000 compared to \$4.5 billion at December 31, 1999. Bank of America, N.A.'s notes outstanding under this program totaled \$1.4 billion at December 31, 2000. Bank of America, N.A. had no notes outstanding under this program at December 31, 1999. Of the \$20.0 billion authorized at December 31, 2000, Bank of America Corporation and Bank of America, N.A. had remaining authority to issue approximately \$4.8 billion and \$8.6 billion, respectively. At December 31, 2000 and 1999, \$2.7 billion and \$3.3 billion, respectively, were outstanding under the former BankAmerica Euro medium-term note program. No additional debt securities will be offered under that program.

At December 31, 2000, Bank of America Corporation had the authority to issue \$300 billion in yen-denominated notes (approximately U.S. \$3 billion) under a shelf registration statement in Japan to be used exclusively for primary offerings to non-United States residents. In addition, Bank of America Corporation allocated \$2 billion of the joint Euro medium-term note program mentioned above to be used exclusively for secondary offerings to non-United States residents for a shelf registration statement filed in Japan. The Corporation had no notes outstanding under these programs at December 31, 2000.

Through a limited purpose subsidiary, the Corporation had \$1.5 billion and \$4.0 billion of mortgage-backed bonds outstanding at December 31, 2000 and 1999, respectively. These bonds were collateralized by \$4.5 billion and \$6.8 billion of mortgage loans and cash at December 31, 2000 and 1999, respectively.

As part of its interest rate risk management activities, the Corporation enters into interest rate contracts for certain long-term debt issuances. At December 31, 2000 and 1999, through the use of interest rate swaps, \$16.7 billion and \$13.3 billion of fixed-rate debt, with rates ranging primarily from 5.30 percent to 8.57 percent, had been effectively converted to floating rates primarily at spreads to LIBOR.

Through the use of interest rate options, the Corporation has the right to purchase interest rate caps to hedge its risk on floating-rate debt against a rise in interest rates. At December 31, 2000, the interest rate options had a notional amount of approximately \$1.2 billion compared to \$1.6 billion at December 31, 1999.

Including the effects of interest rate contracts for certain long-term debt issuances, the weighted average effective interest rates for total long-term debt, total fixed-rate debt and total floating-rate debt (based on the rates in effect at December 31, 2000) were 7.00 percent, 7.51 percent and 6.84 percent, respectively, at December 31, 2000 and (based on the rates in effect at December 31, 1999) were 6.60 percent, 7.54 percent, and 6.23 percent, respectively, at December 31, 1999. These obligations were denominated primarily in U.S. dollars.

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As described below, certain debt obligations outstanding at December 31, 2000 may be redeemed prior to maturity at the option of Bank of America Corporation:

<TABLE>

<CAPTION>

| Year Redeemable      | Year of Maturities | Amount Outstanding<br>(Dollars in millions) |
|----------------------|--------------------|---|
| <S>                  | <C>                | <C>   |
| Currently Redeemable | 2001 - 2027        | \$1,766                                     |
| 2001                 | 2003 - 2028        | 1,001                                       |
| 2002 - 2003          | 2005 - 2023        | 1,499                                       |
| 2004 - 2008          | 2007 - 2028        | 90  |

</TABLE>

#### Note Eleven - Trust Preferred Securities

Trust preferred securities are Corporation obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely junior subordinated deferrable interest notes of the Corporation.

Since October 1996, the Corporation has formed thirteen wholly-owned grantor trusts to issue trust preferred securities to the public. The grantor trusts have invested the proceeds of such trust preferred securities in junior subordinated notes of the Corporation. Certain of the trust preferred securities were issued at a discount. Such trust preferred securities may be redeemed prior to maturity at the option of the Corporation. The sole assets of each of the grantor trusts are the Junior Subordinated Deferrable Interest Notes of the Corporation (the Notes) held by such grantor trusts. Each issue of the Notes has an interest rate equal to the corresponding trust preferred securities distribution rate. The Corporation has the right to defer payment of interest on the Notes at any time or from time to time for a period not exceeding five years provided that no extension period may extend beyond the stated maturity of the relevant Notes. During any such extension period, distributions on the trust preferred securities will also be deferred and the Corporation's ability to pay dividends on its common and preferred stock will be restricted.

The trust preferred securities are subject to mandatory redemption upon repayment of the related Notes at their stated maturity dates or their earlier redemption at a redemption price equal to their liquidation amount plus



accrued distributions to the date fixed for redemption and the premium, if any, paid by the Corporation upon concurrent repayment of the related Notes.

Payment of periodic cash distributions and payment upon liquidation or redemption with respect to trust preferred securities are guaranteed by the Corporation to the extent of funds held by the grantor trusts (the Preferred Securities Guarantee). The Preferred Securities Guarantee, when taken together with the Corporation's other obligations, including its obligations under the Notes, will constitute a full and unconditional guarantee, on a subordinated basis, by the Corporation of payments due on the trust preferred securities.

The Corporation is required by the Federal Reserve Board to maintain certain levels of capital for bank regulatory purposes. The Federal Reserve Board has determined that certain cumulative preferred securities having the characteristics of trust preferred securities qualify as minority interest, which is included in Tier 1 capital for bank and financial holding companies. Such Tier 1 capital treatment provides the Corporation with a more cost-effective means of obtaining capital for bank regulatory purposes than if the Corporation were to issue preferred stock.

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The following table is a summary of the outstanding trust preferred securities and the Notes at December 31, 2000 and 1999:

<TABLE>

-----

<CAPTION>

| (Dollars in millions)<br>Redemption Period                   | Issuance<br>Date | Aggregate<br>Principal<br>Amount of<br>Trust Preferred<br>Securities<br>-----<br>December 31, 2000<br>and 1999 | Aggregate<br>Principal<br>Amount of<br>the Notes | Stated<br>Maturity of<br>the Notes | Per<br>Annum<br>Interest<br>Rate of<br>the Notes | Interest<br>Payment<br>Dates |       |
|--|------------------|--|--|------------------------------------|--|------------------------------|-------|
| -----  |                  |  |  |                                    |  |                              |       |
| <S>  | <C>              | <C>  | <C>  | <C>                                | <C>  | <C>                          | <C>   |
| NationsBank<br>Capital Trust I<br>or after                   | December 1996    | \$ 600   | \$ 619   | December 2026                      | 7.84%  | 3/31,6/30,<br>9/30,12/31     | On    |
| 12/31/01(/1/)<br>Capital Trust II<br>or after                | December 1996    | 365  | 376  | December 2026                      | 7.83   | 6/15,12/15                   | On    |
| 12/15/06(/2/,/4/)<br>Capital Trust III<br>after              | February 1997    | 500  | 516  | January 2027                       | 3-mo. LIBOR<br>+55 bps                           | 1/15,4/15,<br>7/15,10/15     | On or |
| 1/15/07(/2/)<br>Capital Trust IV<br>or after                 | April 1997       | 500  | 516  | April 2027                         | 8.25   | 4/15,10/15                   | On    |
| 4/15/07(/2/,/6/)<br>BankAmerica<br>Institutional<br>or after | November 1996    | 450  | 464  | December 2026                      | 8.07   | 6/30,12/31                   | On    |
| Capital A<br>12/31/06(/3/,/7/)<br>Institutional<br>or after  | November 1996    | 300  | 309  | December 2026                      | 7.70   | 6/30,12/31                   | On    |
| Capital B<br>12/31/06(/3/,/8/)<br>Capital I<br>or after      | December 1996    | 300  | 309  | December 2026(/9/)                 | 7.75   | 3/31,6/30,<br>9/30,12/31     | On    |
| 12/20/01(/5/)<br>Capital II<br>or after                      | December 1996    | 450  | 464  | December 2026                      | 8.00   | 6/15,12/15                   | On    |
| 12/15/06(/3/,/10/)<br>Capital III<br>after                   | January 1997     | 400  | 412  | January 2027                       | 3-mo. LIBOR<br>+57 bps                           | 1/15,4/15,<br>7/15,10/15     | On or |
| 1/15/02(/3/)<br>Capital IV<br>or after                       | February 1998    | 350  | 361  | March 2028                         | 7.00   | 3/31,6/30,<br>9/30,12/31     | On    |
| 2/24/03(/3/)<br>Barnett<br>Capital I                         | November 1996    | 300  | 309  | December 2026                      | 8.06   | 6/1,12/1                     | On    |

or after

12/1/06(/2/,/11/)

|            |               |     |     |               |      |          |    |
|------------|---------------|-----|-----|---------------|------|----------|----|
| Capital II | December 1996 | 200 | 206 | December 2026 | 7.95 | 6/1,12/1 | On |
|------------|---------------|-----|-----|---------------|------|----------|----|

or after

12/1/06(/2/,/12/)

|             |              |     |     |               |             |          |       |
|-------------|--------------|-----|-----|---------------|-------------|----------|-------|
| Capital III | January 1997 | 250 | 258 | February 2027 | 3-mo. LIBOR | 2/1,5/1, | On or |
|-------------|--------------|-----|-----|---------------|-------------|----------|-------|

after

+62.5 bps 8/1,11/1

2/1/07(/2/)

---

|       |               |         |
|-------|---------------|---------|
| Total | \$4,965(/13/) | \$5,119 |
|-------|---------------|---------|

---

</TABLE>

- (1) The Corporation may redeem the Notes prior to the indicated redemption period upon the occurrence of certain events relating to tax treatment of the related trust or the Notes, at a redemption price at least equal to the principal amount of the Notes.
- (2) The Corporation may redeem the Notes prior to the indicated redemption period upon the occurrence of certain events relating to tax treatment of the related trust or the Notes or relating to capital treatment of the trust preferred securities or relating to a change in the treatment of the related trust under the Investment Company Act of 1940, as amended, at a redemption price at least equal to the principal amount of the Notes.
- (3) The Corporation may redeem the Notes prior to the indicated redemption period upon the occurrence of certain events relating to tax treatment of the related trust or the Notes or relating to capital treatment of the trust preferred securities at a redemption price at least equal to the principal amount of the Notes.
- (4) The Notes may be redeemed on or after December 15, 2006 and prior to December 15, 2007 at 103.915% of the principal amount, and thereafter at prices declining to 100% on December 15, 2016 and thereafter.
- (5) The Corporation may redeem the Notes (i) during the indicated redemption period or (ii) upon the occurrence of certain events relating to tax treatment of the trust or the Notes or relating to capital treatment of the trust preferred securities, prior to the indicated redemption period, in each case, at a redemption price of 100% of the principal amount.
- (6) The Notes may be redeemed on or after April 15, 2007 and prior to April 14, 2008 at 103.85% of the principal amount, and thereafter at prices declining to 100% on April 15, 2017 and thereafter.
- (7) The Notes may be redeemed on or after December 31, 2006 and prior to December 31, 2007 at 104.0350% of the principal amount, and thereafter at prices declining to 100% on December 31, 2016 and thereafter.
- (8) The Notes may be redeemed on or after December 31, 2006 and prior to December 31, 2007 at 103.7785% of the principal amount, and thereafter at prices declining to 100% on December 31, 2016 and thereafter.
- (9) At the option of the Corporation, the stated maturity may be shortened to a date not earlier than December 20, 2001 or extended to a date not later than December 31, 2045, in each case if certain conditions are met.
- (10) The Notes may be redeemed on or after December 15, 2006 and prior to December 15, 2007 at 103.9690% of the principal amount, and thereafter at prices declining to 100% on December 15, 2016 and thereafter.
- (11) The Notes may be redeemed on or after December 1, 2006 and prior to December 1, 2007 at 104.030% of the principal amount, and thereafter at prices declining to 100% on December 1, 2016 and thereafter.
- (12) The Notes may be redeemed on or after December 1, 2006 and prior to December 1, 2007 at 103.975% of the principal amount, and thereafter at prices declining to 100% on December 1, 2016 and thereafter.
- (13) Excludes \$10 of deferred issuance costs and unamortized discount at both December 31, 2000 and 1999.

#### Note Twelve - Shareholders' Equity and Earnings Per Common Share

On July 26, 2000, the Corporation's Board of Directors (the Board) authorized a new stock repurchase program of up to 100 million shares of the Corporation's common stock at an aggregate cost of up to \$7.5 billion. On June 23, 1999, the Board authorized the repurchase of up to 130 million shares of the Corporation's common stock at an aggregate cost of up to \$10.0 billion. Through December 31, 2000, the Corporation had repurchased a total of approximately 146 million shares of its common stock in open market repurchases and under accelerated share repurchase programs at an average per-share price of \$55.74 which reduced shareholders' equity by \$8.1 billion. The remaining buyback authority for common stock under the 2000 program totaled \$6.8 billion, or 84 million shares, at December 31, 2000. There is no remaining buyback authority for the common stock under the 1999 program.

Other shareholders' equity consisted of restricted stock award plan deferred

compensation of \$114 million and \$340 million, as well as a loan to the ESOP trust of \$32 million and \$47 million at December 31, 2000 and 1999, respectively. In September 1999, the Corporation began selling put options on its common stock to independent third parties. The put option program was designed to partially offset the cost of share repurchases. The put options give the holders the right to sell shares of the Corporation's common stock to the Corporation on certain dates at specified prices. The put option contracts allow the Corporation to determine the method of settlement, and the premiums received are reflected as a component of other shareholders' equity. At December 31, 2000, there were three million put options outstanding with \$20 million of premiums received on written put options and \$52 million of premium reversals on written put options due to the exercise of the contracts. The put option exercise prices range from \$45.22 to \$50.37 per share and expire from January 2001 to April 2001. At December 31, 1999, there were seven million put options outstanding with an associated premium of \$48 million.

As of December 31, 2000, the Corporation had 1.7 million shares issued and outstanding of employee stock ownership plan (ESOP) Convertible Preferred Stock, Series C (ESOP Preferred Stock). The ESOP Preferred Stock has a stated and liquidation value of \$42.50 per share, provides for an annual cumulative dividend of \$3.30 per share and each share is convertible into 1.68 shares of the Corporation's common stock. ESOP Preferred Stock in the amounts of \$5 million, \$6 million and \$11 million was converted into the Corporation's common stock in 2000, 1999 and 1998, respectively.

In November 1989, Barnett incorporated ESOP provisions into its existing 401(k) employee benefit plan (Barnett ESOP). The Barnett ESOP acquired \$141 million of common stock using the proceeds of a loan from the Corporation. The terms of the loan include equal monthly payments of principal and interest through September 2015. Interest is at 9.75 percent and prepayments of principal are allowed. The loan is generally being repaid from contributions to the plan by the Corporation and dividends on unallocated shares held by the Barnett ESOP. Shares held by the Barnett ESOP are allocated to plan participants as the loan is repaid. At December 31, 2000, there were no shares of unallocated common stock remaining in the Barnett ESOP. During 2000, 1999 and 1998, the Barnett ESOP released and allocated common stock amounting to \$32 million, \$15 million and \$6 million, respectively.

Earnings per common share is computed by dividing net income available to common shareholders by the weighted average common shares issued and outstanding. For diluted earnings per common share, net income available to common shareholders can be affected by the conversion of the registrant's convertible preferred stock. Where the effect of this conversion would have been dilutive, net income available to common shareholders is adjusted by the associated preferred dividends. This adjusted net income is divided by the weighted average number of common shares issued and outstanding for each period plus amounts representing the dilutive effect of stock options outstanding and the dilution resulting from the conversion of the registrant's convertible preferred stock, if applicable. The effect of convertible preferred stock is excluded from the computation of diluted earnings per common share in periods in which the effect would be antidilutive.

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The calculation of earnings per common share and diluted earnings per common share for 2000, 1999 and 1998 is presented below:

|  |           |           |           |  |
|--|-----------|-----------|-----------|--|
| <TABLE>  |           |           |           |  |
| <CAPTION>  |           |           |           |  |
| (Shares in thousands, Dollars in millions, except per share information) |           |           |           |  |
|  | 2000      | 1999      | 1998      |  |
| -----  |           |           |           |  |
| <S>  | <C>       | <C>       | <C>       |  |
| Earnings per common share  |           |           |           |  |
| Net income   | \$ 7,517  | \$ 7,882  | \$ 5,165  |  |
| Preferred stock dividends  | (6)       | (6)       | (25)      |  |
| -----  |           |           |           |  |
| Net income available to common shareholders                              | \$ 7,511  | \$ 7,876  | \$ 5,140  |  |
| -----  |           |           |           |  |
| Average common shares issued and outstanding                             | 1,646,398 | 1,726,006 | 1,732,057 |  |
| -----  |           |           |           |  |
| Earnings per common share  | \$ 4.56   | \$ 4.56   | \$ 2.97   |  |
| -----  |           |           |           |  |
| Diluted earnings per common share  |           |           |           |  |
| Net income available to common shareholders                              | \$ 7,511  | \$ 7,876  | \$ 5,140  |  |
| -----  |           |           |           |  |
| Preferred stock dividends  | 6         | 6         | 25        |  |
| Preferred stock dividends on nonconvertible stock                        | --        | --        | (19)      |  |
| -----  |           |           |           |  |

| Effect of assumed conversions                                       | 6         | 6         | 6         |
|---|-----------|-----------|-----------|
| Net income available to common shareholders and assumed conversions | \$ 7,517  | \$ 7,882  | \$ 5,146  |
| Average common shares issued and outstanding                        | 1,646,398 | 1,726,006 | 1,732,057 |
| Incremental shares from assumed conversions:                        |           |           |           |
| Convertible preferred stock   | 2,926     | 3,006     | 3,290     |
| Stock options   | 15,605    | 31,046    | 40,413    |
| Dilutive potential common shares                                    | 18,531    | 34,052    | 43,703    |
| Total dilutive average common shares issued and outstanding         | 1,664,929 | 1,760,058 | 1,775,760 |
| Diluted earnings per common share                                   | \$ 4.52   | \$ 4.48   | \$ 2.90   |

</TABLE>

#### Note Thirteen - Commitments and Contingencies

In the normal course of business, the Corporation enters into a number of off-balance sheet commitments. These commitments expose the Corporation to varying degrees of credit and market risk and are subject to the same credit and risk limitation reviews as those recorded on the balance sheet.

##### Credit Extension Commitments

The Corporation enters into commitments to extend credit, standby letters of credit (SBLC) and commercial letters of credit to meet the financing needs of its customers. The commitments shown below have been reduced by amounts collateralized by cash and amounts participated to other financial institutions. The following table summarizes outstanding commitments to extend credit at December 31, 2000 and 1999:

|  |           |           |
|--|-----------|-----------|
| <TABLE>  |           |           |
| <CAPTION>  |           |           |
| (Dollars in millions)                              | 2000      | 1999      |
| <S>  |           |           |
| Credit card commitments                            | \$ 71,572 | \$ 67,394 |
| Other loan commitments                             | 243,124   | 246,827   |
| Standby letters of credit and financial guarantees | 33,420    | 32,993    |
| Commercial letters of credit                       | 3,327     | 3,690     |

</TABLE>

Commitments to extend credit are legally binding, generally have specified rates and maturities and are for specified purposes. The Corporation manages the credit risk on these commitments by subjecting these commitments to normal credit approval and monitoring processes and protecting against deterioration in the borrowers' ability to pay through adverse-change clauses which require borrowers to maintain various credit and liquidity measures. At December 31, 2000 and 1999, there were no unfunded commitments to any industry or country greater than 10 percent of total unfunded commitments to lend. Credit card lines are unsecured commitments, which are reviewed at least annually by management. Upon evaluation of the customers' creditworthiness, the Corporation has the right to terminate or change the terms of the credit card lines. Of the December 31, 2000 other loan commitments, \$101.7 billion is scheduled to expire in less than one year, \$99.2 billion in one to five years and \$42.2 billion after five years.

SBLC and financial guarantees are issued to support the debt obligations of customers. If an SBLC or financial guarantee is drawn upon, the Corporation looks to its customer for payment. SBLCs and financial guarantees are subject to the same approval and collateral policies as other extensions of credit. At December 31, 2000, substantially all of the SBLCs and financial guarantees are scheduled to expire in less than one year.

Commercial letters of credit, issued primarily to facilitate customer trade finance activities, are collateralized by the underlying goods being shipped by the customer and are generally short-term.

For each of these types of instruments, the Corporation's maximum exposure to credit loss is represented by the contractual amount of these instruments. Many of the commitments are collateralized or are expected to expire without being drawn upon; therefore, the total commitment amounts do not necessarily represent risk of loss or future cash requirements.

## Derivatives

Derivatives utilized by the Corporation include swaps, financial futures and forward settlement contracts and option contracts. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices. Financial futures and forward settlement contracts are agreements to buy or sell a quantity of a financial instrument, index, currency or commodity at a predetermined future date and rate or price. An option contract is an agreement that conveys to the purchaser the right, but not the obligation, to buy or sell a quantity of a financial instrument, index, currency or commodity at a predetermined rate or price at a time or during a period in the future. These option agreements can be transacted on organized exchanges or directly between parties.

### Credit Risk Associated with Derivative Activities

Credit risk associated with derivatives is measured as the net replacement cost should the counterparties with contracts in a gain position to the Corporation completely fail to perform under the terms of those contracts and any collateral underlying the contracts proves to be of no value. In managing derivatives credit risk, both the current exposure, which is the replacement cost of contracts on the measurement date, as well as an estimate of the potential change in value of contracts over their remaining lives are considered. In managing credit risk associated with its derivative activities, the Corporation deals primarily with U.S. and foreign commercial banks, broker-dealers and corporates. To minimize credit risk, the Corporation enters into legally enforceable master netting agreements, which reduce risk by permitting the close out and netting of transactions with the same counterparty upon the occurrence of certain events.

A portion of the derivative-dealer activity involves exchange-traded instruments. Because exchange-traded instruments conform to standard terms and are subject to policies set by the exchange involved, including counterparty approval, margin requirements and security deposit requirements, the credit risk is minimal.

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The following table presents the notional or contract amounts at December 31, 2000 and 1999 and the credit risk amounts (the net replacement cost of contracts in a gain position) of the Corporation's derivative-dealer positions which are primarily executed in the over-the-counter market for trading purposes. The notional or contract amounts indicate the total volume of transactions and significantly exceed the amount of the Corporation's credit or market risk associated with these instruments. The credit risk amounts presented in the following table do not consider the value of any collateral, but take into consideration the effects of legally enforceable master netting agreements.

### Derivative-Dealer Positions

<TABLE>

<CAPTION>

|                            | December 31, 2000     |                | December 31, 1999     |                |
|----------------------------|-----------------------|----------------|-----------------------|----------------|
|                            | Contract/<br>Notional | Credit<br>Risk | Contract/<br>Notional | Credit<br>Risk |
| (Dollars in millions)      |                       |                |                       |                |
| <S>                        | <C>                   | <C>            | <C>                   | <C>            |
| Interest rate contracts    |                       |                |                       |                |
| Swaps                      | \$3,256,992           | \$ 3,236       | \$2,597,886           | \$ 4,936       |
| Futures and forwards       | 1,227,537             | 57             | 644,795               | 50             |
| Written options            | 664,108               | --             | 560,070               | --             |
| Purchased options          | 601,828               | 145            | 638,517               | 1,515          |
| Foreign exchange contracts |                       |                |                       |                |
| Swaps                      | 61,035                | 1,424          | 55,278                | 918            |
| Spot, futures and forwards | 682,665               | 3,215          | 537,719               | 2,861          |
| Written options            | 35,161                | --             | 28,450                | --             |
| Purchased options          | 32,639                | 380            | 26,820                | 368            |
| Equity contracts           |                       |                |                       |                |
| Swaps                      | 17,482                | 637            | 11,128                | 904            |
| Futures and forwards       | 61,004                | 353            | 21,421                | 3              |
| Written options            | 30,976                | --             | 24,232                | --             |
| Purchased options          | 36,304                | 3,670          | 28,251                | 4,012          |
| Other contracts            |                       |                |                       |                |
| Swaps                      | 9,126                 | 1,902          | 1,950                 | 165            |
| Futures and forwards       | 2,098                 | 81             | 1,075                 | 33             |
| Written options            | 12,603                | --             | 4,636                 | --             |
| Purchased options          | 10,515                | 228            | 3,965                 | 229            |
| Credit derivatives         | 40,638                | 206            | 19,028                | 61             |
| Net replacement cost       |                       | \$15,534       |                       | \$16,055       |

</TABLE>

The table above includes both long and short derivative-dealer positions. The average fair value of derivative-dealer assets for the years ended December 31, 2000 and 1999 was \$17.9 billion and \$16.0 billion, respectively. The average fair value of derivative-dealer liabilities for the years ended December 31, 2000 and 1999 was \$19.8 billion and \$16.5 billion, respectively. The fair value of derivative-dealer assets at December 31, 2000 and 1999 was \$15.5 billion and \$16.1 billion, respectively. The fair value of derivative-dealer liabilities at December 31, 2000 and 1999 was \$22.4 billion and \$16.2 billion, respectively. See Note Five on page 76 for a discussion of trading-related revenue.

During 2000, 1999 and 1998, there were no significant credit losses associated with derivative contracts. At December 31, 2000 and 1999, there were no nonperforming derivative positions that were material to the Corporation.

In addition to credit risk management activities, the Corporation uses credit derivatives to generate revenue by taking on exposure to underlying credits. The Corporation also provides credit derivatives to sophisticated customers who wish to hedge existing credit exposures or take on additional credit exposure to generate revenue. The Corporation's credit derivative positions at December 31, 2000 and 1999 consisted of credit default swaps and total return swaps.

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#### Asset and Liability Management (ALM) Activities

Risk management interest rate contracts and foreign exchange contracts are utilized in the Corporation's ALM process. Interest rate contracts, which are generally non-leveraged generic interest rate and basis swaps, options and futures, allow the Corporation to effectively manage its interest rate risk position. Generic interest rate swaps involve the exchange of fixed-rate and variable-rate interest payments based on the contractual underlying notional amount. Basis swaps involve the exchange of interest payments based on the contractual underlying notional amounts, where both the pay rate and the receive rate are floating rates based on different indices. Option products primarily consist of caps and floors. Interest rate caps and floors are agreements where, for a fee, the purchaser obtains the right to receive interest payments when a variable interest rate moves above or below a specified cap or floor rate, respectively. Futures contracts used for ALM activities are primarily index futures providing for cash payments based upon the movements of an underlying rate index.

The Corporation uses foreign currency contracts to manage the foreign exchange risk associated with certain foreign-denominated assets and liabilities, as well as the Corporation's equity investments in foreign subsidiaries. Foreign exchange contracts, which include spot, futures and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price, on an agreed-upon settlement date. Foreign exchange option contracts are similar to interest rate option contracts except that they are based on currencies rather than interest rates. Exposure to loss on these contracts will increase or decrease over their respective lives as currency exchange and interest rates fluctuate.

The Corporation's credit risk exposure for exchange-traded instruments is minimal as these instruments conform to standard terms and are subject to policies set by the exchange involved, including counterparty approval, margin requirements and security deposit requirements.

The following table outlines the notional amount and fair value of the Corporation's open and closed ALM contracts at December 31, 2000 and 1999:

<TABLE>

<CAPTION>

|  | December 31, 2000 |            | December 31, 1999 |            |
|--|-------------------|------------|-------------------|------------|
|  | Notional Amount   | Fair Value | Notional Amount   | Fair Value |
| (Dollars in millions)                    |                   |            |                   |            |
| <S>                                      | <C>               | <C>        | <C>               | <C>        |
| Open interest rate contracts             |                   |            |                   |            |
| Receive fixed swaps                      | \$ 62,485         | \$ 900     | \$63,002          | \$(1,747)  |
| Pay fixed swaps                          | 13,640            | (529)      | 25,701            | 115        |
| Net open receive fixed                   | 48,845            | 371        | 37,301            | (1,632)    |
| Basis swaps                              | 14,739            | (7)        | 7,971             | (6)        |
| Total net swap position                  | 63,584            | 364        | 45,272            | (1,638)    |
| Option products                          | 22,477            | (157)      | 35,134            | 5          |
| Futures and forwards                     | 24,818            | (52)       | 931               | 3          |
| Total open interest rate contracts (/1/) |                   | 155        |                   | (1,630)    |

|   |        |       |       |           |
|---|--------|-------|-------|-----------|
| -----                                     |        |       |       |           |
| Closed interest rate contracts            |        |       |       |           |
| Swap positions                            |        | 25    |       | 174       |
| Option products                           |        | 95    |       | 82        |
| Futures and forwards                      |        | (15)  |       | (21)      |
| -----                                     |        |       |       |           |
| Total closed interest rate contracts(/2/) |        |       |       |           |
|   |        | 105   |       | 235       |
| -----                                     |        |       |       |           |
| Net interest rate contract position       |        |       |       |           |
|   |        | 260   |       | (1,395)   |
| -----                                     |        |       |       |           |
| Open foreign exchange contracts(/1/)      |        |       |       |           |
|   | 18,958 | (387) | 6,231 | (30)      |
| -----                                     |        |       |       |           |
| Total ALM contracts                       |        |       |       |           |
|   | \$     | (127) |       | \$(1,425) |
| -----                                     |        |       |       |           |

</TABLE>

(1) Fair value represents the net unrealized gains (losses) on open contracts.

(2) Represents the unamortized net realized deferred gains associated with closed contracts.

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#### When Issued Securities

When issued securities are commitments to purchase or sell securities during the time period between the announcement of a securities offering and the issuance of those securities. At December 31, 2000, the Corporation had commitments to purchase and sell when issued securities of \$26.4 billion and \$20.6 billion, respectively.

#### Litigation

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to a number of pending and threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants. In certain of these actions and proceedings, substantial money damages are asserted against the Corporation and its subsidiaries and certain of these actions and proceedings are based on alleged violations of consumer protection, securities, environmental, banking and other laws.

The Corporation and certain present and former officers and directors have been named as defendants in a number of actions filed in several federal courts that have been consolidated for pretrial purposes before a Missouri federal court. The amended complaint in the consolidated actions alleges, among other things, that the defendants failed to disclose material facts about BankAmerica's losses relating to D.E. Shaw Securities Group, L.P. ("D.E. Shaw") and related entities until mid-October 1998, in violation of various provisions of federal and state laws. The amended complaint also alleges that the proxy statement-prospectus of August 4, 1998, falsely stated that the Merger would be one of equals and alleges a scheme to have NationsBank gain control over the newly merged entity. The Missouri federal court has certified classes consisting generally of persons who were stockholders of NationsBank or BankAmerica on September 30, 1998, or were entitled to vote on the Merger, or who purchased or acquired securities of the Corporation or its predecessors between August 4, 1998 and October 13, 1998. The amended complaint substantially survived a motion to dismiss, and discovery is underway. Claims against certain director-defendants were dismissed with leave to replead. The court has preliminarily ordered the parties to be ready for trial by September 2001. A former NationsBank stockholder who opted out of the federal class action has recently commenced an action asserting claims substantially similar to the claims relating to D.E. Shaw set forth in the consolidated action. The Corporation has moved to consolidate the individual action with the federal class action. Similar class actions (including one limited to California residents raising the claim that the proxy statement-prospectus of August 4, 1998, falsely stated that the Merger would be one of equals) were filed in California state court, alleging violations of the California Corporations Code and other state laws. The action on behalf of California residents was certified as a class. A lower court order dismissing that action was recently reversed on appeal, and discovery in that action has commenced. The remaining California actions have been consolidated, but have not been certified as class actions. The Missouri federal court has enjoined prosecution of those consolidated class actions as a class action. The plaintiffs who were enjoined have appealed that injunction to the United States Court of Appeals for the Eighth Circuit. The Corporation believes the actions lack merit and will defend them vigorously. The amount of any ultimate exposure cannot be determined with certainty at this time.

Management believes that the actions and proceedings and the losses, if any, resulting from the final outcome thereof, will not be material in the aggregate to the Corporation's financial position or results of operations.

#### Note Fourteen - Regulatory Requirements and Restrictions

The Federal Reserve Board requires the Corporation's banking subsidiaries to maintain reserve balances based on a percentage of certain deposits. Average

reserve balances required by the Federal Reserve Board were \$4.1 billion and \$4.2 billion for 2000 and 1999, respectively. Average reserve balances, net of vault cash held on hand, held with the Federal Reserve Bank to meet the above requirements amounted to \$2.6 million and \$22.3 million for 2000 and 1999, respectively.

The primary source of funds for cash distributions by the Corporation to its shareholders is dividends received from its banking subsidiaries. The subsidiary national banks can initiate aggregate dividend payments in 2001, without prior regulatory approval, of \$1.7 billion plus an additional amount equal to their net profits for 2001, as defined by statute, up to the date of any such dividend declaration. The amount of dividends that each subsidiary bank may declare in a calendar year without approval by the Office of the Comptroller of the Currency (OCC) is the subsidiary bank's net profits for that year combined with its net retained profits, as defined, for the preceding two years.

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The Federal Reserve Board, the OCC, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision (collectively, the Agencies) have issued regulatory capital guidelines for U.S. banking organizations. Failure to meet the capital requirements can initiate certain mandatory and discretionary actions by regulators that could have a material effect on the Corporation's financial statements. At December 31, 2000 and 1999, the Corporation and each of its banking subsidiaries were well capitalized under this regulatory framework. There have been no conditions or events since December 31, 2000 that management believes have changed either the Corporation's or its banking subsidiaries' capital classifications.

The regulatory capital guidelines measure capital in relation to the credit and market risks of both on- and off-balance sheet items using various risk weights. Under the regulatory capital guidelines, Total Capital consists of three tiers of capital. Tier 1 Capital includes common shareholders' equity and qualifying preferred stock, less goodwill and other adjustments. Tier 2 Capital consists of preferred stock not qualifying as Tier 1 Capital, mandatory convertible debt, limited amounts of subordinated debt, other qualifying term debt and the allowance for credit losses up to 1.25 percent of risk-weighted assets. Tier 3 capital includes subordinated debt that is unsecured, fully paid, has an original maturity of at least two years, is not redeemable before maturity without prior approval by the Federal Reserve Board and includes a lock-in clause precluding payment of either interest or principal if the payment would cause the issuing bank's risk-based capital ratio to fall or remain below the required minimum. At December 31, 2000 and 1999, the Corporation had no subordinated debt that qualified as Tier 3 capital.

To meet minimum, adequately capitalized regulatory requirements, an institution must maintain a Tier 1 Capital ratio of four percent and a Total Capital ratio of eight percent. A well-capitalized institution must maintain a Tier 1 Capital ratio of six percent and a Total Capital ratio of ten percent. The risk-based capital rules have been further supplemented by a leverage ratio, defined as Tier 1 capital divided by average total assets, after certain adjustments. The leverage ratio guidelines establish a minimum of 100 to 200 basis points above three percent. Banking organizations must maintain a leverage capital ratio of at least five percent to be classified as well capitalized.

The valuation allowance for available-for-sale securities and marketable equity securities included in shareholders' equity at December 31, 2000 and 1999 is excluded from the calculations of Tier 1 capital and Tier 1 leverage ratios.

On September 12, 1996, the Agencies amended their regulatory capital guidelines to incorporate a measure for market risk. In accordance with the amended guidelines, the Corporation and any of its banking subsidiaries with significant trading activity, as defined in the amendment, must incorporate a measure for market risk in their regulatory capital calculations effective for reporting periods after January 1, 1998. The revised guidelines have not had a material impact on the Corporation or its subsidiaries' regulatory capital ratios or their well-capitalized status.

The following table presents the actual capital ratios and amounts and minimum required capital amounts for the Corporation and Bank of America, N.A. at December 31, 2000 and 1999:

<TABLE>

<CAPTION>

|                       | 2000   |         |               | 1999    |        |               |
|-----------------------|--------|---------|---------------|---------|--------|---------------|
|                       | Actual | Minimum | Actual        | Minimum | Actual | Minimum       |
| (Dollars in millions) | Ratio  | Amount  | Required(/1/) | Ratio   | Amount | Required(/1/) |
| <S>                   | <C>    | <C>     | <C>           | <C>     | <C>    | <C>           |
| Tier 1 Capital        |        |         |               |         |        |               |



|                             |       |          |          |       |          |          |
|-----------------------------|-------|----------|----------|-------|----------|----------|
| Bank of America Corporation | 7.50% | \$40,667 | \$21,687 | 7.35% | \$38,651 | \$21,025 |
| Bank of America, N.A.       | 7.72  | 39,178   | 20,308   | 7.78  | 38,616   | 19,844   |
| Total Capital               |       |          |          |       |          |          |
| Bank of America Corporation | 11.04 | 59,826   | 43,374   | 10.88 | 57,192   | 42,050   |
| Bank of America, N.A.       | 10.81 | 54,871   | 40,616   | 10.91 | 54,132   | 39,688   |
| Leverage                    |       |          |          |       |          |          |
| Bank of America Corporation | 6.12  | 40,667   | 26,587   | 6.26  | 38,651   | 24,687   |
| Bank of America, N.A.       | 6.59  | 39,178   | 23,771   | 6.74  | 38,616   | 22,922   |

</TABLE>

(1) Dollar amount required to meet the Agencies' guidelines for adequately capitalized institutions.

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#### Note Fifteen - Employee Benefit Plans

##### Pension and Postretirement Plans

The Corporation sponsors noncontributory trustee pension plans that cover substantially all officers and employees. The plans provide defined benefits based on an employee's compensation, age and years of service. The benefits become vested upon completion of five years of service. It is the policy of the Corporation to fund not less than the minimum funding amount required by ERISA. Individually, BankAmerica, Barnett Banks and NationsBank each sponsored defined benefit pension plans prior to each of the respective mergers of these entities. The BankAmerica plan was a cash balance design plan, providing participants with compensation credits, based on age and period of service, applied at each pay period and a defined earnings rate on all participant account balances in the plan. The NationsBank plan was amended to a cash balance plan effective July 1, 1998 and provides a similar crediting basis for all participants. The NationsBank plan allows participants to select from various earnings measures, which are based on the returns of certain funds managed by subsidiaries of the Corporation or common stock of the Corporation. The participant selected earnings measures determine the earnings rate on the individual participant account balances in the plan. In addition, a one time opportunity to transfer certain assets from the Corporation's savings plan to the cash balance plan was extended to NationsBank plan participants. Assets with an approximate fair value of \$1.4 billion were transferred by plan participants in 1998. The Barnett plan was amended to merge into the NationsBank plan and, effective January 1, 1999, to provide the cash balance plan design feature to those participants. The opportunity to transfer certain savings plan assets to the cash balance plan was extended to Barnett participants in 1999. Assets with an approximate fair value of \$133 million, were transferred by plan participants. The BankAmerica and NationsBank plans were merged effective December 31, 1998; however, the participants in each plan retained the cash balance plan design followed by their predecessor plans until the plan was amended in 2000. The Corporation and the BankAmerica 401(k) retirement plans were combined effective June 30, 2000. With the introduction of the revised Bank of America retirement plan, qualified employees of the former BankAmerica Corporation who were currently active had a one-time opportunity to transfer certain assets in their 401(k) plan account to their Bank of America Pension Plan (the "Pension Plan") account effective August 4, 2000. The total amount of 401(k) plan assets transferred to the Pension Plan was \$1.3 billion. The Pension Plan (which is a cash balance type of pension plan) has a balance guarantee feature, applied at the time a benefit payment is made from the plan, that protects the transferred portion of participants' accounts from future market downturns. The Corporation is responsible for funding any shortfall on the guarantee feature.

In addition to retirement pension benefits, full-time, salaried employees and certain part-time employees may become eligible to continue participation as retirees in health care and/or life insurance plans sponsored by the Corporation. Based on the other provisions of the individual plans, certain retirees may also have the cost of these benefits partially paid by the Corporation.

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The following tables summarize the balances and changes in fair value of plan assets and benefit obligations as of and for the years ended December 31, 2000 and 1999:

<TABLE>  
<CAPTION>

|                       | Pension Plan |      | Postretirement Health and Life Plans |      |
|-----------------------|--------------|------|--------------------------------------|------|
|                       | 2000         | 1999 | 2000                                 | 1999 |
| (Dollars in millions) |              |      |                                      |      |

| <S>   | <C>     | <C>     | <C>     | <C>      |
|---|---------|---------|---------|----------|
| Change in fair value of plan assets<br>(Primarily listed stocks, fixed<br>income and real estate) |         |         |         |          |
| Fair value at January 1   | \$8,063 | \$7,660 | \$ 202  | \$ 187   |
| Actual return on plan assets  | (135)   | 809     | 6       | 16       |
| Company contributions   | --      | --      | 63      | 65       |
| Plan participant contributions  | --      | --      | 35      | 33       |
| Acquisition/transfer  | 1,334   | 141     | --      | --       |
| Benefits paid   | (610)   | (547)   | (98)    | (99)     |
| Fair value at December 31   | \$8,652 | \$8,063 | \$ 208  | \$ 202   |
| Change in benefit obligation  |         |         |         |          |
| Benefit obligation at January 1   | \$6,252 | \$6,377 | \$ 836  | \$ 882   |
| Service cost  | 153     | 115     | 11      | 12       |
| Interest cost   | 519     | 433     | 58      | 58       |
| Plan participant contributions  | --      | --      | 35      | 33       |
| Plan amendments   | 325     | 106     | 6       | (2)      |
| Actuarial loss (gain)   | 16      | (380)   | (17)    | (48)     |
| Acquisition/transfer  | 1,392   | 148     | --      | --       |
| Effect of curtailments  | (36)    | --      | 9       | --       |
| Benefits paid   | (610)   | (547)   | (98)    | (99)     |
| Benefit obligation at December 31   | \$8,011 | \$6,252 | \$ 840  | \$ 836   |
| Funded status   |         |         |         |          |
| Overfunded (unfunded) status at<br>December 31  | \$ 641  | \$1,811 | (632)   | (634)    |
| Unrecognized net actuarial loss<br>(gain)   | 358     | (600)   | (39)    | (87)     |
| Unrecognized transition obligation<br>(asset)   | (2)     | (6)     | 387     | 439      |
| Unrecognized prior service cost   | 521     | 195     | 19      | 12       |
| Prepaid (accrued) benefit cost  | \$1,518 | \$1,400 | (\$265) | \$ (270) |

</TABLE>

In 2000, a curtailment resulted from employee terminations in connection with the Corporation's productivity and investment initiatives. See Note Three on page 73 for additional information on these initiatives.

Prepaid and accrued benefit costs are reflected in other assets and other liabilities, respectively, in the Consolidated Balance Sheet.

The following are the weighted average discount rate, expected return on plan assets and rate of increase in future compensation assumptions used in determining the actuarial present value of the benefit obligation.

<TABLE>

<CAPTION>

|  | Pension<br>Plan |       | Postretirement<br>Health and Life Plans |       |
|--|-----------------|-------|---|-------|
|  | 2000            | 1999  | 2000                                    | 1999  |
| <S>  | <C>             | <C>   | <C>                                     | <C>   |
| Weighted average assumptions at December<br>31 |                 |       |   |       |
| Discount rate                                  | 7.25%           | 7.50% | 7.25%                                   | 7.50% |
| Expected return on plan assets                 | 10.00           | 10.00 | 10.00                                   | 10.00 |
| Rate of compensation increase                  | 4.00            | 4.00  | N/A                                     | N/A   |

</TABLE>

Net periodic pension benefit income for the years ended December 31, 2000, 1999 and 1998, included the following components:

<TABLE>

<CAPTION>

| (Dollars in millions)                             | 2000   | 1999   | 1998   |
|---|--------|--------|--------|
| <S>   | <C>    | <C>    | <C>    |
| Components of net periodic pension benefit income |        |        |        |
| Service cost                                      | \$ 153 | \$ 115 | \$ 144 |
| Interest cost                                     | 519    | 433    | 371    |
| Expected return on plan assets                    | (813)  | (713)  | (552)  |
| Amortization of transition asset                  | (4)    | (4)    | (3)    |
| Amortization of prior service cost                | 38     | 20     | (2)    |

|   |          |          |         |
|---|----------|----------|---------|
| Recognized net actuarial loss                       | --       | --       | 16      |
| Recognized gain due to settlements and curtailments | (11)     | --       | (2)     |
| <hr/>   |          |          |         |
| Net periodic pension benefit income                 | \$ (118) | \$ (149) | \$ (28) |
| <hr/>   |          |          |         |

</TABLE>

For the Pension Plan, the asset valuation method recognizes 60 percent of the market gains or losses in the first year, with the remaining 40 percent spread equally over the next four years.

In addition to the trustee pension plan, the Corporation sponsors a number of unfunded pension plans. The total benefit obligation for these plans as of December 31, 2000 and 1999 was \$534 million and \$535 million, respectively. The net periodic pension expense for these plans in 2000, 1999 and 1998 totaled \$69 million, \$58 million and \$49 million, respectively.

For the years ended December 31, 2000, 1999 and 1998, net periodic postretirement benefit cost included the following components:

<TABLE>

|  |       |       |       |
|--|-------|-------|-------|
| <hr/>  |       |       |       |
| <CAPTION>  |       |       |       |
| (Dollars in millions)                                      | 2000  | 1999  | 1998  |
| <hr/>  |       |       |       |
| <S>  | <C>   | <C>   | <C>   |
| Components of net periodic postretirement benefit cost     |       |       |       |
| Service cost   | \$ 11 | \$ 12 | \$ 10 |
| Interest cost  | 58    | 58    | 61    |
| Expected return on plan assets                             | (20)  | (19)  | (14)  |
| Amortization of transition asset                           | 37    | 34    | 34    |
| Amortization of prior service cost                         | (3)   | --    | (1)   |
| Recognized net actuarial gain                              | (45)  | (54)  | (10)  |
| Recognized loss (gain) due to settlements and curtailments | 20    | --    | (2)   |
| <hr/>  |       |       |       |
| Net periodic postretirement benefit cost                   | \$ 58 | \$ 31 | \$ 78 |
| <hr/>  |       |       |       |

</TABLE>

Net periodic postretirement health and life expense was determined using the "projected unit credit" actuarial method. Gains and losses for all benefits except postretirement health care are recognized in accordance with the minimum amortization provisions of the applicable accounting standards. For the postretirement health care plans, 50 percent of the unrecognized gain or loss at the beginning of the fiscal year (or at subsequent remeasurement) is recognized on a level basis during the year. Prior to the Merger (and conformance of accounting methods), BankAmerica used the minimum amortization method for all plans. Application of the "50 percent" method to cumulative unrecognized gains in the BankAmerica health care plans at the beginning of the 1999 fiscal year is the primary reason for the reduction in net periodic postretirement benefit cost from 1998.

Assumed health care cost trend rates affect the postretirement benefit obligation and benefit cost reported for the health care plan. The assumed health care cost trend rates used to measure the expected cost of benefits covered by the postretirement health care plans was six percent for 2001, reducing in steps to five percent for 2003 and later years. A one percentage point increase in assumed health care cost trend rates would have increased the service and interest costs and the benefit obligation by \$9 million and \$49 million, respectively, in 2000 and \$7 million and \$62 million, respectively, in 1999. A one percentage point decrease in assumed health care cost trend rates would have lowered the service and interest costs and the benefit obligation by \$7 million and \$40 million, respectively, in 2000 and \$6 million and \$56 million, respectively, in 1999.

#### Defined Contribution Plans

The Corporation maintains a qualified defined contribution retirement plan and certain nonqualified defined contribution retirement plans. There are two components of the qualified defined contribution retirement plan: an employee stock ownership plan (ESOP) and a profit-sharing plan. The ESOP component of the qualified defined contribution retirement plan features leveraged ESOP provisions. See Note Twelve on page 86 for additional information on the ESOP provisions.

The Barnett Employee Savings and Thrift Plan merged with and into the Corporation's Plan effective December 31, 1998. During 1999, the Corporation offered former Barnett plan participants a one-time opportunity to transfer certain assets from the savings plan to the Pension Plan (then known as the cash balance plan). In 1998, the Corporation offered the same opportunity to former NationsBank plan participants.

Effective June 30, 2000, the BankAmerica 401(k) Investment Plan was merged

with and into the Bank of America 401(k) Plan, formerly known as The NationsBank 401(k) Plan. During 2000, the Corporation offered former BankAmerica plan participants a one-time opportunity to transfer certain assets from the savings plan to the Pension Plan.

The Corporation contributed approximately \$56 million, \$191 million, and \$238 million for 2000, 1999, and 1998, respectively, in cash and stock which was utilized primarily to purchase the Corporation's common stock under the terms of these plans. At December 31, 2000 and 1999, an aggregate of 46,010,493 shares and 54,899,074 shares, respectively, of the Corporation's common stock and 1,684,053 shares and 1,789,230 shares, respectively, of ESOP preferred stock were held by the Corporation's various savings and profit sharing plans.

Under the terms of the ESOP Preferred Stock provision, payments to the plan for dividends on the ESOP Preferred Stock were \$6 million, \$3 million, and \$6 million, for 2000, 1999, and 1998, respectively. Payments to the plan for dividends on the ESOP Common Stock were \$16 million, \$21 million, and \$6 million during the same periods. Interest incurred to service the debt of the ESOP Preferred Stock and ESOP Common Stock amounted to \$3 million, \$5 million and \$1 million for 2000, 1999 and 1998, respectively.

In addition, certain non-U.S. employees within the Corporation are covered under defined contribution pension plans that are separately administered in accordance with local laws.

#### Note Sixteen - Stock Option Award Plans

At December 31, 2000, the Corporation had certain stock-based compensation plans (the Plans) which are described below. The Corporation applies the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," in accounting for its stock option and award plans. In accordance with Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock Based Compensation," the Corporation has also elected to provide disclosures as if the Corporation had adopted the fair-value based method of measuring outstanding employee stock options in 2000, 1999 and 1998 as indicated below:

<TABLE>

<CAPTION>

|  | As Reported |         |         | Pro Forma |         |         |
|--|-------------|---------|---------|-----------|---------|---------|
| (Dollars in millions, except per share data) | 2000        | 1999    | 1998    | 2000      | 1999    | 1998    |
| <S>  | <C>         | <C>     | <C>     | <C>       | <C>     | <C>     |
| Net income                                   | \$7,517     | \$7,882 | \$5,165 | \$7,215   | \$7,563 | \$4,838 |
| Net income available to common shareholders  | 7,511       | 7,876   | 5,140   | 7,209     | 7,557   | 4,819   |
| Earnings per common share                    | 4.56        | 4.56    | 2.97    | 4.38      | 4.38    | 2.78    |
| Diluted earnings per common share            | 4.52        | 4.48    | 2.90    | 4.34      | 4.30    | 2.71    |

</TABLE>

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In determining the pro forma disclosures above, the fair value of options granted was estimated on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes model was developed to estimate the fair value of traded options, which have different characteristics than employee stock options, and changes to the subjective assumptions used in the model can result in materially different fair value estimates. The weighted average grant-date fair values of the options granted during 2000, 1999 and 1998 were based on the following assumptions:

<TABLE>

<CAPTION>

|                                   | Risk-Free Interest Rates |       |       | Dividend Yield |       |       | Expected Lives (Years) |      |      | Volatility |        |        |
|-----------------------------------|--------------------------|-------|-------|----------------|-------|-------|------------------------|------|------|------------|--------|--------|
|                                   | 2000                     | 1999  | 1998  | 2000           | 1999  | 1998  | 2000                   | 1999 | 1998 | 2000       | 1999   | 1998   |
| <S>                               | <C>                      | <C>   | <C>   | <C>            | <C>   | <C>   | <C>                    | <C>  | <C>  | <C>        | <C>    | <C>    |
| Key Employee Stock Plan           | 6.74%                    | 5.19% | 5.64% | 4.62%          | 2.91% | 3.50% | 7                      | 7    | 7    | 25.59%     | 24.91% | 22.94% |
| Take Ownership!                   | 6.57                     | 4.73  | N/A   | 4.62           | 3.06  | N/A   | 4                      | 4    | N/A  | 30.27      | 27.67  | N/A    |
| BankAmerica Management Stock Plan | N/A                      | N/A   | 5.48  | N/A            | N/A   | 2.62  | N/A                    | N/A  | 4    | N/A        | N/A    | 28.40  |
| BankAmerica Take Ownership!       | N/A                      | N/A   | 5.58  | N/A            | N/A   | 1.83  | N/A                    | N/A  | 1    | N/A        | N/A    | 28.80  |

</TABLE>

Compensation expense under the fair-value based method is recognized over

the vesting period of the related stock options. Accordingly, the pro forma results of applying SFAS 123 in 2000, 1999 and 1998 may not be indicative of future amounts.

#### Key Employee Stock Plan

The Key Employee Stock Plan (KEYSOP), as amended and restated, provides for different types of awards including stock options, restricted stock and performance shares (or restricted stock units). Under the KEYSOP, ten-year options to purchase approximately 67.0 million shares of common stock have been granted through December 31, 2000 to certain employees at the closing market price on the respective grant dates. Options granted under the KEYSOP generally vest in three or four equal annual installments. At December 31, 2000, approximately 53.1 million options were outstanding under this plan. Additionally, approximately 652,000 shares of restricted stock were granted during 2000. These shares of restricted stock generally vest in three equal annual installments beginning one year from the grant date.

#### Take Ownership!

On September 23, 1998, the Board approved Take Ownership! The Bank of America Global Associate Stock Option Program (Take Ownership!) which covers all employees below a specified executive grade level. Under the plan, eligible employees receive an award of a predetermined number of stock options entitling them to purchase shares of the Corporation's common stock at the fair market value on the grant date. Options granted on the first business day of 1999 and 2000 vest 25% on the first anniversary of the date of grant, 25% on the second anniversary of the date of grant and 50% on the third anniversary of the date of grant. These options have a term of five years after the grant date. On January 3, 2000, options to purchase approximately 24.5 million shares of common stock at \$48.4375 per share were granted under the plan. At December 31, 2000, approximately 53.4 million options were outstanding under this plan.

#### Other Plans

Under the NationsBank 1996 Associates Stock Option Award Plan (ASOP), as amended, the Corporation granted in 1996 and 1997 to certain full- and part-time associates options to purchase an aggregate of approximately 47 million shares of the Corporation's common stock. All options granted under the ASOP are vested and expire June 29, 2001. At December 31, 2000, approximately 9.2 million options were outstanding under this plan. No further awards may be granted under this plan.

Under the BankAmerica 1992 Management Stock Plan, ten-year options to purchase approximately 14.3 million shares of the Corporation's common stock were granted to certain key employees in 1997 and 1998. Options awarded generally vest in three equal annual installments beginning one year from the grant date. At December 31, 2000, approximately 26.4 million options were outstanding under this plan. Additionally, 2.9 million shares of restricted stock were granted to certain key employees in 1997 and 1998. These shares generally vest in four equal annual installments beginning the second year from the date of grant. No further awards may be granted under this plan.

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Under the BankAmerica Performance Equity Program, ten-year options to purchase approximately 12.3 million shares of the Corporation's common stock were granted to certain key employees in 1997 and 1998 in the form of market price options and premium price options. All options issued under this plan to persons who were employees as of the Merger date vested. At December 31, 2000, approximately 11.8 million options were outstanding under this plan. No further awards may be granted under this plan.

On October 1, 1996, BankAmerica adopted the BankAmerica Global Stock Option Program (BankAmerica Take Ownership!) which covered substantially all associates. Options awarded under this plan vest in three equal installments beginning one year from the grant date and have a term of five years after the grant date. Approximately 37.5 million shares were granted in 1997 and 1998. At December 31, 2000, approximately 20.7 million options were outstanding under this plan. No further awards may be granted under this plan.

Additional stock options assumed in connection with various acquisitions remain outstanding and are included in the tables below. No further awards may be granted under these plans.

The following tables present the status of all plans at December 31, 2000, 1999 and 1998, and changes during the years then ended:

<TABLE>

<CAPTION>

2000

1999

1998

| Employee stock options   | Shares       | Weighted-Average Exercise (Option) Price | Shares       | Weighted-Average Exercise (Option) Price | Shares       | Weighted-Average Exercise (Option) Price |
|--|--------------|--|--------------|--|--------------|--|
| <S>  | <C>          | <C>                                      | <C>          | <C>                                      | <C>          | <C>                                      |
| Outstanding at January 1                                       | 156,205,635  | \$56.03                                  | 126,465,501  | \$51.01                                  | 136,409,218  | \$44.08                                  |
| Granted  | 49,318,536   | 48.44                                    | 68,341,012   | 61.30                                    | 25,744,102   | 72.10                                    |
| Exercised  | (5,144,778)  | 30.68                                    | (21,872,532) | 38.45                                    | (28,295,737) | 33.62                                    |
| Forfeited  | (21,807,372) | 57.73                                    | (16,728,346) | 62.59                                    | (7,392,082)  | 63.04                                    |
| Outstanding at December 31                                     | 178,572,021  | 54.45                                    | 156,205,635  | 56.03                                    | 126,465,501  | 51.01                                    |
| Options exercisable at December 31                             | 98,092,637   | 53.56                                    | 85,753,568   | 49.97                                    | 99,530,313   | 46.02                                    |
| Weighted-average fair value of options granted during the year |              | \$11.00                                  |              | \$13.88                                  |              | \$15.52                                  |

<CAPTION>

|  | 2000        |                              | 1999        |                              | 1998        |                              |
|--|-------------|------------------------------|-------------|------------------------------|-------------|------------------------------|
|  | Shares      | Weighted-Average Grant Price | Shares      | Weighted-Average Grant Price | Shares      | Weighted-Average Grant Price |
| <S>  | <C>         | <C>                          | <C>         | <C>                          | <C>         | <C>                          |
| Restricted stock awards (include KEYSOP)   |             |                              |             |                              |             |                              |
| Outstanding unvested grants at January 1   | 13,027,337  | \$62.39                      | 3,781,154   | \$61.85                      | 5,180,012   | \$38.94                      |
| Granted                                    | 652,724     | 48.50                        | 11,413,497  | 61.99                        | 3,852,739   | 65.79                        |
| Vested                                     | (6,111,163) | 59.51                        | (1,732,513) | 57.19                        | (4,896,614) | 41.07                        |
| Canceled                                   | (396,352)   | 66.18                        | (434,801)   | 67.96                        | (354,983)   | 56.94                        |
| Outstanding unvested grants at December 31 | 7,172,546   | \$63.37                      | 13,027,337  | \$62.39                      | 3,781,154   | \$61.85                      |

</TABLE>

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The following table summarizes information about stock options outstanding at December 31, 2000:

<TABLE>

<CAPTION>

|                          | Outstanding Options               |   |                                 | Options Exercisable               |                                 |
|--------------------------|-----------------------------------|---|---------------------------------|-----------------------------------|---------------------------------|
| Range of Exercise Prices | Number Outstanding at December 31 | Weighted Average Remaining Contractual Life | Weighted-Average Exercise Price | Number Exercisable at December 31 | Weighted-Average Exercise Price |
| <S>                      | <C>                               | <C>   | <C>                             | <C>                               | <C>                             |
| \$0.00 - \$30.00         | 15,581,300                        | 3.0 years                                   | \$22.33                         | 15,581,300                        | \$22.33                         |
| \$30.01 - \$46.50        | 20,084,333                        | 2.4 years                                   | 39.16                           | 19,884,882                        | 39.11                           |
| \$46.51 - \$65.50        | 117,833,300                       | 4.9 years                                   | 56.10                           | 44,056,686                        | 59.89                           |
| \$65.51 - \$99.00        | 25,073,088                        | 5.6 years                                   | 78.94                           | 18,569,769                        | 80.20                           |
| Total                    | 178,572,021                       | 4.6 years                                   | \$54.45                         | 98,092,637                        | \$53.56                         |

</TABLE>

#### Note Seventeen - Income Taxes

The components of income tax expense for the years ended December 31, 2000, 1999 and 1998 were as follows:

<TABLE>

<CAPTION>

| (Dollars in millions) | 2000    | 1999    | 1998    |
|-----------------------|---------|---------|---------|
| <S>                   | <C>     | <C>     | <C>     |
| Current expense:      |         |         |         |
| Federal               | \$3,093 | \$1,470 | \$2,163 |
| State                 | 202     | 63      | 155     |
| Foreign               | 328     | 341     | 349     |

|                             |         |         |         |
|-----------------------------|---------|---------|---------|
| Total current expense       | 3,623   | 1,874   | 2,667   |
| -----                       |         |         |         |
| Deferred (benefit) expense: |         |         |         |
| Federal                     | 552     | 2,297   | 274     |
| State                       | 96      | 164     | (68)    |
| Foreign                     | --      | (2)     | 10      |
| -----                       |         |         |         |
| Total deferred expense      | 648     | 2,459   | 216     |
| -----                       |         |         |         |
| Total income tax expense    | \$4,271 | \$4,333 | \$2,883 |
| -----                       |         |         |         |

</TABLE>

The preceding table does not reflect the tax effects of unrealized gains and losses on available-for-sale and marketable equity securities that are included in shareholders' equity and certain tax benefits associated with the Corporation's employee stock plans. As a result of these tax effects, shareholders' equity decreased by \$674 million in 2000 and increased by \$1,538 million and \$418 million in 1999 and 1998, respectively. The Corporation's current income tax expense approximates the amounts payable for those years. Deferred income tax expense represents the change in the deferred tax asset or liability and is discussed further below.

A reconciliation of the expected federal income tax expense using the federal statutory tax rate of 35 percent to the actual income tax expense for the years ended December 31, 2000, 1999 and 1998 follows:

|  |         |         |         |
|--|---------|---------|---------|
| -----  |         |         |         |
| <TABLE>  |         |         |         |
| <CAPTION>                                      |         |         |         |
| (Dollars in millions)                          | 2000    | 1999    | 1998    |
| -----  |         |         |         |
| <S>  | <C>     | <C>     | <C>     |
| Expected federal income tax expense            | \$4,126 | \$4,275 | \$2,817 |
| Increase (decrease) in taxes resulting from:   |         |         |         |
| Tax-exempt income                              | (111)   | (103)   | (79)    |
| State tax expense, net of federal benefit      | 227     | 206     | 33      |
| Goodwill amortization                          | 203     | 207     | 259     |
| Reorganization of certain subsidiaries         | --      | --      | (323)   |
| Nondeductible merger and restructuring charges | --      | --      | 183     |
| Foreign tax differential                       | (48)    | (58)    | 28      |
| Other  | (126)   | (194)   | (35)    |
| -----  |         |         |         |
| Total income tax expense                       | \$4,271 | \$4,333 | \$2,883 |
| -----  |         |         |         |

</TABLE>

Significant components of the Corporation's deferred tax (liabilities) assets at December 31, 2000 and 1999 were as follows:

|                                  |           |           |
|----------------------------------|-----------|-----------|
| -----                            |           |           |
| <TABLE>                          |           |           |
| <CAPTION>                        |           |           |
| (Dollars in millions)            | 2000      | 1999      |
| -----                            |           |           |
| <S>                              | <C>       | <C>       |
| Deferred tax liabilities:        |           |           |
| Equipment lease financing        | \$(6,155) | \$(5,081) |
| Intangibles                      | (758)     | (691)     |
| Investments                      | (516)     | (447)     |
| State taxes                      | (456)     | (360)     |
| Employee retirement benefits     | (402)     | (347)     |
| Depreciation                     | (230)     | (239)     |
| Securities valuation             | (12)      | (271)     |
| Deferred gains and losses        | (76)      | (73)      |
| Loan fees and expenses           | (30)      | --        |
| Other                            | (585)     | (641)     |
| -----                            |           |           |
| Gross deferred tax liabilities   | (9,220)   | (8,150)   |
| -----                            |           |           |
| Deferred tax assets:             |           |           |
| Allowance for credit losses      | 2,533     | 2,519     |
| Employee benefits                | 501       | 426       |
| Accrued expenses                 | 433       | 260       |
| Available-for-sale securities    | 330       | 1,121     |
| Net operating loss carryforwards | 136       | 158       |
| Foreclosed properties            | 31        | 48        |
| Loan fees and expenses           | --        | 12        |
| Other                            | 292       | 107       |
| -----                            |           |           |
| Gross deferred tax assets        | 4,256     | 4,651     |
| -----                            |           |           |

|   |            |            |
|---|------------|------------|
| Valuation allowance                                   | (122)      | (138)      |
| -----   |            |            |
| Gross deferred tax assets, net of valuation allowance | 4,134      | 4,513      |
| -----   |            |            |
| Net deferred tax liabilities                          | \$ (5,086) | \$ (3,637) |
| -----   |            |            |

</TABLE>

The Corporation's deferred tax assets at December 31, 2000 and 1999 included a valuation allowance of \$122 million and \$138 million, respectively, primarily representing net operating loss carryforwards for which it is more likely than not that realization will not occur. The net change in the valuation allowance for deferred tax assets resulted from a portion of net operating loss carryforwards of foreign subsidiaries being used to offset taxable income where realization was not expected to occur.

At December 31, 2000 and 1999, federal income taxes had not been provided on \$1,075 million and \$814 million, respectively, of undistributed earnings of foreign subsidiaries, earned prior to 1987 and after 1997, that have been reinvested for an indefinite period of time. If the earnings were distributed, an additional \$171 million and \$128 million of tax expense, net of credits for foreign taxes paid on such earnings and for the related foreign withholding taxes, would result in 2000 and 1999, respectively.

#### Note Eighteen - Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" (SFAS 107), requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Quoted market prices, if available, are utilized as estimates of the fair values of financial instruments. Since no quoted market prices exist for a significant part of the Corporation's financial instruments, the fair values of such instruments have been derived based on management's assumptions, the estimated amount and timing of future cash flows and estimated discount rates. The estimation methods for individual classifications of financial instruments are described more fully below. Different assumptions could significantly affect these estimates. Accordingly, the net realizable values could be materially different from the estimates presented below. In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the fair value of the combined Corporation.

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The provisions of SFAS 107 do not require the disclosure of nonfinancial instruments, including intangible assets such as goodwill, franchise, credit card and trust relationships and MSR. In addition, the disclosure of fair value amounts does not include lease financing.

#### Short-Term Financial Instruments

The carrying value of short-term financial instruments, including cash and cash equivalents, federal funds sold and purchased, resale and repurchase agreements, commercial paper and other short-term borrowings, approximates the fair value of these instruments. These financial instruments generally expose the Corporation to limited credit risk and have no stated maturities, or have an average maturity of less than 30 days and carry interest rates which approximate market.

#### Financial Instruments Traded in the Secondary Market

Held-to-maturity securities, available-for-sale securities, trading account instruments, long-term debt and trust preferred securities traded actively in the secondary market have been valued using quoted market prices. The fair value of securities and trading account instruments is reported in Notes Four and Five on pages 74 and 76.

#### Loans

Fair values were estimated for groups of similar loans based upon type of loan, credit quality and maturity. The fair value of loans was determined by discounting estimated cash flows using interest rates approximating the Corporation's December 31 origination rates for similar loans. Where quoted market prices were available, primarily for certain residential mortgage loans, such market prices were utilized as estimates for fair values. Contractual cash flows for residential mortgage loans were adjusted for estimated prepayments using published industry data. Where credit deterioration has occurred, estimated cash flows for fixed- and variable-rate loans have been reduced to incorporate estimated losses.

The fair values of domestic commercial loans that do not reprice or mature within relatively short timeframes were estimated using discounted cash flow models. The discount rates were based on current market interest rates for



similar types of loans, remaining maturities and credit ratings. For domestic commercial loans that reprice within relatively short timeframes, the carrying values were assumed to approximate their fair values. Substantially all of the foreign loans reprice within relatively short timeframes. Accordingly, for the majority of foreign loans, the carrying values were assumed to approximate their fair values. For purposes of these fair value estimates, the fair values of nonaccrual loans were computed by deducting an estimated market discount from their carrying values to reflect the uncertainty of future cash flows. The fair values of commitments to extend credit were not significant at either December 31, 2000 or 1999.

#### Deposits

The fair value for deposits with stated maturities was calculated by discounting contractual cash flows using current market rates for instruments with similar maturities. The carrying value of foreign time deposits approximates fair value. For deposits with no stated maturities, the carrying amount was considered to approximate fair value and does not take into account the significant value of the cost advantage and stability of the Corporation's long-term relationships with depositors.

#### Derivative Financial Instruments

The fair value of the Corporation's derivative-dealer assets and liabilities and ALM contracts is presented in Note Thirteen on page 87.

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The book and fair values of certain financial instruments at December 31, 2000 and 1999 were as follows:

<TABLE>  
<CAPTION>

|                            | 2000       |            | 1999       |            |
|----------------------------|------------|------------|------------|------------|
| (Dollars in millions)      | Book Value | Fair Value | Book Value | Fair Value |
| <S>                        | <C>        | <C>        | <C>        | <C>        |
| Financial assets           |            |            |            |            |
| Loans                      | \$369,706  | \$374,313  | \$348,790  | \$351,469  |
| Financial liabilities      |            |            |            |            |
| Deposits                   | 364,244    | 364,547    | 347,273    | 347,251    |
| Trust preferred securities | 4,955      | 4,792      | 4,955      | 4,603      |
| Long-term debt(1/)         | 67,516     | 68,595     | 55,385     | 54,837     |

</TABLE>

(1) Excludes obligations under capital leases.

For all other financial instruments, book value approximates fair value.

#### Note Nineteen - Business Segment Information

In 2000, the Corporation realigned its business segments to report the results of the Corporation's operations through four business segments: Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking and Equity Investments. Consumer and Commercial Banking provides a diversified range of products and services to individuals and small businesses through multiple delivery channels and commercial lending and treasury management services to middle market companies with annual revenue between \$10 million and \$500 million. Asset Management offers customized asset management and credit, financial advisory, fiduciary, trust and banking services, as well as both full-service and discount brokerage services. It provides management of equity, fixed income, cash and alternative investments to individuals, corporations and a wide array of institutional clients. Global Corporate and Investment Banking provides a diversified range of financial products such as investment banking, trade finance, treasury management, capital markets, leasing and financial advisory services to domestic and international corporations, financial institutions and government entities. Equity Investments includes Principal Investing, which formerly was a component of Global Corporate and Investment Banking. Principal Investing makes both direct and indirect equity investments in a wide variety of transactions. Equity Investments also includes the Corporation's strategic technology and alliances investment portfolio in addition to other parent company investments.

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The following table includes total revenue and net income for the years ended December 31, 2000, 1999 and 1998, and total assets at December 31, 2000 and 1999 for each business segment. Certain prior period amounts have been reclassified between segments to conform to the current period presentation.

#### Business Segments

<TABLE>  
<CAPTION>  
For the year ended  
December 31

|                                  | Total Corporation |           |          | Consumer and<br>Commercial Banking (/2/) |           |          |
|----------------------------------|-------------------|-----------|----------|--|-----------|----------|
| (Dollars in millions)            | 2000              | 1999      | 1998     | 2000                                     | 1999      | 1998     |
| <S>                              | <C>               | <C>       | <C>      | <C>                                      | <C>       | <C>      |
| Net interest income (/1/)        | \$ 18,764         | \$ 18,452 | \$18,461 | \$ 13,656                                | \$ 13,681 | \$13,883 |
| Noninterest income               | 14,489            | 14,069    | 12,189   | 6,965                                    | 7,398     | 7,351    |
| Total revenue                    | 33,253            | 32,521    | 30,650   | 20,621                                   | 21,079    | 21,234   |
| Provision for credit losses      | 2,535             | 1,820     | 2,920    | 1,416                                    | 1,482     | 1,321    |
| Gains on sales of securities     | 25                | 240       | 1,017    | 8  | 42        | 14       |
| Amortization of intangibles      | 864               | 888       | 902      | 668                                      | 694       | 646      |
| Depreciation expense             | 920               | 1,028     | 1,096    | 658                                      | 731       | 772      |
| Merger and restructuring charges | 550               | 525       | 1,795    | --                                       | --        | --       |
| Other noninterest expense        | 16,299            | 16,070    | 16,743   | 10,189                                   | 10,597    | 10,962   |
| Income before income taxes       | 12,110            | 12,430    | 8,211    | 7,698                                    | 7,617     | 7,547    |
| Income tax expense               | 4,593             | 4,548     | 3,046    | 3,055                                    | 2,861     | 2,730    |
| Net income                       | \$ 7,517          | \$ 7,882  | \$ 5,165 | \$ 4,643                                 | \$ 4,756  | \$ 4,817 |
| Period-end total assets          | \$642,191         | \$632,574 |          | \$314,207                                | \$295,785 |          |

<CAPTION>  
For the year ended  
December 31

|                                       | Asset Management (/2/) |           |        | Global Corporate and<br>Investment Banking (/2/) |           |          |
|---------------------------------------|------------------------|-----------|--------|--|-----------|----------|
| (Dollars in millions)                 | 2000                   | 1999      | 1998   | 2000   | 1999      | 1998     |
| <S>                                   | <C>                    | <C>       | <C>    | <C>  | <C>       | <C>      |
| Net interest income (/1/)             | \$ 641                 | \$ 580    | \$ 502 | \$ 4,278   | \$ 3,904  | \$ 3,865 |
| Noninterest income                    | 1,643                  | 1,561     | 1,415  | 4,687  | 4,338     | 2,874    |
| Total revenue                         | 2,284                  | 2,141     | 1,917  | 8,965  | 8,242     | 6,739    |
| Provision for credit losses           | 48                     | 99        | 23     | 767  | 214       | 1,573    |
| Gains (losses) on sales of securities | --                     | --        | --     | (15)   | 9         | (5)      |
| Amortization of intangibles           | 24                     | 25        | 49     | 161  | 158       | 205      |
| Depreciation expense                  | 52                     | 65        | 72     | 204  | 228       | 247      |
| Other noninterest expense             | 1,180                  | 1,143     | 1,384  | 4,758  | 4,221     | 4,285    |
| Income before income taxes            | 980                    | 809       | 389    | 3,060  | 3,430     | 424      |
| Income tax expense                    | 379                    | 299       | 136    | 1,008  | 1,138     | 107      |
| Net income                            | \$ 601                 | \$ 510    | \$ 253 | \$ 2,052   | \$ 2,292  | \$ 317   |
| Period-end total assets               | \$ 26,302              | \$ 22,040 |        | \$225,080  | \$222,458 |          |

<CAPTION>  
For the year ended  
December 31

|                           | Equity Investments (/2/) |         |         | Corporate Other |        |        |
|---------------------------|--------------------------|---------|---------|-----------------|--------|--------|
| (Dollars in millions)     | 2000                     | 1999    | 1998    | 2000            | 1999   | 1998   |
| <S>                       | <C>                      | <C>     | <C>     | <C>             | <C>    | <C>    |
| Net interest income (/1/) | \$ (143)                 | \$ (89) | \$ (58) | \$ 332          | \$ 376 | \$ 269 |
| Noninterest income        | 1,007                    | 775     | 498     | 187             | (3)    | 51     |
| Total revenue             | 864                      | 686     | 440     | 519             | 373    | 320    |
| Provision for credit      |                          |         |         |                 |        |        |

|                                  |          |          |        |           |           |          |
|----------------------------------|----------|----------|--------|-----------|-----------|----------|
| losses                           | 4        | 25       | 3      | 300       | --        | --       |
| Gains on sales of securities     | --       | --       | --     | 32        | 189       | 1,008    |
| Amortization of intangibles      | 11       | 11       | 2      | --        | --        | --       |
| Depreciation expense             | 6        | 4        | 5      | --        | --        | --       |
| Merger and restructuring charges | --       | --       | --     | 550       | 525       | 1,795    |
| Other noninterest expense        | 92       | 113      | 76     | 80        | (4)       | 36       |
| <hr/>                            |          |          |        |           |           |          |
| Income before income taxes       | 751      | 533      | 354    | (379)     | 41        | (503)    |
| Income tax expense               | 291      | 203      | 123    | (140)     | 47        | (50)     |
| <hr/>                            |          |          |        |           |           |          |
| Net income                       | \$ 460   | \$ 330   | \$ 231 | \$ (239)  | \$ (6)    | \$ (453) |
| <hr/>                            |          |          |        |           |           |          |
| Period-end total assets          | \$ 6,703 | \$ 4,914 |        | \$ 69,899 | \$ 87,377 |          |

</TABLE>

(1) Net interest income is presented on a taxable-equivalent basis.

(2) There were no material intersegment revenues among the four business segments.

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Following is a reconciliation of the business segments' revenue and net income for the years ended December 31, 2000, 1999 and 1998 and total assets at December 31, 2000 and 1999 to the consolidated totals:

|   |           |           |          |  |
|---|-----------|-----------|----------|--|
| <hr/>   |           |           |          |  |
| <TABLE>   |           |           |          |  |
| <CAPTION>                                       |           |           |          |  |
| (Dollars in millions)                           | 2000      | 1999      | 1998     |  |
| <hr/>   |           |           |          |  |
| <S>   | <C>       | <C>       | <C>      |  |
| Segments' revenue                               | \$ 32,734 | \$ 32,148 | \$30,330 |  |
| Adjustments:                                    |           |           |          |  |
| Earnings associated with unassigned capital     | 332       | 376       | 269      |  |
| Gain on sale of a business                      | 187       | --        | --       |  |
| Gains on sales of subsidiary companies          | --        | --        | 51       |  |
| Other   | --        | (3)       | --       |  |
| <hr/>   |           |           |          |  |
| Consolidated revenue                            | \$ 33,253 | \$ 32,521 | \$30,650 |  |
| <hr/>   |           |           |          |  |
| Segments' net income                            | \$ 7,756  | \$ 7,888  | \$ 5,618 |  |
| Adjustments, net of taxes:                      |           |           |          |  |
| Earnings associated with unassigned capital     | 208       | 234       | 182      |  |
| Gain on sale of a business                      | 117       | --        | --       |  |
| Gains on sales of subsidiary companies          | --        | --        | 34       |  |
| Provision for credit losses                     | (188)     | --        | --       |  |
| Gains on sales of securities                    | 20        | 118       | 680      |  |
| Merger and restructuring charges                | (346)     | (358)     | (1,325)  |  |
| Other   | (50)      | --        | (24)     |  |
| <hr/>   |           |           |          |  |
| Consolidated net income                         | \$ 7,517  | \$ 7,882  | \$ 5,165 |  |
| <hr/>   |           |           |          |  |
| Segments' total assets                          | \$572,292 | \$545,197 |          |  |
| Adjustments:                                    |           |           |          |  |
| Available-for-sale securities                   | 47,155    | 64,969    |          |  |
| Elimination of excess earning asset allocations | (44,510)  | (13,904)  |          |  |
| Other, net                                      | 67,254    | 36,312    |          |  |
| <hr/>   |           |           |          |  |
| Consolidated total assets                       | \$642,191 | \$632,574 |          |  |

</TABLE>

The adjustments presented in the table above represent consolidated income, expense and asset balances not specifically allocated to individual business segments. In addition, reconciling items also include the effect of earnings allocations not assigned to specific business segments, as well as the related earning asset balances.

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Note Twenty - Bank of America Corporation (Parent Company Only)

The following tables present the Parent Company Only financial information:

Condensed Statement of Income

<TABLE>  
<CAPTION>

|   | Year Ended December 31 |         |         |
|---|------------------------|---------|---------|
| (Dollars in millions)   | 2000                   | 1999    | 1998    |
| <S>   | <C>                    | <C>     | <C>     |
| Income  |                        |         |         |
| Dividends from subsidiaries:  |                        |         |         |
| Bank subsidiaries   | \$6,902                | \$7,700 | \$4,795 |
| Other subsidiaries  | 18                     | 171     | 202     |
| Interest from subsidiaries  | 2,756                  | 2,197   | 1,911   |
| Other income  | 1,053                  | 987     | 709     |
|   | 10,729                 | 11,055  | 7,617   |
| Expense   |                        |         |         |
| Interest on borrowed funds  | 3,359                  | 2,626   | 2,805   |
| Noninterest expense   | 1,238                  | 1,155   | 835     |
|   | 4,597                  | 3,781   | 3,640   |
| Income before income tax benefit and equity in undistributed earnings of subsidiaries | 6,132                  | 7,274   | 3,977   |
| Income tax benefit  | 456                    | 494     | 461     |
| Income before equity in undistributed earnings of subsidiaries                        | 6,588                  | 7,768   | 4,438   |
| Equity in undistributed earnings of subsidiaries:                                     |                        |         |         |
| Bank subsidiaries   | 583                    | 10      | 553     |
| Other subsidiaries  | 346                    | 104     | 174     |
|   | 929                    | 114     | 727     |
| Net income  | \$7,517                | \$7,882 | \$5,165 |
| Net income available to common shareholders   | \$7,511                | \$7,876 | \$5,140 |

</TABLE>

#### Condensed Balance Sheet

<TABLE>  
<CAPTION>

|  | December 31 |          |
|--|-------------|----------|
| (Dollars in millions)                      | 2000        | 1999     |
| <S>  | <C>         | <C>      |
| Assets                                     |             |          |
| Cash held at bank subsidiaries             | \$ 20,233   | \$15,932 |
| Temporary investments                      | 677         | 1,458    |
| Receivables from subsidiaries:             |             |          |
| Bank subsidiaries                          | 13,336      | 12,292   |
| Other subsidiaries                         | 7,331       | 9,832    |
| Investments in subsidiaries:               |             |          |
| Bank subsidiaries                          | 52,711      | 49,476   |
| Other subsidiaries                         | 2,248       | 1,624    |
| Other assets                               | 4,157       | 3,693    |
| Total assets                               | \$100,693   | \$94,307 |
| Liabilities and shareholders' equity       |             |          |
| Commercial paper and other notes payable   | \$ 6,747    | \$ 7,146 |
| Accrued expenses and other liabilities     | 2,767       | 2,381    |
| Payables to subsidiaries                   | 4,505       | 4,486    |
| Long-term debt                             | 39,046      | 35,862   |
| Shareholders' equity                       | 47,628      | 44,432   |
| Total liabilities and shareholders' equity | \$100,693   | \$94,307 |

</TABLE>

#### Condensed Statement of Cash Flows

<TABLE>

<CAPTION>

|                       | Year Ended December 31 |      |      |
|-----------------------|------------------------|------|------|
| (Dollars in millions) | 2000                   | 1999 | 1998 |

| <S>  | <C>      | <C>      | <C>     |
|--|----------|----------|---------|
| Operating activities   |          |          |         |
| Net income   | \$ 7,517 | \$ 7,882 | \$5,165 |
| Reconciliation of net income to net cash provided by operating activities: |          |          |         |
| Equity in undistributed earnings of subsidiaries                           | (929)    | (114)    | (727)   |
| Other operating activities   | 798      | (191)    | (412)   |
| Net cash provided by operating activities                                  | 7,386    | 7,577    | 4,026   |
| Investing activities   |          |          |         |
| Net (increase) decrease in temporary investments                           | 87       | (274)    | 632     |
| Net payments from (to) subsidiaries  | 237      | 9,192    | (2,393) |
| Acquisitions of subsidiaries, net of cash                                  | --       | --       | (822)   |
| Other investing activities   | --       | --       | (747)   |
| Net cash provided by (used in) investing activities                        | 324      | 8,918    | (3,330) |
| Financing activities   |          |          |         |
| Net increase (decrease) in commercial paper and other notes payable        | (399)    | 1,600    | 1,726   |
| Proceeds from issuance of long-term debt                                   | 6,335    | 5,912    | 7,283   |
| Retirement of long-term debt   | (2,993)  | (3,760)  | (4,533) |
| Proceeds from issuance of common stock                                     | 294      | 1,158    | 1,367   |
| Common stock repurchased   | (3,256)  | (4,858)  | (1,751) |
| Redemption of preferred stock  | --       | --       | (614)   |
| Cash dividends paid  | (3,388)  | (3,199)  | (1,990) |
| Other financing activities   | (2)      | (485)    | (1,633) |
| Net cash used in financing activities                                      | (3,409)  | (3,632)  | (145)   |
| Net increase in cash held at bank subsidiaries                             | 4,301    | 12,863   | 551     |
| Cash held at bank subsidiaries at January 1                                | 15,932   | 3,069    | 2,518   |
| Cash held at bank subsidiaries at December 31                              | \$20,233 | \$15,932 | \$3,069 |

</TABLE>

On January 1, 1999, NationsCredit Corporation, a nonbank subsidiary, merged into Bank of America Corporation. In addition, during 1999, Bank of America, FSB, a nonbank subsidiary, merged into Bank of America, N.A. and EquiCredit Corporation of America, also a nonbank subsidiary, became an indirect subsidiary of Bank of America, N.A. Amounts presented above for 1998 have not been restated to reflect these transactions.

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#### Note Twenty-One - Performance by Geographic Area

Since the Corporation's operations are highly integrated, certain asset, liability, income and expense amounts must be allocated to arrive at total assets and total revenue by geographic area. The Corporation identifies its geographic performance based upon the business unit in which the assets are recorded and where the income is earned and the expenses are incurred. In certain circumstances, units may transact business with customers who are out of their immediate geographic area. For example, a U.S. domiciled unit may have made a loan to a borrower who resides in Latin America. In this instance, the loan and related income would be included in domestic activities. Translation losses, for those units in hyperinflationary economies, net of hedging, totaled \$1 million in 2000, compared to translation gains of \$4 million in 1999 and translation losses of \$12 million in 1998. These amounts, which are reported in other noninterest income, are included in the table below:

<TABLE>

<CAPTION>

| (Dollars in millions)           | Total Assets (/1/) for the year ended |                |  | Total Revenue (/2/) for the year ended |  |
|---------------------------------|---------------------------------------|----------------|--|--|--|
|                                 | Year                                  | at December 31 |  | December 31                            |  |
| <S>                             | <C>                                   | <C>            |  | <C>                                    |  |
| Domestic (/3/)                  | 2000                                  | \$588,409      |  | \$30,696                               |  |
|                                 | 1999                                  | 583,390        |  | 30,156                                 |  |
|                                 | 1998                                  | 551,800        |  | 29,226                                 |  |
| Asia                            | 2000                                  | 21,287         |  | 889                                    |  |
|                                 | 1999                                  | 20,923         |  | 1,023                                  |  |
|                                 | 1998                                  | 22,108         |  | 765                                    |  |
| Europe, Middle East and Africa  | 2000                                  | 25,648         |  | 1,001                                  |  |
|                                 | 1999                                  | 20,152         |  | 641                                    |  |
|                                 | 1998                                  | 32,590         |  | 256                                    |  |
| Latin America and the Caribbean | 2000                                  | 6,847          |  | 345                                    |  |
|                                 | 1999                                  | 8,109          |  | 486                                    |  |
|                                 | 1998                                  | 11,181         |  | 240                                    |  |

|                    |      |           |          |
|--------------------|------|-----------|----------|
| Total Foreign      | 2000 | 53,782    | 2,235    |
|                    | 1999 | 49,184    | 2,150    |
|                    | 1998 | 65,879    | 1,261    |
| Total Consolidated | 2000 | \$642,191 | \$32,931 |
|                    | 1999 | 632,574   | 32,306   |
|                    | 1998 | 617,679   | 30,487   |

</TABLE>

- (1) Total assets includes long-lived assets, primarily all of which are located in the U.S.
- (2) Total revenues includes net interest income plus noninterest income. There were no material intercompany revenues between geographic regions for any of the periods presented.
- (3) Includes the Corporation's Canadian operations, which had total assets of \$3,938, \$3,378 and \$4,087 and total revenues of \$118, \$100 and \$84 at and for the years ended December 31, 2000, 1999 and 1998, respectively.

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#### Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with accountants on accounting and financial disclosure.

### PART III

#### Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information set forth under the caption "Election of Directors" on pages 2 through 5 of the registrant's definitive 2001 Proxy Statement relating to its annual meeting of stockholders to be held on April 25, 2001 (the "2001 Proxy Statement") with respect to the name of each nominee, that person's age, positions and offices with the registrant, business experience, directorships in other public companies, service on the registrant's Board and certain family relationships, and information set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" on page 7 of the 2001 Proxy Statement with respect to Section 16 matters, is hereby incorporated by reference. In addition, information set forth under the caption "Special Compensation Arrangements - Employment Agreements with Messrs. Lewis and Hance" and "- Consulting Agreement with Mr. McColl" on page 12 of the 2001 Proxy Statement is hereby incorporated by reference. Additional information required by Item 10 with respect to executive officers is set forth in Part I, Item 4A hereof.

#### Item 11. EXECUTIVE COMPENSATION

Information with respect to current remuneration of executive officers, certain proposed remuneration to them, their options and certain indebtedness and other transactions set forth in the 2001 Proxy Statement (i) under the caption "Board of Directors' Compensation" on page 8 thereof, (ii) under the caption "Executive Compensation" on pages 9 and 10 thereof, (iii) under the caption "Retirement Plans" on page 11 thereof, (iv) under the caption "Deferred Compensation Plan" on pages 11 and 12 thereof, (v) under the caption "Special Compensation Arrangements" on page 12 thereof, (vi) under the caption "Compensation Committee Interlocks and Insider Participation" on page 16 thereof, and (vii) under the caption "Certain Transactions" on page 16 thereof, is, to the extent such information is required by Item 402 of Regulation S-K, hereby incorporated by reference.

#### Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The security ownership information required by Item 403 of Regulation S-K relating to persons who beneficially own five percent or more of the outstanding shares of Common Stock, ESOP Preferred Stock or 7% Cumulative Redeemable Preferred Stock, Series B, as well as security ownership information relating to directors, nominees and named executive officers individually and directors and executive officers as a group, is hereby incorporated by reference to the ownership information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" on pages 5 through 7 of the 2001 Proxy Statement.

#### Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information with respect to relationships and related transactions between the registrant and any director, nominee for director, executive officer, security holder owning five percent or more of the registrant's voting securities or any member of the immediate family of any of the above, as set forth in the 2001 Proxy Statement under the caption "Compensation Committee Interlocks and Insider Participation" on page 16 and under the caption "Certain Transactions" on page 16 thereof, is, to the extent such information is required by Item 404 of Regulation S-K, hereby incorporated by reference.

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PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

a. The following documents are filed as part of this report:

<TABLE>

<CAPTION>

|  | Page |
|--|------|
|  | ---- |
| <S>  | <C>  |
| (1) Financial Statements:  |      |
| Report of Independent Accountants  | 61   |
| Consolidated Statement of Income for the years ended December 31, 2000, 1999 and 1998                          | 62   |
| Consolidated Balance Sheet at December 31, 2000 and 1999   | 63   |
| Consolidated Statement of Changes in Shareholders' Equity for the years ended December 31, 2000, 1999 and 1998 | 64   |
| Consolidated Statement of Cash Flows for the years ended December 31, 2000, 1999 and 1998                      | 65   |
| Notes to Consolidated Financial Statements   | 66   |

</TABLE>

(2) Schedules:

None

b. The following reports on Form 8-K were filed by the registrant during the quarter ended December 31, 2000:

Current Report on Form 8-K dated October 6, 2000 and filed October 20, 2000, Items 5 and 7.

Current Report on Form 8-K dated December 6, 2000 and filed December 6, 2000, Items 5, 7 and 9.

Current Report on Form 8-K/A dated December 6, 2000 and filed December 7, 2000, Items 5, 7 and 9.

c. The exhibits filed as part of this report and exhibits incorporated herein by reference to other documents are listed in the Index to Exhibits to this Annual Report on Form 10-K (pages E-1 through E-6, including executive compensation plans and arrangements which are identified separately by asterisk).

With the exception of the information herein expressly incorporated by reference, the 2001 Proxy Statement is not to be deemed filed as part of this Annual Report on Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bank of America Corporation

Date: March 19, 2001

\*/s/ Hugh L. McColl, Jr.  
By: \_\_\_\_\_  
Hugh L. McColl, Jr.  
Chairman of the Board and Chief  
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<TABLE>

<CAPTION>

| Signature                    | Title   | Date           |
|------------------------------|---|----------------|
| -----                        | -----   | ----           |
| <S>                          | <C>   | <C>            |
| */s/Hugh L. McColl, Jr.      | Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer) | March 19, 2001 |
| _____<br>Hugh L. McColl, Jr. |   |                |
| */s/James H. Hance, Jr.      | Vice Chairman, Chief Financial Officer and Director                                       | March 19, 2001 |
| _____<br>James H. Hance, Jr. |   |                |

|                          |   |                |
|--------------------------|---|----------------|
| James H. Hance, Jr.      | (Principal Financial Officer)                                 |                |
| *s/Marc D. Oken          | Executive Vice President and<br>Principal Financial Executive | March 19, 2001 |
| Marc D. Oken             | (Principal Accounting Officer)                                |                |
| *s/Charles W. Coker      | Director  | March 19, 2001 |
| Charles W. Coker         |   |                |
|                          | Director  | March , 2001   |
| Alan T. Dickson          |   |                |
| *s/ Frank Dowd, IV       | Director  | March 19, 2001 |
| Frank Dowd, IV           |   |                |
| *s/Kathleen F. Feldstein | Director  | March 19, 2001 |
| Kathleen F. Feldstein    |   |                |
| *s/Paul Fulton           | Director  | March 19, 2001 |
| Paul Fulton              |   |                |
| *s/Donald E. Guinn       | Director  | March 19, 2001 |
| Donald E. Guinn          |   |                |
| *s/C. Ray Holman         | Director  | March 19, 2001 |
| C. Ray Holman            |   |                |
| *s/W. W. Johnson         | Director  | March 19, 2001 |
| W. W. Johnson            |   |                |

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<TABLE>  
<CAPTION>

| Signature<br>-----                  | Title<br>-----  | Date<br>----          |
|-------------------------------------|---|-----------------------|
| <S><br>*s/Kenneth D. Lewis          | <C><br>President, Chief Operating<br>Officer and Director | <C><br>March 19, 2001 |
| Kenneth D. Lewis                    |   |                       |
| *s/Walter E. Massey                 | Director  | March 19, 2001        |
| Walter E. Massey                    |   |                       |
| *s/ O. Temple Sloan, Jr.            | Director  | March 19, 2001        |
| O. Temple Sloan, Jr.                |   |                       |
| *s/Meredith R. Spangler             | Director  | March 19, 2001        |
| Meredith R. Spangler                |   |                       |
| *s/Ronald Townsend                  | Director  | March 19, 2001        |
| Ronald Townsend                     |   |                       |
| *s/Jackie M. Ward                   | Director  | March 19, 2001        |
| Jackie M. Ward                      |   |                       |
| *s/Virgil R. Williams               | Director  | March 19, 2001        |
| Virgil R. Williams                  |   |                       |
| *By:/s/Charles M. Berger            |   |                       |
| Charles M. Berger, Attorney-in-Fact |   |                       |

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INDEX TO EXHIBITS

<TABLE>



<CAPTION>

Exhibit No. Description

| <C>  | <S>  |
|------|--|
| 3(a) | Amended and Restated Certificate of Incorporation of registrant, as in effect on the date hereof, incorporated by reference to Exhibit 99.1 of registrant's Current Report on Form 8-K filed May 7, 1999.  |
| (b)  | Amended and Restated Bylaws of registrant, as in effect on the date hereof, incorporated by reference to Exhibit 99.2 of registrant's Current Report on Form 8-K filed May 7, 1999.  |
| 4(a) | Specimen certificate of registrant's Common Stock, incorporated by reference to Exhibit 4.13 of registrant's Registration No. 333-83503.   |
| (b)  | Specimen certificate of registrant's ESOP Convertible Preferred Stock, Series C, incorporated by reference to Exhibit 4(c) of registrant's Annual Report on Form 10-K dated March 25, 1992.  |
| (c)  | Specimen certificate of registrant's 7% Cumulative Redeemable Preferred Stock, Series B, incorporated by reference to Exhibit 4(c) of registrant's 1998 Annual Report on Form 10-K (the "1998 Form 10-K").   |
| (d)  | Indenture dated as of August 1, 1982 between registrant and Morgan Guaranty Trust Company of New York, pursuant to which registrant issued its 7 3/4% Debentures, due 2002, incorporated by reference to Exhibit 4.2 of registrant's Registration No. 2-78530; and First Supplemental Indenture thereto dated as of September 18, 1998, incorporated by reference to Exhibit 4(e) of the 1998 Form 10-K.   |
| (e)  | Indenture dated as of September 1, 1989 between registrant and The Bank of New York, pursuant to which registrant issued its 9 3/8% Subordinated Notes, due 2009; its 10.20% Subordinated Notes, due 2015; its 9 1/8% Subordinated Notes, due 2001; and its 8 1/8% Subordinated Notes, due 2002, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-30717; and First Supplemental Indenture thereto dated as of August 28, 1998, incorporated by reference to Exhibit 4(f) of the 1998 Form 10-K.  |
| (f)  | Indenture dated as of January 1, 1992 between registrant and BankAmerica Trust Company of New York, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-54784; and First Supplemental Indenture thereto dated as of July 1, 1993 between registrant and BankAmerica National Trust Company (formerly BankAmerica Trust Company of New York), pursuant to which registrant issued its Senior Medium-Term Notes, Series A, B and C, incorporated by reference to Exhibit 4.1 of registrant's Current Report on Form 8-K dated July 6, 1993; and Second Supplemental Indenture thereto dated as of September 18, 1998, incorporated by reference to Exhibit 4(g) of the 1998 Form 10-K.  |
| (g)  | Indenture dated as of November 1, 1992 between registrant and The Bank of New York, pursuant to which registrant issued its 6 7/8% Subordinated Notes, due 2005, incorporated by reference to Exhibit 4.1 of registrant's Amendment to Application or Report on Form 8 dated March 1, 1993.  |
| (h)  | First Supplemental Indenture dated as of July 1, 1993 to the Indenture dated as of November 1, 1992 between registrant and The Bank of New York, pursuant to which registrant issued its Subordinated Medium-Term Notes, Series A and B; its 6 1/2% Subordinated Notes, due 2003; and its 7 3/4% Subordinated Notes, due 2004, incorporated by reference to Exhibit 4.4 of registrant's Current Report on Form 8-K dated July 6, 1993; and Second Supplemental Indenture thereto dated as of August 28, 1998, incorporated by reference to Exhibit 4(i) of the 1998 Form 10-K.   |
| (i)  | Indenture dated as of January 1, 1995 between registrant and U.S. Bank Trust National Association (successor to BankAmerica National Trust Company), pursuant to which registrant issued its 7% Senior Notes, due 2003; its 7% Senior Notes, due 2001; its 5 3/4% Senior Notes, due 2001; its 6 3/8% Senior Notes, due 2005; its 6 1/8% Senior Notes, due 2004; its 5 7/8% Senior Notes, due 2009; its 6 5/8% Senior Notes, due 2004; its 7 7/8% Senior Notes, due 2005; its 7 1/8% Senior Notes, due 2006; and its Senior Medium-Term Notes, Series D, E, F, G and H, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-57533; and First Supplemental Indenture thereto dated as of September 18, 1998, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K filed November 18, 1998. |

</TABLE>

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<TABLE>

<CAPTION>

Exhibit No. Description

| <C> | <S>  |
|-----|--|
| (j) | Indenture dated as of January 1, 1995 between registrant and The Bank of New York, pursuant to which registrant issued its 7 5/8% Subordinated Notes, due 2005; its 7 3/4% Subordinated Notes, due 2015; its 7 1/4% Subordinated Notes, due 2025; its 6 1/2% Subordinated Notes, due 2006; its 7 1/2% Subordinated Notes, due 2006; its 7.80% Subordinated Notes, due 2016; its 6 3/8% Subordinated Notes, due 2008; its 6.80% Subordinated Notes, due 2028; its 6.60% Subordinated Notes, due 2010; its 7.80% Subordinated Notes due 2010; its 7.40% Subordinated Notes, due 2011; and its Subordinated Medium-Term Notes, Series D, E, F, G and H, |

incorporated by reference to Exhibit 4.8 of registrant's Registration No. 33-57533; and First Supplemental Indenture thereto dated as of August 28, 1998, incorporated by reference to Exhibit 4.8 of

- (k) Fiscal and Paying Agency Agreement dated as of July 5, 1995, between registrant and The Chase Manhattan Bank, N.A. (London Branch), pursuant to which registrant issued its Floating Rate Senior Notes, due 2000, incorporated by reference to Exhibit 4(l) of registrant's 1995 Annual Report on Form 10-K (the "1995 Form 10-K").
- (l) Amended and Restated Agency Agreement dated as of August 1, 2000 between registrant, Bank of America, N.A., The Chase Manhattan Bank, London Branch, and The Chase Manhattan Bank Luxembourg S.A.
- (m) Issuing and Paying Agency Agreement dated as of August 1, 2000 between Bank of America, N.A., as Issuer, and Bankers Trust Company, as Issuing and Paying Agent.
- (n) Indenture dated as of November 27, 1996 between registrant and The Bank of New York, incorporated by reference to Exhibit 4.10 of registrant's Registration No. 333-15375.
- (o) First Supplemental Indenture dated as of December 4, 1996 to the Indenture dated as of November 27, 1996 between registrant and The Bank of New York pursuant to which registrant issued its 7.84% Junior Subordinated Deferrable Interest Notes due 2026, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated November 27, 1996.
- (p) Second Supplemental Indenture dated as of December 17, 1996 to the Indenture dated as of November 27, 1996 between registrant and The Bank of New York pursuant to which registrant issued its 7.83% Junior Subordinated Deferrable Interest Notes due 2026, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated December 10, 1996.
- (q) Third Supplemental Indenture dated as of February 3, 1997 to the Indenture dated as of November 27, 1996 between registrant and The Bank of New York pursuant to which registrant issued its Floating Rate Junior Subordinated Deferrable Interest Notes due 2027, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated January 22, 1997.
- (r) Fourth Supplemental Indenture dated as of April 22, 1997 to the Indenture dated as of November 27, 1996 between registrant and The Bank of New York pursuant to which registrant issued its 8 1/4% Junior Subordinated Deferrable Interest Notes, due 2027, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated April 15, 1997.
- (s) Fifth Supplemental Indenture dated as of August 28, 1998 to the Indenture dated as of November 27, 1996 between registrant and The Bank of New York, incorporated by reference to Exhibit 4(t) of the 1998 Form 10-K.
- (t) Indenture dated as of November 27, 1996, between Barnett Banks, Inc. and The First National Bank of Chicago, as Trustee, and First Supplemental Indenture dated as of January 9, 1998, among registrant, NB Holdings Corporation, Barnett Banks, Inc. and The First National Bank of Chicago, as Trustee, pursuant to which registrant (as successor to Barnett Banks, Inc.) issued its 8.06% Junior Subordinated Debentures, due 2026, incorporated by reference to Exhibit 4(u) of registrant's 1997 Annual Report on Form 10-K (the "1997 Form 10-K").
- (u) Indenture dated as of September 1, 1990 between the former BankAmerica Corporation and Chase Manhattan Bank and Trust Company, N. A. (formerly Manufacturers Hanover Trust Company of California), pursuant

</TABLE>

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<TABLE>

<CAPTION>

Exhibit No. Description

<C>

<S>

to which registrant (as successor to the former BankAmerica Corporation) issued its Subordinated Medium Term Notes, Series E; its 9.375% Subordinated Notes due 2001; its 10.00% Subordinated Notes due 2003; its 9.625% Subordinated Notes due 2001; its 9.50% Subordinated Notes due 2001; and its 9.20% Subordinated Notes due 2003; and First Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(v) of the 1998 Form 10-K.

- (v) Indenture dated as of November 1, 1991 between the former BankAmerica Corporation and Chase Manhattan Bank and Trust Company, N. A. (formerly Manufacturers Hanover Trust Company of California), pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 8.125% Subordinated Notes due 2002; its 7.75% Subordinated Notes due 2002; its 8.375% Subordinated Notes due 2002; its 7.50% Subordinated Notes due 2002; its 7.20% Subordinated Notes due 2002; its 7.875% Subordinated Notes due 2002; its 6.85% Subordinated Notes due 2003; its 6.875% Subordinated Notes due 2003; its Floating Subordinated Notes due 2003; its 7.20% Subordinated Notes due 2006; its 7.625% Subordinated Notes due 2004; its 8.125% Subordinated Notes due 2004; its 8.95%

Subordinated Notes due 2004; its 6.75% Subordinated Notes due 2005; its 6.20% Subordinated Notes due 2006; its 7.125% Subordinated Notes due 2006; its 6.625% Subordinated Notes due 2007; its 6.625% Subordinated Notes due 2007; its 7.125% Subordinated Notes due 2009; its 7.125% Subordinated Notes due 2011; and its 6.25% Subordinated Notes due 2008; First Supplemental Indenture thereto dated as of September 8, 1992; and Second Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(w) of the 1998 Form 10-K.

(w) Indenture dated as of November 1, 1991 between the former BankAmerica Corporation and U.S. Bank Trust, N. A. (successor to Bankers Trust Company of California, National Association, and First Trust of California, National Association), pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 6.65% Note due 2001; its 6.625% Note due 2001; and its Senior Medium-Term Notes, Series H and I; First Supplemental Indenture thereto dated as of August 1, 1994; and Second Supplemental Indenture thereto dated as of September 30, 1998, incorporated by reference to Exhibit 4(x) of the 1998 Form 10-K.

(x) Second Amended and Restated Agency Agreement dated as of November 15, 1996 between the former BankAmerica Corporation and First Trust of New York, National Association, pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its Senior and Subordinated Euro Medium-Term Notes; and Amendment thereto dated as of September 30, 1998, incorporated by reference to Exhibit 4(y) of the 1998 Form 10-K.

(y) Junior Subordinated Indenture dated as of November 27, 1996 between the former BankAmerica Corporation and Bankers Trust Company, pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 8.07% Series A Preferred Securities due 2026; and its 7.70% Series B Preferred Securities due 2026; and First Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(z) of the 1998 Form 10-K.

(z) Junior Subordinated Indenture dated as of December 20, 1996 between the former BankAmerica Corporation and Bankers Trust Company, pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 7.75% Trust Originated Preferred Securities, Series 1 due 2026; its 8.00% Cumulative Semi-Annual Income Preferred Securities, Series 2 due 2026; its Floating Rate Capital Securities, Series 3 due 2027; and its 7.00% Trust Originated Preferred Securities, Series 4 due 2028; and First Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(aa) of the 1998 Form 10-K.

(aa) Restated Indenture (Senior Debt Securities) dated as of January 1, 2001 by and between registrant and The Bank of New York, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 333-47222.

(bb) Restated Indenture (Subordinated Debt Securities) dated as of January 1, 2001 by and between registrant and The Bank of New York, incorporated by reference to Exhibit 4.2 of registrant's Registration No. 333-47222.

</TABLE>

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<TABLE>  
<CAPTION>  
Exhibit No. Description

-----  
The registrant has other long-term debt agreements, but these are not material in amount. Copies of these agreements will be furnished to the Commission on request.

| <C>   | <S>  | <C> |
|-------|--|-----|
| 10(a) | NationsBank Corporation and Designated Subsidiaries Directors' Retirement Plan, incorporated by reference to Exhibit 10(f) of registrant's Annual Report on Form 10-K dated March 27, 1991; Amendment thereto dated as of September 28, 1994, incorporated by reference to Exhibit 10(i) of registrant's Annual Report on Form 10-K dated March 30, 1995; and Amendment thereto dated as of April 24, 1996, incorporated by reference to Exhibit 10(g) of registrant's 1996 Annual Report on Form 10-K (the "1996 Form 10-K").   | *   |
| (b)   | NationsBank Corporation and Designated Subsidiaries Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10(j) of registrant's Annual Report on Form 10-K dated March 30, 1995; Amendment thereto dated as of June 28, 1989, incorporated by reference to Exhibit 10(g) of registrant's Annual Report on Form 10-K dated March 28, 1990; Amendment thereto dated as of June 27, 1990, incorporated by reference to Exhibit 10(g) of registrant's Annual Report on Form 10-K dated March 27, 1991; Amendment thereto dated as of July 21, 1991, incorporated by reference to Exhibit 10(bb) of registrant's Annual Report on Form 10-K dated March 25, 1992; Amendments thereto dated as of December 3, 1992 and December 15, 1992, both of which are incorporated by reference to Exhibit 10(l) of registrant's Annual Report on Form 10-K dated March 24, 1993; Amendment thereto dated as of September 28, 1994, incorporated by reference to Exhibit 10(j) of registrant's Annual Report on Form 10-K dated March 30, 1995; Amendments thereto dated March 27, 1996 and June 25, 1997, incorporated by reference to Exhibit 10(c) of the 1997 Form 10-K; Amendments thereto dated April 10, 1998, June 24, 1998 and October | *   |

1, 1998, incorporated by reference to Exhibit 10(b) of the 1998 Form 10-K; and Amendment thereto dated December 14, 1999, incorporated by reference to Exhibit 10(b) of registrant's 1999 Annual Report on Form 10-K (the "1999 Form 10-K").

- (c) NationsBank Corporation and Designated Subsidiaries Deferred Compensation Plan for Key Employees, incorporated by reference to Exhibit 10(k) of registrant's Annual Report on Form 10-K dated March 30, 1995; Amendment thereto dated as of June 28, 1989, incorporated by reference to Exhibit 10(h) of registrant's Annual Report on Form 10-K dated March 28, 1990; Amendment thereto dated as of June 27, 1990, incorporated by reference to Exhibit 10(h) of registrant's Annual Report on Form 10-K dated March 27, 1991; Amendment thereto dated as of July 21, 1991, incorporated by reference to Exhibit 10(bb) of registrant's Annual Report on Form 10-K dated March 25, 1992; Amendment thereto dated as of December 3, 1992, incorporated by reference to Exhibit 10(m) of registrant's Annual Report on Form 10-K dated March 24, 1993; and Amendments thereto dated April 10, 1998 and October 1, 1998, incorporated by reference to Exhibit 10(b) of the 1998 Form 10-K. \*
- (d) NationsBank Corporation and Designated Subsidiaries Supplemental Retirement Plan, incorporated by reference to Exhibit 10(o) of registrant's Annual Report on Form 10-K dated March 30, 1994; Amendment thereto dated as of June 28, 1989, incorporated by reference to Exhibit 10(k) of registrant's Annual Report on Form 10-K dated March 28, 1990; Amendment thereto dated as of June 27, 1990, incorporated by reference to Exhibit 10(k) of registrant's Annual Report on Form 10-K dated March 27, 1991; Amendment thereto dated as of July 21, 1991, incorporated by reference to Exhibit 10(bb) of registrant's Annual Report on Form 10-K dated March 25, 1992; Amendments thereto dated as of December 3, 1992 and December 4, 1992, both of which are incorporated by reference to Exhibit 10(p) of registrant's Annual Report on Form 10-K dated March 24, 1993; Amendment thereto dated as of July 5, 1995, incorporated by reference to Exhibit 10(l) of the 1995 Form 10-K; and Amendments thereto dated April 10, 1998 and October 1, 1998, incorporated by reference to Exhibit 10(b) of the 1998 Form 10-K. \*

</TABLE>

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<TABLE>

<CAPTION>

Exhibit No. Description

| <C> | <S>   | <C> |
|-----|---|-----|
| (e) | Split Dollar Agreement dated as of February 1, 1990 between registrant and Hugh L. McColl III, as Trustee for the benefit of Hugh L. McColl, Jr. and Jane S. McColl, incorporated by reference to Exhibit 10(s) of registrant's 1990 Annual Report on Form 10-K.  | *   |
| (f) | NationsBank Corporation Benefit Security Trust dated as of June 27, 1990, incorporated by reference to Exhibit 10(t) of registrant's Annual Report on Form 10-K dated March 27, 1991; First Supplement thereto dated as of November 30, 1992, incorporated by reference to Exhibit 10(v) of registrant's Annual Report on Form 10-K dated March 24, 1993; and Trustee Removal/ Appointment Agreement dated as of December 19, 1995, incorporated by reference to Exhibit 10(o) of the 1995 Form 10-K. | *   |
| (g) | The NationsBank 401(k) Restoration Plan, as amended and restated effective April 1, 1998 and as further amended and restated effective July 1, 1998, incorporated by reference to Exhibit 10(g) of the 1998 Form 10-K.  | *   |
| (h) | Bank of America Executive Incentive Compensation Plan, as amended and restated effective April 1, 1998, incorporated by reference to Exhibit 10(h) of the 1998 Form 10-K.   | *   |
| (i) | Bank of America Director Deferral Plan, as amended and restated effective January 27, 1999, incorporated by reference to Exhibit 10(i) of the 1998 Form 10-K.   | *   |
| (j) | NationsBank Corporation Directors' Stock Plan, incorporated by reference to Exhibit 99.1 of registrant's Registration No. 333-02875.  | *   |
| (k) | Amendment to Restricted Stock Award Plan Agreements with Hugh L. McColl, Jr. dated December 20, 1996, incorporated by reference to Exhibit 10(x) of the 1996 10-K.  | *   |
| (l) | Bank of America Corporation Key Employee Stock Plan, as amended and restated effective September 24, 1998, incorporated by reference to Exhibit 10(a) of registrant's Quarterly Report on Form 10-Q dated November 16, 1998 (the "Third Quarter 1998 Form 10-Q").   | *   |
| (m) | BankAmerica Corporation and Bank of America National Trust and Savings Association Deferred Compensation Plan for Directors, as amended and restated, incorporated by reference to Exhibit 10(b) of the Third Quarter 1998 Form 10-Q.   | *   |
| (n) | Split Dollar Life Insurance Agreement dated as of October 15, 1998 between registrant and NationsBank, N. A., as Trustee under that certain Irrevocable Trust Agreement dated October 2, 1998, by and between Hugh L. McColl, Jr., as Grantor, and NationsBank, N. A., as Trustee, incorporated by reference to Exhibit 10(cc) of the 1998 Form 10-K.   | *   |
| (o) | Split Dollar Life Insurance Agreement dated as of October 16, 1998 between registrant and NationsBank, N. A., as Trustee under that certain Irrevocable Trust Agreement No. 2 dated October 1, 1998, by and between   | *   |

|     |  |   |
|-----|--|---|
|     | James H. Hance, Jr., as Grantor, and NationsBank, N. A., as Trustee, incorporated by reference to Exhibit 10(dd) of the 1998 Form 10-K.  |   |
| (p) | Split Dollar Life Insurance Agreement dated as of September 28, 1998 between registrant and J. Steele Alphin, as Trustee under that certain Irrevocable Trust Agreement dated June 23, 1998, by and between Kenneth D. Lewis, as Grantor, and J. Steele Alphin, as Trustee, incorporated by reference to Exhibit 10(ee) of the 1998 Form 10-K. | * |
| (q) | Employment Agreement dated as of April 10, 1998 between registrant and James H. Hance, Jr., incorporated by reference to Exhibit 10.4 of registrant's Registration No. 333-60553; and Amendment thereto dated January 24, 2001.  | * |
| (r) | Employment Agreement dated as of April 10, 1998 between registrant and Kenneth D. Lewis, incorporated by reference to Exhibit 10.5 of registrant's Registration No. 333-60553; and Amendment thereto dated January 24, 2001.   | * |

</TABLE>

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<TABLE>

<CAPTION>

Exhibit No. Description

| <C>   | <S>   | <C> |
|-------|---|-----|
| (s)   | Split Dollar Life Insurance Agreement dated as of August, 1999 between registrant and Bank of America, N.A., as Trustee under The Vandiver Family Trust Dated August 12, 1999, incorporated by reference to Exhibit 10(dd) of the 1999 Form 10-K. | *   |
| (t)   | Global Corporate and Investment Banking Equity Incentive Plan, as established effective January 1, 2000.  | *   |
| (u)   | Consulting Agreement dated January 24, 2001 between registrant and Hugh L. McColl, Jr.  | *   |
| (v)   | Summary of the 2000 Corporate Management Incentive Plan.  | *   |
| (w)   | Relocation Agreement dated October 5, 1998 between registrant and Edward J. Brown III.  | *   |
| 11    | Earnings per share computation. Included in Note 12 of the consolidated financial statements.   |     |
| 12(a) | Ratio of Earnings to Fixed Charges.   |     |
| (b)   | Ratio of Earnings to Fixed Charges and Preferred Dividends.   |     |
| 21    | List of Subsidiaries.   |     |
| 23    | Consent of PricewaterhouseCoopers LLP.  |     |
| 24(a) | Power of Attorney.  |     |
| (b)   | Corporate Resolution.   |     |

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\* Denotes executive compensation plan or arrangement.

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AMENDED AND RESTATED  
AGENCY AGREEMENT

relating to

BANK OF AMERICA CORPORATION  
and  
BANK OF AMERICA, N.A.

U.S. \$20,000,000,000

Euro Medium-Term Note Program

among

BANK OF AMERICA CORPORATION  
and  
BANK OF AMERICA, N.A.  
as Issuers

and

THE CHASE MANHATTAN BANK, London Branch  
as Issuing and Principal Paying Agent

and

CHASE MANHATTAN BANK LUXEMBOURG S.A.  
as Paying Agent

Dated as of August 1, 2000

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THIS AMENDED AND RESTATED AGENCY AGREEMENT dated as of August 1, 2000 among:

- (i) Bank of America Corporation, a Delaware corporation (the "Corporation"), and Bank of America, N.A., a national banking association (the "Bank"; the Bank and the Corporation are each an "Issuer" and collectively, "Issuers");
- (ii) The Chase Manhattan Bank, London Branch (the "Agent" and the "Issuing and Principal Paying Agent"); and
- (iii) Chase Manhattan Bank Luxembourg S.A. (the "Paying Agent").

WHEREAS, the Corporation, the Agent and the Paying Agent wish to update the arrangements originally agreed among them pursuant to that certain Agency Agreement dated November 8, 1995, as amended and restated to the date hereof, including the amendment and restatement dated July 30, 1999 (the "Original Agency Agreement");

WHEREAS, the Issuers propose to issue up to U.S. \$10,000,000,000 with respect to the Corporation and U.S. \$10,000,000,000 with respect to the Bank (or its equivalent in other currencies) in aggregate principal amount of Euro Medium-Term Notes (the "Notes") outstanding at any one time as provided in an Amended and Restated Program Agreement of even date among the Issuers, the Arranger and the Dealers named therein (the "Program Agreement") and as described in an Offering Circular of even date (the "Offering Circular");

WHEREAS, Notes will be issued in the denominations specified in the relevant Pricing Supplement issued in connection with each Series and each Tranche of Notes; and

WHEREAS, unless otherwise determined by an Issuer and specified in the applicable Pricing Supplement, beneficial interests in each Tranche of Notes initially will be represented by a Temporary Global Note, exchangeable, as provided in such Temporary Global Note, for beneficial interests in a Permanent Global Note and, only under limited circumstances, beneficial interests in a Global Note may be exchangeable for Definitive Notes, in each case in accordance with the terms of the Global Notes.

NOW, THEREFORE, it is agreed as follows:

# 1. Definitions and Interpretation

(1) Terms and expressions defined in the Program Agreement or the Notes or used in the applicable Pricing Supplement shall have the same meanings in this Agreement, except where the context requires otherwise.

(2) Without prejudice to the foregoing in this Agreement:

"outstanding" means, in relation to the Notes, all the Notes issued other than (a) those which have been redeemed in accordance with the Terms and Conditions, (b) those in respect of which the date for redemption in accordance

with the Terms and Conditions has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest or other amounts payable under the Terms and Conditions after such date) have been duly paid to the Agent as provided in this Agreement and remain available for payment against presentation and surrender of Notes and/or Receipts and/or Coupons, as the case may be, (c) those which have become void under Condition 8, (d) those which have been purchased and canceled as provided in Condition 5 (or as provided in the Global Notes), (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to Condition 10, (f) (for purposes only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to Condition 10, (g) any Temporary Global Note to the extent that it shall have been exchanged for a Permanent Global Note, in each case pursuant to their respective provisions; provided that for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Noteholders and (ii) the determination of how many Notes are outstanding for the

purposes of Schedule 7, those Notes which are beneficially held by, or are held on behalf of, an Issuer or any of its affiliates shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Paying Agents" means the Issuing and Principal Paying Agent and the Paying Agent referred to above and such other Paying Agent or Agents as may be appointed from time to time hereunder; and

(3) The term "Notes" as used in this Agreement shall include the Temporary Global Note and the Permanent Global Note, Definitive Notes and Coupons. The term "Global Note" as used in this Agreement shall include both the Temporary Global Note and the Permanent Global Note, each of which is a "Global Note." The term "Noteholders" as used in this Agreement shall mean the several persons who are for the time being the holders of the Notes, which expression, while the Notes are represented by a Global Note, shall mean (other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested as against the relevant Issuer solely in the bearer of such Global Note in accordance with and subject to its terms) the persons for the time being shown in the records of Euroclear (as defined below) or Clearstream, Luxembourg (as defined below) (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the Noteholders of particular principal amounts of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes standing to the credit of the account of any person shall be conclusive and binding for all purposes).

(4) For purposes of this Agreement, the Notes of each Series shall form a separate series of Notes and the provisions of this Agreement shall apply mutatis mutandis separately and independently to the Notes of each Series and in such provisions the expressions "Notes", "Noteholders", "Receipts", "Receiptholders", "Coupons", "Couponholders", "Talons" and "Talonholders" shall be construed accordingly.

(5) All references in this Agreement to principal and/or interest or both in respect of the Notes or to any moneys payable by an Issuer under this Agreement shall have the meaning set out in Condition 4.

(6) All references in this Agreement to the "relevant currency" shall be construed as references to the currency in which the relevant Notes and/or Coupons are denominated (or payable in the case of Dual Currency Notes).

(7) In this Agreement, Clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement. All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted or to any statutory instrument, order or regulation made thereunder or under such re-enactment.

(8) All references in this Agreement to an agreement, instrument or other document (including, without limitation, this Agreement, the Program Agreement, the Notes and any Terms and Conditions appertaining thereto) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied or supplemented from time to time.

(9) Any references herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include, whenever the context permits, a reference to any additional or alternative clearance system approved by the Issuers and the Agent.

## 2. Appointments of Agent, Paying Agents and Calculation Agents

(1) The Issuers hereby continue the appointment of The Chase Manhattan Bank, London Branch, as agent, and The Chase Manhattan Bank, London Branch, hereby acknowledges its continued acceptance of such appointment as agent of the



Issuers, upon the terms and subject to the conditions set out below, for the purposes of:

(a) completing, authenticating and delivering Global Notes and (if required) authenticating and delivering Definitive Notes;

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(b) exchanging Temporary Global Notes for Permanent Global Notes or Definitive Notes, as the case may be, in accordance with the terms of such Temporary Global Notes;

(c) under limited circumstances, exchanging Permanent Global Notes for Definitive Notes in accordance with the terms of such Permanent Global Notes;

(d) paying sums due on Global Notes and Definitive Notes, Receipts and Coupons;

(e) determining the end of the Restricted Period applicable to each Tranche;

(f) unless otherwise specified in the applicable Pricing Supplement, determining the interest and/or other amounts payable in respect of the Notes in accordance with the Terms and Conditions;

(g) arranging on behalf of the Issuers for notices to be communicated to the Noteholders;

(h) preparing and sending any required periodic reports to the Ministry of Finance of Japan (the "MoF"), the Bank of England or other appropriate authority and, subject to confirmation from the relevant Issuer for the need for such further reporting, ensuring that all necessary action is taken to comply with any reporting requirements of any competent authority of any relevant currency as may be in force from time to time with respect to the Notes to be issued under the Program;

(i) subject to the Procedures Memorandum, submitting to the appropriate stock exchange such number of copies of each Pricing Supplement which relates to Notes which are to be listed on that stock exchange as it may reasonably require;

(j) receiving notice from Euroclear and/or Clearstream, Luxembourg relating to the certificates of non-U.S. beneficial ownership of the Notes; and

(k) performing all other obligations and duties imposed upon it by the Terms and Conditions, this Agreement or as may be agreed between the relevant Issuer and the Agent in connection with a particular Series or Tranche of Notes..

(2) The relevant Issuer may, in its discretion, appoint (or remove) one or more agents outside the United States and its possessions (each a "Paying Agent") for the payment (subject to applicable laws and regulations) of the principal of and any interest and Additional Amounts, if any, (as defined in Section 6 of the Terms and Conditions) on the Notes. Each Issuer hereby appoints Chase Manhattan Bank Luxembourg S.A., at its office in Luxembourg at 5 rue Plaetis, L-2338 Luxembourg-Grund, as its Paying Agent in Luxembourg. Upon its written acceptance of such appointment or execution of a copy of this Agreement, each Paying Agent shall have the powers and authority granted to and conferred upon it herein and in the Notes, and such further powers and authority, acceptable to it, to act on behalf of the relevant Issuer as such Issuer may hereafter grant to or confer upon it in writing. As used herein, "paying agencies" shall mean paying agencies maintained by a Paying Agent on behalf of an Issuer as provided elsewhere herein.

(3) The Issuers will appoint an agent to make certain calculations with respect to the Notes (the "Calculation Agent") pursuant to the Terms and Conditions.

### 3. Issue of Temporary Global Notes

(1) Subject to sub-clause (2), following receipt of a notification from an Issuer in respect of an issue of Notes (such notification being by receipt of a confirmation (a "Confirmation")), substantially in the

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applicable form set out in the Procedures Memorandum) the Agent will take the steps required of the Agent in the Procedures Memorandum. For this purpose the Agent is hereby authorized on behalf of such Issuer:

(a) to prepare a Temporary Global Note in accordance with such

Confirmation by attaching a copy of the applicable Pricing Supplement to a copy of the relevant master Temporary Global Note;

(b) to authenticate (or cause to be authenticated) such Temporary Global Note;

(c) to deliver such Temporary Global Note to the specified common depositary of Euroclear and/or Clearstream, Luxembourg in accordance with the Confirmation against receipt from the common depositary of confirmation that such common depositary is holding the Temporary Global Note in safe custody for the account of Euroclear and/or Clearstream, Luxembourg and to instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an issue of Notes on a non-syndicated basis, to credit the Notes represented by such Temporary Global Note to the Agent's distribution account, and (ii) in the case of Notes issued on a syndicated basis, to hold the Notes represented by such Temporary Global Note pursuant to the relevant Issuer's order; and

(d) to ensure that the Notes of each Tranche are assigned a Common Code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the Common Code and ISIN assigned to Notes of any other Tranche of the same Series until 40 days after the completion of the distribution of the Notes of such Tranche as notified by the Agent to the relevant Dealer.

(2) The Agent shall only be required to perform its obligations under sub-clause (1) if it holds:

(a) master Temporary Global Notes, duly executed by a person or persons authorized to execute the same on behalf of the relevant Issuer, which may be used by the Agent for the purpose of preparing Temporary Global Notes in accordance with paragraph (a) of that sub-clause; and

(b) master Permanent Global Notes, duly executed by a person or persons authorized to execute the same on behalf of the relevant Issuer, which may be used by the Agent for the purpose of preparing Permanent Global Notes in accordance with Clause 4 below.

(3) The Agent will provide Euroclear and/or Clearstream, Luxembourg with the notifications, instructions or other information to be given by the Agent to Euroclear and/or Clearstream, Luxembourg in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg.

4. Determination of Exchange Date, Issue of Permanent Global Notes  
-----  
or Definitive Notes and Determination of Restricted Period  
-----

(1) (a) The Agent shall determine the Exchange Date for each Temporary Global Note in accordance with the terms thereof. Forthwith upon determining the Exchange Date in respect of any Tranche, the Agent shall notify such determination to the relevant Issuer, the relevant Dealer, Euroclear and Clearstream, Luxembourg.

(b) The Agent shall deliver, upon notice from Euroclear or Clearstream, Luxembourg, a Permanent Global Note or Definitive Notes, as the case may be, in accordance with the terms of the Temporary Global Note. Upon any such exchange of a portion of a Temporary Global Note for an interest in a Permanent Global Note the Agent is hereby authorized on behalf of the relevant Issuer:

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(i) for the first Tranche of any Series of Notes, to prepare and complete a Permanent Global Note in accordance with the terms of the Temporary Global Note applicable to such Tranche by attaching a copy of the applicable Pricing Supplement to a copy of the relevant master Permanent Global Note;

(ii) for the first Tranche of any Series of Notes, to authenticate such Permanent Global Note;

(iii) for the first Tranche of any Series of Notes, to deliver such Permanent Global Note to the common depositary which is holding the Temporary Global Note applicable to such Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg either in exchange for such Temporary Global Note or, in the case of a partial exchange, on entering details of such partial exchange of the Temporary Global Note in the relevant spaces in Schedule 2 of both the Temporary Global Note and the Permanent Global Note, and in either case against receipt from the common depositary of confirmation that such common depositary

is holding the Permanent Global Note in safe custody for the account of Euroclear and/or Clearstream, Luxembourg; and

(iv) in any other case, to attach a copy of the applicable Pricing Supplement to the Permanent Global Note applicable to the relevant Series and enter details of any exchange in whole or part as aforesaid.

(2) (a) For a Tranche in respect of which there is only one Dealer, the Agent will determine the end of the Restricted Period in respect of such Tranche as being the fortieth day following the date certified by the relevant Dealer to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.

(b) For a Tranche in respect of which there is more than one Dealer but is not issued on a syndicated basis, the Agent will determine the end of the Restricted Period in respect of such Tranche as being the fortieth day following the latest of the dates certified by all the relevant Dealers to the Agent as being the respective dates as of which distribution of the Notes of that Tranche purchased by each such dealer was completed.

(c) For a Tranche issued on a syndicated basis, the Agent will determine the end of the Restricted Period in respect of such Tranche as being the fortieth day following the date certified by the Lead Manager to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.

(d) Forthwith upon determining the end of the Restricted Period in respect of any Tranche, the Agent shall notify such determination to the relevant Issuer and the relevant Dealer or the Lead Manager in the case of a syndicated issue.

#### 5. Issue of Definitive Notes -----

(1) Interests in a Global Note will be exchangeable for Definitive Notes with Coupons attached only if: (i) an Event of Default (as defined in the Terms and Conditions) occurs and is continuing, or (ii) the relevant Issuer is notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) after the original issuance of the Notes or has announced an intention permanently to cease business or has in fact done so and no alternative clearance system approved by the Noteholders is available, or (iii) the relevant Issuer, after notice to the Agent, determines to issue Notes in definitive form. Upon the occurrence of these events, the Agent shall deliver the relevant Definitive Note(s) in accordance with the terms of the relevant Global Note. For this purpose the Agent is hereby authorized on behalf of the relevant Issuer:

(a) to authenticate such Definitive Note(s) in accordance with the provisions of this Agreement; and

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(b) to deliver such Definitive Note(s) to or to the order of Euroclear and/or Clearstream, Luxembourg in exchange for such Global Note.

The Agent shall notify the relevant Issuer forthwith upon receipt of a request for issue of (a) Definitive Note(s) in accordance with the provisions of a Global Note and this Agreement (and the aggregate principal amount of such Temporary Global Note or Permanent Global Note, as the case may be, to be exchanged in connection therewith).

(2) The relevant Issuer undertakes to deliver to the Agent sufficient numbers of executed Definitive Notes with, if applicable, Receipts, Coupons and Talons attached to enable the Agent to comply with its obligations under this Clause 5.

#### 6. Terms of Issue -----

(1) The Agent shall cause all Temporary Global Notes, Permanent Global Notes and Definitive Notes delivered to and held by it under this Agreement to be maintained in safe custody and shall ensure that such Notes are issued only in accordance with the provisions of this Agreement and the relevant Global Note and Terms and Conditions.

(2) Subject to the procedures set out in the Procedures Memorandum, for the purposes of Clause 3(1) the Agent is entitled to treat a telephone, telex or facsimile communication from a person purporting to be (and who the Agent believes in good faith to be) the authorized representative of the relevant Issuer named in the lists referred to in, or notified pursuant to, Clause 17(7) as sufficient instructions and authority of such Issuer for the

Agent to act in accordance with Clause 3(1).

(3) If a person who has signed on behalf of the relevant Issuer any Note not yet issued but held by the Agent in accordance with Clause 3(1) ceases to be authorized as described in Clause 17(7), the Agent shall (unless such Issuer gives notice to the Agent that Notes signed by that person do not constitute valid and binding obligations of such Issuer or otherwise until replacements have been provided to the Agent) continue to have authority to issue any such Notes, and the relevant Issuer hereby warrants to the Agent that such Notes shall, unless notified as aforesaid, be valid and binding obligations of such Issuer. Promptly upon such person ceasing to be authorized, the relevant Issuer shall provide the Agent with replacement Notes and upon receipt of such replacement Notes the Agent shall cancel and destroy the Notes held by it which are signed by such person and shall provide to the relevant Issuer a confirmation of destruction in respect thereof specifying the Notes so canceled and destroyed.

(4) If the Agent pays an amount (the "Advance") to an Issuer on the basis that a payment (the "Payment") has been, or will be, received from a Dealer and if the Payment is not received by the Agent on the date the Agent pays such Issuer, the Agent shall notify such Issuer by tested telex or facsimile that the Payment has not been received and such Issuer shall repay to the Agent the Advance and shall pay interest on the Advance (or the unreimbursed portion thereof) from (and including) the date such Advance is made to (but excluding) the earlier of repayment of the Advance and receipt by the Agent of the Payment (at a rate quoted at that time by the Agent as its cost of funding the Advance).

(5) Except in the case of issues where the Agent does not act as receiving bank for the relevant Issuer in respect of the purchase price of the Notes being issued, if on the relevant Issue Date a Dealer does not pay the full purchase price due from it in respect of any Note (the "Defaulted Note") and, as a result, the Defaulted Note remains in the Agent's distribution account with Euroclear and/or Clearstream, Luxembourg) after such Issue Date, the Agent will continue to hold the Defaulted Note pursuant to the order of the relevant Issuer. The Agent shall notify the relevant Issuer forthwith of the failure of the Dealer to pay the full purchase price due from it in respect of any Defaulted Note and, subsequently, shall notify such Issuer forthwith upon receipt from the Dealer of the full purchase price in respect of such Defaulted Note.

7. Payments  
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(1) The Agent shall advise the relevant Issuer, no later than 10 Business Days (as defined below) immediately preceding the date on which any payment is to be made to the Agent pursuant to this sub-clause (1) of the payment amount, value date and payment instructions and the relevant Issuer will before 10:00 a.m. New York time on each date on which any payment in respect of any Notes issued by it becomes due, transfer to an account specified by the Agent such amount in the relevant currency as shall be sufficient for the purposes of such payment in funds settled through such payment system as the Agent and the relevant Issuer may agree.

(2) The relevant Issuer will ensure that no later than 4:00 p.m. (London time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the Agent pursuant to sub-clause (1), the Agent shall receive from the paying bank of the relevant Issuer an irrevocable confirmation in the form of a SWIFT message or tested telex that such payment shall be made. For the purposes of this Clause 7 "Business Day" means a day which is both:

(a) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London and in Charlotte, North Carolina and any other place specified in the applicable Pricing Supplement; and

(b) in relation to a payment to be made in a Specified Currency, a day on which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant Specified Currency (if other than London).

(3) The Agent shall ensure that payments of both principal and interest in respect of any Temporary Global Note will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. securities laws and U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received from Euroclear and/or Clearstream, Luxembourg in accordance with the terms thereof.

(4) Subject to the receipt by the Agent of the payment confirmation as provided in sub-clause (2) above, the Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due in respect of the Notes on behalf of the relevant Issuer in the manner provided in the Terms and Conditions. If any payment provided for in sub-clause (1) is made late but otherwise in accordance

with the provisions of this Agreement, the Agent and each Paying Agent shall nevertheless make payments in respect of the Notes as aforesaid following receipt by it of such payment.

(5) If for any reason the Agent considers in its sole discretion that the amounts to be received by the Agent pursuant to sub-clause (1) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims in respect of all payments then falling due in respect of the Notes, neither the Agent nor any Paying Agent shall be obliged to pay any such claims until the Agent has received the full amount of all such payments. Should the Agent or any Paying Agent elect not to make payment of amounts falling due in respect of the Notes as aforesaid, it shall advise the relevant Issuer of any such decision as soon as practicable by telephone with confirmation by telefax.

(6) Without prejudice to sub-clauses (4) and (5), if the Agent pays any amounts to the holders of Notes, Receipts or Coupons or to any Paying Agent at a time when it has not received payment in full in respect of the relevant Notes in accordance with sub-clause (1) (the excess of the amounts so paid over the amounts so received being the "Shortfall"), the relevant Issuer will, in addition to paying amounts due under sub-clause (1), pay to the Agent on demand interest (at a rate which represents the Agent's cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Agent of the Shortfall.

(7) The Agent shall on demand promptly reimburse each Paying Agent for payments in respect of Notes properly made by such Paying Agent in accordance with this Agreement and the Terms and Conditions unless the Agent has notified the Paying Agent, prior to the opening of business in the location of the office of the Paying Agent through which payment in respect of the Notes can be made prior to the day on which such Agent has to give payment instructions in respect of the due date of a payment in respect of the Notes, that the Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of such Notes.

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(8) If the Agent pays out on or after the due date therefor, or becomes liable to pay out, funds on the assumption that the corresponding payment by the relevant Issuer has been or will be made and such payment has in fact not been so made by such Issuer, then such Issuer shall on demand reimburse the Agent for the relevant amount, and pay interest to the Agent on such amount from the date on which it is paid out to the date of reimbursement at a rate per annum equal to the cost to the Agent of funding the amount paid out, as certified by the Agent and expressed as a rate per annum. For the avoidance of doubt, the provisions of the Terms and Conditions as to subordination shall not apply to the relevant Issuer's obligations under this sub-clause (8).

(9) While any Notes are represented by a Global Note or Global Notes, all payments due in respect of such Notes shall be made to, or to the order of, the holder of the Global Note or Global Notes, subject to and in accordance with the provisions of the Global Note or Global Notes. On the occasion of any such payment the Paying Agent to which any Global Note was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Global Note to be annotated so as to evidence the amounts and dates of such payments of principal and/or interest as applicable.

(10) If the amount of principal and/or interest then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made therefrom), the Paying Agent to which a Note is presented for the purpose of making such payment shall make a record of such shortfall on the Note and such record shall, in the absence of manifest error, be prima facie evidence that the payment in question has not to that extent been made.

8. Determinations and Notifications in Respect of Notes  
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and Interest Determination  
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(a) Determinations and Notifications  
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(1) The Agent shall make all such determinations and calculations (howsoever described) as it is required to do under the Terms and Conditions, all subject to and in accordance with the Terms and Conditions, provided that certain calculations with respect to the Notes, and associated publication or notification, shall be made by the Calculation Agent in accordance with the Terms and Conditions.

(2) The Agent or the Calculation Agent, as the case may be, shall not be responsible to the relevant Issuer or to any third party (except in the event of gross negligence, default or bad faith of the Agent or the Calculation Agent) as a result of the Agent or the Calculation Agent having acted in good faith on any quotation given by any Reference Bank which subsequently may be found to be incorrect.

(3) The Agent or the Calculation Agent, as the case may be, shall promptly notify (and confirm in writing to) the relevant Issuer, the other Paying Agents and (in respect of a Series of Notes listed on a stock exchange) the relevant stock exchange of, inter alia, each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Terms and Conditions as soon as practicable after the determination thereof (and in any event no later than the tenth Business Day as defined in Clause 7(2) immediately preceding the date on which payment is to be made to the Agent pursuant to Clause 7(1)) and of any subsequent amendment thereto pursuant to the Terms and Conditions.

(4) The Agent or the Calculation Agent, as the case may be, shall use its best efforts to cause each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Terms and Conditions to be published as required in accordance with the Terms and Conditions as soon as possible after their determination or calculation.

(5) If the Agent or the Calculation Agent, as the case may be, does not at any material time for any reason determine and/or calculate and/or publish the Rate of Interest, Interest Amount and/or Interest Payment Date in respect of any Interest Period or any other amount, rate or date as provided in this Clause 8, it shall forthwith notify the relevant Issuer and the Paying Agents of such fact.

(6) Determinations with regard to Notes (including, without limitation, Indexed Notes and Dual Currency Notes) shall be made by the Calculation Agent specified in the applicable Pricing Supplement in the

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manner specified in the applicable Pricing Supplement. Unless otherwise agreed between the relevant Issuer and the relevant Dealer, such determinations shall be made on the basis of a Calculation Agency Agreement substantially in the form of Schedule 9 to this Agreement.

(7) For the purposes of monitoring the aggregate principal amount of Notes issued under the Program, the Agent shall determine the U.S. Dollar equivalent of the principal amount of each issue of Notes denominated in another currency, each issue of Dual Currency Notes, each Issue of Partly Paid Notes and each issue of Indexed Notes as follows:

(A) the U.S. Dollar equivalent of Notes denominated in a currency other than U.S. Dollars shall be determined as of the Agreement Date for such Notes on the basis of the spot rate for the sale of the U.S. Dollar against the purchase of the relevant currency quoted by a foreign exchange dealer selected by the relevant Issuer on the relevant day of calculation; and

(B) the U.S. Dollar equivalent of Dual Currency Notes and Indexed Notes (other than Indexed Redemption Amount Notes) shall be calculated in the manner specified above by reference to the original nominal amount of such Notes; and

(C) the U.S. Dollar equivalent of Zero Coupon Notes, other Notes issued at a discount or premium and Indexed Redemption Amount Notes shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue; and

(D) the U.S. Dollar equivalent of Partly Paid Notes shall be determined in the manner specified above by reference to the original principal amount of such Notes regardless of the amount paid on the Notes.

(b) Interest Determination, Screen Rate Determination including  
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Fallback Provisions  
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(1) Where screen rate determination ("Screen Rate Determination") is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period, subject as provided below, will be either:

(A) the offered quotation (if there is only one quotation on the relevant screen page (the "Relevant Screen Page")); or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the reference rate ("Reference Rate") which appears or appear, as the case may be, on the Relevant Screen Page at approximately 11:00 a.m. (London time) on the interest determination date

("Interest Determination Date") in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(2) If the Relevant Screen Page is not available or if, in the case of sub-clause (b)(1)(A) above, no such offered quotation appears or, in the case of sub-clause (b)(1)(B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall at its sole discretion request the principal London office of each of the Reference Banks (defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London inter-bank market at approximately 11:00 a.m. (London time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the

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arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

(3) If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11:00 a.m. (London time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest shall be the offered quotation for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered quotations for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately 11:00 a.m. (London time) on the relevant Interest Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the London inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

(4) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than the London inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

In this Clause 8, the expression "Reference Banks" means, in the case of sub-clause (b)(1)(A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and in the case of sub-clause (b)(1)(B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

#### 9. Notice of any Withholding or Deduction

If the relevant Issuer, in respect of any payment, is compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the Terms and Conditions, the relevant Issuer shall give notice thereof to the Agent as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Agent such information as it shall require to enable it to comply with such requirement.

#### 10. Duties of the Agent in Connection with Early Redemption

(1) If the relevant Issuer decides to redeem any outstanding Notes (in whole or in part) for the time being outstanding prior to their Maturity Date or the Interest Payment Date falling in the Redemption Month (as the case may be) in accordance with the Terms and Conditions, such Issuer shall give

notice of such decision to the Agent not less than seven London Business Days before the date on which such Issuer will give notice to the Noteholders in accordance with the Terms and Conditions of such redemption in order to enable the Agent to undertake its obligations herein and in the Terms and Conditions.

(2) If only some of the Notes of like tenor and of the same Series are to be redeemed on such date, the Agent shall make the required drawing in accordance with the Terms and Conditions but shall give the relevant Issuer reasonable notice of the time and place proposed for such drawing. Where partial redemptions are to be effected when there are Definitive Notes outstanding, the Issuing and Principal Paying Agent will select by lot the Notes to be redeemed from the outstanding Notes in compliance with all applicable laws and stock exchange requirements and deemed by the Agent to be appropriate and fair; and where partial redemptions are to be effected when there are no Definitive Notes outstanding, the rights of Noteholders will be governed by the standard provisions of Euroclear and Clearstream, Luxembourg. Notice of any partial redemption and, when there are

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Definitive Notes outstanding, of the serial numbers of the Notes so drawn, will be given by the Agent to the Noteholders in accordance with the terms of the Notes and this Agreement.

(3) The Agent shall publish the notice on behalf of and at the expense of the relevant Issuer required in connection with any such redemption and shall at the same time also publish a separate list of the serial numbers of any Notes previously drawn and not presented for redemption. Such notice shall specify the date fixed for redemption, the redemption amount, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers of the Notes to be redeemed. Such notice will be published in accordance with the Terms and Conditions. The Agent will also notify the other Paying Agents of any date fixed for redemption of any Notes.

(4) Immediately prior to the date on which any notice of redemption is to be given to the Noteholders, the relevant Issuer shall deliver to the Agent a certificate stating that such Issuer is entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that all conditions precedent to such redemption have occurred or been satisfied and shall comply with all notice requirements provided for in the Terms and Conditions.

(5) Each Paying Agent will keep a stock of notices (each a "Put Notice") in the form set out in Schedule 8 and will make such notices available on demand to holders of Notes, the Terms and Conditions of which provide for redemption at the option of Noteholders. Upon receipt of any Note deposited in the exercise of such option in accordance with the Terms and Conditions, the Paying Agent with which such Note is deposited shall hold such Note (together with any Coupons, if any, relating to it and deposited with it) on behalf of the depositing Noteholder (but shall not, save as provided below, release it) until the due date for redemption of the relevant Note consequent upon the exercise of such option, when, subject as provided below, it shall present such Note (and any such Coupons, if any) to itself for payment of the amount due thereon together with any interest due on such date in accordance with the Terms and Conditions and shall pay such moneys in accordance with the directions of the Noteholder contained in the Put Notice. If, prior to such due date for its redemption, such Note becomes immediately due and payable or if upon due presentation payment of such redemption moneys is improperly withheld or refused, the Paying Agent concerned shall post such Note (together with any such Coupons, if any) by uninsured post to, and at the risk of, the relevant Noteholder unless the Noteholder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Notes at such address as may have been given by the Noteholder in the Put Notice. At the end of each period for the exercise of such option, each Paying Agent shall promptly notify the Agent of the principal amount of the Notes in respect of which such option has been exercised with it together with their serial numbers and the Agent shall promptly notify such details to the relevant Issuer.

#### 11. Receipt and Publication of Notices; Receipt of Certificates

(1) Upon the receipt by the Agent of a demand or notice from any Noteholder in accordance with the Terms and Conditions, the Agent shall forward a copy thereof to the relevant Issuer.

(2) On behalf of and at the request and expense of the relevant Issuer, the Agent shall cause to be published all notices required to be given by such Issuer to the Noteholders in accordance with the Terms and Conditions.

(3) The Agent shall have no responsibility to obtain the certificate of the relevant Issuer delivered by such Issuer to the Agent pursuant to Condition 9 if such a certificate is required to be issued, nor shall the Agent have any responsibility to notify the relevant Issuer that the Agent has not obtained such a certificate from such Issuer if such a certificate is required to be issued.



## 12. Cancellation of Notes, Receipts, Coupons and Talons

(1) All Notes which are redeemed, all Receipts or Coupons which are paid and all Talons which are exchanged shall be delivered outside the United States to the Agent, and shall be canceled by the Agent. In addition, all Notes which are purchased by or on behalf of the relevant Issuer or any of its subsidiaries and are

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surrendered to the Agent for cancellation, together (in the case of Notes in definitive form) with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith, shall be canceled by the Agent.

(2) The relevant Issuer shall have the right to request that the Agent provide, without limitation, the following information:

(a) the aggregate principal amount of Notes which have been redeemed and the aggregate amount paid in respect thereof;

(b) the number of Notes canceled together (in the case of Definitive Notes, if any) with details of all unmatured Receipts, Coupons or Talons (if any) attached thereto or delivered therewith;

(c) the aggregate amount paid in respect of interest on the Notes;

(d) the total number by maturity date of Receipts, Coupons and Talons so canceled; and

(e) (in the case of Definitive Notes, if any) the serial numbers of such Notes,

which shall be given to the relevant Issuer by the Agent as soon as reasonably practicable and in any event within three months after the date of such repayment or, as the case may be, payment or exchange.

(3) The Agent shall destroy all canceled Notes, Receipts, Coupons and Talons.

(4) The Agent shall keep a full and complete record of all Notes, Receipts, Coupons and Talons (other than serial numbers of Coupons, except those which have been replaced pursuant to Condition 10) and of all replacement Notes, Receipts, Coupons or Talons issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes, Receipts, Coupons or Talons. The Agent shall at all reasonable times make such record available to the relevant Issuer and any persons authorized by it for inspection and for the taking of copies thereof or extracts therefrom.

(5) All records and certificates made or given pursuant to this Clause 12 and Clause 13 shall make a distinction between Notes, Receipts, Coupons and Talons of each Series.

## 13. Issue of Replacement Notes, Receipts, Coupons and Talons

(1) The Issuers will cause a sufficient quantity of additional forms of Notes, Receipts, Coupons and Talons to be available, upon request to the Agent in Luxembourg (in such capacity, the "Replacement Agent") at its specified office for the purpose of issuing replacement Notes, Receipts, Coupons and Talons as provided below.

(2) The Replacement Agent will, subject to and in accordance with the Terms and Conditions and the following provisions of this Clause 13, authenticate and cause to be delivered any replacement Notes, Receipts, Coupons and Talons which the relevant Issuer may determine to issue in place of Notes, Receipts, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.

(3) In the case of a mutilated or defaced Note, the Replacement Agent shall ensure that (unless otherwise covered by such indemnity as the relevant Issuer may reasonably require) any replacement Note will only have attached to it Receipts, Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Note which is presented for replacement.

(4) The Replacement Agent shall not issue any replacement Note, Receipt, Coupon or Talon unless and until the applicant therefor shall have:

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(a) paid such reasonable costs and expenses as may be incurred in connection therewith, including any tax or other governmental charge that may be imposed in relation thereto;

(b) furnished it with such evidence and indemnity as the relevant Issuer may reasonably require; and

(c) in the case of any mutilated or defaced Note, Receipt, Coupon or Talon, surrendered it to the Replacement Agent.

(5) The Replacement Agent shall cancel any mutilated or defaced Notes, Receipts, Coupons and Talons in respect of which replacement Notes, Receipts, Coupons and Talons have been issued pursuant to this Clause 13 and shall furnish the relevant Issuer with a certificate stating the serial numbers of the Notes, Receipts, Coupons and Talons so canceled and, unless otherwise instructed by such Issuer in writing, shall destroy such canceled Notes, Receipts, Coupons and Talons and furnish such Issuer with a destruction certificate stating the serial number of the Notes (in the case of Definitive Notes) and the number by maturity date of Receipts, Coupons and Talons so destroyed.

(6) The Replacement Agent shall, on issuing any replacement Note, Receipt, Coupon or Talon, forthwith inform the relevant Issuer, the Agent and the other Paying Agents of the serial number of such replacement Note, Receipt, Coupon or Talon issued and (if known) of the serial number of the Note, Receipt, Coupon or Talon in place of which such replacement Note, Receipt, Coupon or Talon has been issued. Whenever replacement Receipts, Coupons or Talons are issued pursuant to the provisions of this Clause 13, the Replacement Agent shall also notify the Agent and the other Paying Agents of the maturity dates of the lost, stolen, mutilated, defaced or destroyed Receipts, Coupons or Talons and of the replacement Receipts, Coupons or Talons issued.

(7) The Agent shall keep a full and complete record of all replacement Notes, Receipts, Coupons and Talons issued and shall make such record available at all reasonable times to the relevant Issuer and any persons authorized by it for inspection and for the taking of copies thereof or extracts therefrom.

(8) Whenever any Note, Receipt, Coupon or Talon for which a replacement Note, Receipt, Coupon or Talon has been issued and in respect of which the serial number is known is presented to the Agent or any of the Paying Agents for payment, the Agent or, as the case may be, the relevant Paying Agent shall immediately send notice thereof to the relevant Issuer and the other Paying Agents and shall not make payment in respect thereto, until instructed by such Issuer.

#### 14. Copies of Documents Available for Inspection

The Agent and the Paying Agents shall hold available for inspection copies of:

- (i) the organizational documents of the Issuers;
- (ii) the latest available audited consolidated financial statements of the Corporation and its consolidated subsidiaries, beginning with such financial statements for the fiscal years ended December 31, 1999 and the publicly available portions of the Call Reports with respect to the Bank beginning with the period ending December 31, 1999;
- (iii) the Program Agreement and this Agreement;
- (iv) the Offering Circular; and
- (v) any future offering circulars, information memoranda and supplements (except that a Pricing Supplement relating to any unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to ownership) to the Offering Circular and any other documents incorporated therein by reference and in the case of a syndicated issue of listed Notes, the syndication agreement (or equivalent document).

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For this purpose, the Issuers shall furnish the Agent and the Paying Agents with sufficient copies of each of such documents.

#### 15. Meetings of Noteholders

(1) The provisions of Schedule 7 hereto shall apply to meetings of the Noteholders and shall have effect in the same manner as if set out in this Agreement.

(2) Without prejudice to sub-clause (1), each of the Agent and the Paying Agents on the request of any Noteholder shall issue voting certificates

and block voting instructions in accordance with Schedule 7 and shall forthwith give notice to the relevant Issuer in writing of any revocation or amendment of a block voting instruction. Each of the Agent and the Paying Agents will keep a full and complete record of all voting certificates and block voting instructions issued by it and, not less than 24 hours before the time appointed for holding a meeting or adjourned meeting, will deposit at such place as the Agent shall designate or approve, full particulars of all voting certificates and block voting instructions issued by it in respect of such meeting or adjourned meeting.

16. Repayment by the Agent  
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Upon the relevant Issuer being discharged from its obligation to make payments in respect of any Notes pursuant to the relevant Terms and Conditions, and provided that there is no outstanding, bona fide and proper claim in respect of any such payments, the Agent shall forthwith on written demand pay to the relevant Issuer sums equivalent to any amounts paid to it by such Issuer for the purposes of such payments.

17. Conditions of Appointment  
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(1) The Agent shall be entitled to deal with money paid to it by an Issuer for the purpose of this Agreement in the same manner as other money paid to a banker by its customers except:

(a) that it shall not exercise any right of set-off, lien or similar claim in respect thereof; and

(b) as provided in sub-clause (2) below; and

(c) that it shall not be liable to account to the relevant Issuer for any interest thereon.

(2) In acting hereunder and in connection with the Notes, the Agent and the Paying Agents shall act solely as agents of the Issuers and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes, Receipts, Coupons or Talons.

(3) The Agent and the Paying Agents hereby undertake to the Issuers to perform such obligations and duties, and shall be obliged to perform such duties and only such duties as are herein, in the Terms and Conditions and in the Procedures Memorandum specifically set forth and no implied duties or obligations shall be read into this Agreement or the Notes against the Agent and the Paying Agents, other than the duty to act honestly and in good faith.

(4) The Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

(5) Each of the Agent and the Paying Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the relevant Issuer or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the relevant Issuer.

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(6) Any of the Agent and the Paying Agents and their officers, directors and employees may become the owner of, or acquire any interest in any Notes, Receipts, Coupons or Talons with the same rights that it or he would have if the Agent or the relevant Paying Agent, as the case may be, concerned were not appointed hereunder, and may engage or be interested in any financial or other transactions with the relevant Issuer and may act on, or as depository, trustee or agent for, any committee or body of Noteholders or Couponholders or in connection with any other obligations of the relevant Issuer as freely as if the Agent or the relevant Paying Agent, as the case may be, were not appointed hereunder.

(7) The relevant Issuer shall provide the Agent with a certified copy of the list of persons authorized to execute documents and take action on its behalf in connection with this Agreement and shall notify the Agent immediately in writing if any of such persons ceases to be so authorized or if any additional person becomes so authorized together, in the case of an additional authorized person, with evidence satisfactory to the Agent that such person has been so authorized, provided, however, that the Agent shall not incur any liability for any losses, claims or damages resulting from the relevant Issuer's failure to provide such notification to the Agent.

18. Communication Between the Parties  
-----

A copy of all communications relating to the subject matter of this Agreement between any Issuer and the Noteholders, Receiptholders or Couponholders and any of the Paying Agents shall be sent to the Agent by the relevant Paying Agent.

19. Changes in Agent and Paying Agents

-----

(1) The Issuers agree that, for so long as any Note is outstanding, or until moneys for the payment of all amounts in respect of all outstanding Notes have been made available to the Agent or have been returned to the relevant Issuer as provided herein:

(a) so long as any Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;

(b) there will at all times be a Paying Agent with a specified office in a city in continental Europe; and

(c) there will at all times be an Agent.

In addition, the Issuers shall appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 4(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency (as provided in sub-clause (5)), when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with the Terms and Conditions.

(2) The Agent may (subject as provided in sub-clause (4)) at any time resign as Agent by giving at least 90 days' written notice to the Issuers of such intention on its part, specifying the date on which its desired resignation shall become effective, provided that such date shall never be less than three months after the receipt of such notice by the Issuers unless the Issuers agree to accept less notice.

(3) The Agent may (subject as provided in sub-clause (4)) be removed at any time on at least 45 days' notice by the filing with it of an instrument in writing signed on behalf of each Issuer specifying such removal and the date when it shall become effective.

(4) Any resignation under sub-clause (2) or removal under sub-clause (3) shall only take effect upon the appointment by the Issuers as hereinafter provided, of a successor Agent and (other than in cases of insolvency of the Agent) on the expiration of the notice to be given under Clause 21. The Issuers agree with the Agent that if, by the day falling ten days before the expiration of any notice under sub-clause (2), the Issuers have

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not appointed a successor Agent, then the Agent shall be entitled, on behalf of the Issuers, to appoint as a successor Agent in its place a reputable financial institution of good standing as it may reasonably determine to be capable of performing the duties of the Agent hereunder.

(5) In case at any time the Agent resigns, or is removed, or becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or a substantial part of its property, or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, a successor Agent, which shall be a reputable financial institution of good standing, may be appointed by the Issuers by an instrument in writing filed with the successor Agent. Upon the appointment as aforesaid of a successor Agent and acceptance by the latter of such appointment and (other than in case of insolvency of the Agent) upon expiration of the notice to be given under Clause 21 the Agent so superseded shall cease to be the Agent hereunder.

(6) Subject to sub-clause (1):

(A) the Issuers may, after prior consultation (other than in the case of insolvency of any Paying Agent) with the Agent, terminate the appointment of any of the Paying Agents at any time; and/or

(B) the Issuers may in respect of the Program or the relevant Issuer may in respect of any Series of Notes, if so required by the relevant Stock Exchange or regulatory body, appoint one or more

further Paying Agents by giving to the Agent, and to the relevant Paying Agent, at least 45 days' notice in writing to that effect.

(7) Subject to sub-clause (1), all or any of the Paying Agents may resign their respective appointments hereunder at any time by giving the Issuers and the Agent at least 45 days' written notice to that effect.

(8) Upon its resignation or removal becoming effective the Agent or the relevant Paying Agent:

(a) shall, in the case of the Agent, forthwith transfer all moneys held by it hereunder and the records referred to in Clause 12(4) to the successor Agent hereunder; and

(b) shall be entitled to the payment by the Issuers of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of Clause 25.

(9) Upon its appointment becoming effective, a successor Agent and any new Paying Agent, without further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor or, as the case may be, a Paying Agent with like effect as if originally named as Agent or (as the case may be) a Paying Agent hereunder.

## 20. Merger and Consolidation -----

Any corporation into which the Agent or any Paying Agent may be merged or converted, or any corporation with which the Agent or any of the Paying Agents may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Agent or any of the Paying Agents shall be a party, or any corporation to which the Agent or any of the Paying Agents shall sell or otherwise transfer all or substantially all the assets of the Agent or any Paying Agent shall, on the date when such merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Agent or, as the case may be, Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, unless otherwise required by the Issuers, and after the said effective date all references

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in this Agreement to the Agent or, as the case may be, such Paying Agent shall be deemed to be references to such corporation. Written notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuers by the relevant Agent or Paying Agent.

## 21. Notification of Changes to Paying Agents -----

Following receipt of notice of resignation from the Agent or any Paying Agent and forthwith upon appointing a successor Agent or, as the case may be, other Paying Agents or on giving notice to terminate the appointment of any Agent or, as the case may be, Paying Agent, the Agent (on behalf of and at the expense of the Issuers) shall give or cause to be given not more than 60 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Terms and Conditions.

## 22. Change of Specified Office -----

If the Agent or any Paying Agent determines to change its specified office it shall give to the Issuers and (if applicable) the Agent written notice of such determination giving the address of the new specified office which shall be in the same city and stating the date on which such change is to take effect, which shall not be less than 45 days thereafter. The Agent (on behalf and at the expense of the Issuers) shall within 15 days of receipt of such notice (unless the appointment of the Agent or the relevant Paying Agent, as the case may be, is to terminate pursuant to Clause 19 on or prior to the date of such change) give or cause to be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Terms and Conditions.

## 23. Notices -----

All notices hereunder shall be deemed to have been given when deposited in the mail as first class mail, registered or certified, return receipt requested, postage prepaid, addressed to any party hereto as follows:

Address  
-----

|                  |   |
|------------------|---|
| The Corporation: | Bank of America Corporation<br>Bank of America Corporate Center |
|------------------|---|

100 North Tryon Street  
NC1-007-23-01  
Charlotte, North Carolina 28255-0065  
Attn: John E. Mack  
Senior Vice President  
Telecopy: (704) 386-0270

with a copy to:

Bank of America Corporation  
Bank of America Corporate Center  
100 North Tryon Street  
Legal Department  
NC1-007-56-11  
Charlotte, North Carolina 28255  
Attn: Paul J. Polking, Esq.  
General Counsel  
Telecopy: (704) 370-3515

The Bank: Bank of America, N.A.  
Bank of America Corporate Center  
100 North Tryon Street  
NC1-007-06-04  
Charlotte, North Carolina 28255  
Attn: James T. Houghton

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Senior Vice President  
Telecopy: (704) 386-9946

The Agent: The Chase Manhattan Bank, London Branch  
Trinity Tower  
9 Thomas More Street  
London E1 9YT  
United Kingdom  
Attn: Manager, Corporate Trust Operations  
Telecopy: 44-1202-347438

The Paying Agent: Chase Manhattan Bank Luxembourg S.A.  
5 rue Plaetis  
L-2338 Luxembourg - Grund  
Attn: Manager, Corporate Trust Operations  
Telecopy: 352-462685-380

or at any other address of which any of the foregoing shall have notified the others in writing.

(a) if delivered in person to the relevant address specified in the signature pages hereof and if so delivered, shall be deemed to have been delivered at the time of receipt; or

(b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgment of receipt is received (in the case of facsimile).

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

#### 24. Taxes and Stamp Duties

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The Issuers agree to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

#### 25. Commissions, Fees and Expenses

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(1) The Issuers undertake to pay in respect of the services of the Agent and the Paying Agents under this Agreement such fees and expenses as may be agreed between them from time to time, the initial such fees being set out in a letter of even date herewith from the Agent to, and countersigned by, the Issuers.

(2) The Issuers will promptly pay on demand all out-of-pocket expenses (including legal, advertising, facsimile, telex and postage expenses) properly incurred by the Agent and the Paying Agents in connection with their services hereunder, including, without limitation, the expenses contemplated in Clause 24.

26. Indemnity  
-----

(1) The relevant Issuer (or Issuers, as the case may be) undertakes to indemnify and hold harmless each of the Agent and the Paying Agents against all losses, liabilities, costs (including, without limitation, legal fees and expenses), expenses, claims, actions or demands which the Agent or any Paying Agent, as the case may be, may reasonably incur or which may be made against the Agent or any Paying Agent, as a result of or in connection with the appointment or the exercise of or performance of the powers, discretions, authorities and duties of the Agent or any Paying Agent under this Agreement except such as may result from its own gross negligence, bad faith or failure to comply with its obligations hereunder or that of its officers, employees or agents.

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(2) Each of the Agent and the Paying Agents shall severally indemnify and hold harmless the relevant Issuer (or Issuers, as the case may be) against any loss, liability, costs (including, without limitation, legal fees and expenses), expense, claim, action or demand which it may reasonably incur or which may be made against it as a result of such Agent's or Paying Agent's own negligence, bad faith or material failure to comply with its obligations under this Agreement or that of its officers, employees or agents.

(3) If, under any applicable law and whether pursuant to a judgment being made or registered or in the liquidation, insolvency or analogous process of any party hereto or for any other reason, any payment under or in connection with this Agreement is made or fails to be satisfied in a currency (the "Other Currency") other than that in which the relevant payment is expressed to be due (the "Required Currency") under this Agreement, then, to the extent that the payment (when converted into the Required Currency at the rate of exchange on the date of payment or, if it is not practicable for the payee to purchase the Required Currency with the Other Currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or analogous process) actually received by the payee falls short of the amount due under the terms of this Agreement, the payor shall, as a separate and independent obligation, indemnify and hold harmless the payee against the amount of such shortfall. For the purpose of this Clause 26, "rate of exchange" means the rate at which the payee is able on the relevant date to purchase the Required Currency with the Other Currency and shall take into account any premium and other costs of exchange.

27. Reporting  
-----

(1) The Agent shall upon receipt of a written request therefor from an Issuer and after the payment of any further remuneration agreed between such Issuers and the Agent (on behalf of such Issuers and on the basis of the information and documentation the Agent had in its possession) use all reasonable efforts to submit such reports or information as may be required from time to time by any applicable law, regulation or guideline promulgated by (i) any relevant United States governmental regulatory authority in respect of the issue and purchase of Notes or (ii) any other relevant governmental regulatory authority in respect of the issue and purchase of Notes denominated in the applicable currency of such governmental regulatory authority.

(2) The Agent will notify the MoF of such details relating to Yen Notes and provide such other information about the Program to the MoF as may be required.

(3) The Agent will notify the German Bundesbank of such details relating to DM-denominated Notes issued during the month in question and provide such other information about the Program to the German Bundesbank as may be required.

(4) The Agent will notify the Bank of England of such details relating to Sterling Notes and provide such other information about the Program to the Bank of England as may be required.

28. Governing Law  
-----

(1) This Agreement, the Notes, and any Receipts, Coupons or Talons appertaining thereto shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

(2) The Issuers and the Agent each hereby irrevocably submit to the non-exclusive jurisdiction of any United States Federal court sitting in New York City, the Borough of Manhattan over any suit, action or proceeding arising out of or related to this Agreement, any Note, Receipt, Coupon or Talon, as the case may be (together, the "Proceedings"). The Issuers and the Agent each

irrevocably waive, to the fullest extent permitted by law, any objection which it may have to the laying of the venue of the Proceedings brought in such a court and any claim that the Proceedings have been brought in an inconvenient forum. The Issuers and the Agent each agree that final judgment in the Proceedings brought in such a court shall be conclusive and binding upon the Issuers or the Agent, as the case may be, and may be enforced in any court of the jurisdiction to which the relevant Issuer (or Issuers, as the case may be) or the Agent is subject by a suit upon such judgment, provided that the

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service of process is effected upon such Issuers and the Agent in the manner specified in subsection (3) below or as otherwise permitted by law.

(3) As long as any of the Notes, Receipts, Coupons or Talons remains outstanding, the relevant Issuer shall at all times either maintain an office or have an authorized agent in New York City upon whom process may be served in the Proceedings. Service of process upon either Issuer at its offices or upon such agent with written notice of such service mailed or delivered to the relevant Issuer shall, to the fullest extent permitted by law, be deemed in every respect effective service of process upon such Issuer in the Proceedings. Each Issuer hereby appoints CT Corporation System located at 1633 Broadway, New York, New York 10019 as its agent for such purposes, and covenants and agrees that service of process in the Proceedings may be made upon it at its office or at the specified offices of such agent (or such other addresses or at the offices of any other authorized agents which the relevant Issuer may designate by written notice to the Agent) and prior to any termination of such agencies for any reason, it will so appoint a successor thereto as agent hereunder.

29. Amendments

-----

Without the consent of the Noteholders, Receiptholders or Couponholders, the Agent and the Issuers may agree to modifications of or amendments to this Agreement, the Notes, the Receipts or the Coupons for any of the following purposes:

- (i) to evidence the succession of another corporation to an Issuer and the assumption by any such successor of the covenants of such Issuer in this Agreement, the Notes, Receipts or Coupons;
- (ii) to add to the covenants of an Issuer for the benefit of the Noteholders, the Receiptholders or the Couponholders, or to surrender any right or power herein conferred upon such Issuer;
- (iii) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes, Receipts or Coupons in the United States, provided that such payment is permitted by United States tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Noteholders, the Receiptholders or the Couponholders;
- (iv) to cure any ambiguity, to correct or supplement any defective provision herein or any provision which may be inconsistent with any other provision herein;
- (v) to make any other provisions with respect to matters or questions arising under the Notes, the Receipts, the Coupons or this Agreement, provided such action pursuant to this sub-clause (v) shall not adversely affect the interests of the Noteholders, the Receiptholders or the Couponholders;
- (vi) to authorize or facilitate the issuance of Notes in registered form;
- (vii) to facilitate the issuance of Notes in accordance with the laws of a particular country; and
- (viii) to permit further issuances of Notes in accordance with the terms of the Program Agreement.

Any such modification or amendment shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification or amendment shall be notified to the Noteholders, the Receiptholders or the Couponholders in accordance with Condition 13 as soon as practicable thereafter.

30. Descriptive Headings

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The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

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31. Counterparts  
-----

This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument. Any party may enter into this Agreement by signing such a counterpart.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names by their respective officers thereunder duly authorized as of the date and year first above written.

BANK OF AMERICA CORPORATION  
as Issuer

By \_\_\_\_\_ /s/  
-----  
Name: John E. Mack  
-----  
Title: Senior Vice President  
-----

BANK OF AMERICA, N.A.  
as Issuer

By \_\_\_\_\_ /s/  
-----  
Name: John E. Mack  
-----  
Title: Senior Vice President  
-----

THE CHASE MANHATTAN BANK,  
LONDON BRANCH  
as Agent and  
Principal Paying Agent

By \_\_\_\_\_ /s/  
-----  
Name: J. Pennell  
-----  
Title: Assistant Treasurer  
-----

CHASE MANHATTAN BANK LUXEMBOURG S.A.  
as Paying Agent

By \_\_\_\_\_ /s/  
-----  
Name: J. Pennell  
-----  
Title: Assistant Treasurer  
-----

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AMENDED AND RESTATED  
ISSUING AND PAYING AGENCY AGREEMENT

between  
  
BANK OF AMERICA, N.A.,  
as Issuer  
  
and  
  
BANKERS TRUST COMPANY,  
as Issuing and Paying Agent,

Dated as of August 1, 2000

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SHORT-TERM AND MEDIUM-TERM NOTES

Due 7 Days or More From Date of Issue

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BANK OF AMERICA, N.A.

SHORT-TERM AND MEDIUM-TERM NOTES  
 AMENDED AND RESTATED  
 ISSUING AND PAYING AGENCY AGREEMENT  
 -----

AMENDED AND RESTATED ISSUING AND PAYING AGENCY AGREEMENT dated as of August 1, 2000 between BANK OF AMERICA, N.A., a national banking association organized under the laws of the United States, as Issuer and as successor to NationsBank, N.A., and BANKERS TRUST COMPANY, a New York banking corporation, as Issuing and Paying Agent, amending and restating that certain Issuing and Paying Agency Agreement dated as of May 19, 1998, between NationsBank, N.A., and Bankers Trust Company as amended by an Amended and Restated Issuing and Paying Agency Agreement dated as of July 30, 1999 between Bank of America, N.A. and Bankers Trust Company and as further amended by Amendment To Short-Term and Medium-Term Notes Amended and Restated Issuing and Paying Agency Agreement dated as of May 24, 2000 between Bank of America, N.A. and Bankers Trust Company.

SECTION 1. Definitions. Except as otherwise expressly provided herein or -----

in the applicable Note or unless the context otherwise requires: (1) the words and phrases with initial capitals used herein have the meanings specified in this Section; and (2) the words "herein," "hereof" and "hereunder" and other words of similar impact refer to this Issuing and Paying Agency Agreement as a whole and not to any particular section or other subdivision. Capitalized terms used herein but not otherwise defined herein shall have the same meaning and intention specified therefor in the applicable Note.

Additional Responsibilities - Has the meaning given such term in Section 28.

Administrative Procedures - The Administrative Procedures applicable to the Notes, as set forth in Exhibit B hereto.

Agent or Agents - Any of the Issuing and Paying Agent, any paying agent or the Registrar, as the context indicates.

Agreement - This Issuing and Paying Agency Agreement, including the exhibits hereto, as amended or supplemented from time to time.

Amortizing Note - Any Note the terms of which provide for the payment of Principal thereof and interest thereon on each Interest Payment Date and the Stated Maturity thereof.

Authorized Denomination - Has the meaning given such term in Section 3 (b)

Authorized Representative - With respect to the Issuer, any duly authorized representative of the Issuer as set forth in Exhibit G hereto, and any other representative of the Issuer as to which the Issuer may hereafter certify in writing to the Issuing and Paying Agent.

Business Day - Unless otherwise specified in a Pricing Supplement relating to a particular Note, with respect to any Note issued by the Issuer, any day that is not a Saturday or Sunday and that is not a day on which banking institutions in The City of New York, New York or Charlotte, North Carolina (or, if the Issuing and Paying Agent is other than Bankers Trust Company, the city in which such successor Issuing and Paying Agent's principal office is located) are generally authorized or obligated by law to close. With respect to LIBOR Notes (as described herein), "Business Day" means London Business Day. If a particular Note is denominated in or indexed to a Specified Currency other than U.S. dollars, "Business Day" means any day that is not a Saturday or Sunday and that is not a day on which banking institutions in The City of New York or Charlotte, North Carolina and the principal financial center of the country issuing the Specified Currency are generally authorized or obligated by law or regulation to close and is a day on which banking institutions in such principal financial center are carrying out transactions in such Specified Currency and, if such Note is denominated in euros, is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

Calculation Agent - With respect to Notes issued by the Issuer, such person appointed by the Issuer to calculate the interest rates applicable to Floating Rate Notes or certain other Notes, and for certain related matters, as more fully described in Section 2 (e).

Certificate of Authentication - Has the meaning given such term in Section 3 (e).

Certificated Notes - Any Notes issued in fully registered, certificated form.

Components - Has the meaning given such term in Section 11(d).

Depository - With respect to Notes issued in the form of one or more Global Notes, the Person designated as Depository by the Issuer thereof pursuant hereto, which Depository at all times shall be a trust company validly existing and in good standing (at the time of its appointment) under the laws of the United States or any state thereof and shall be a clearing agency duly registered under the Securities Exchange Act.

Distribution Agreement - The Amended and Restated Distribution Agreement, dated as of August 1, 2000, among the Issuer, Banc of America Securities LLC, Credit Suisse First Boston Corporation, Lehman Brothers Inc. (including its affiliate Lehman Commercial Paper Inc.), Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and Salomon Smith Barney Inc., as amended and supplemented from time to time.

DTC - The Depository Trust Company or its successors and assigns.

Event of Default - Has the meaning given such term in Section 14.

Extension Notice - The notice to be provided to Holders of Notes the Stated Maturity of which is extended by the Issuer as provided in Section 13(c) hereof.

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Extension Period(s) - The period or periods, by which the Issuer may extend the Stated Maturity of Notes which provide for such extension, as described more fully in Section 13(c) hereof.

Final Maturity Date - The latest date designated on the face of a Note which provides for the maturity thereof.

Fixed Rate Notes - Any Notes bearing interest at fixed rates and substantially in the form of Exhibit C hereto.

Floating Rate Notes - Any Notes bearing interest at a variable rate or rates determined by reference to an interest rate formula, which may be adjusted by adding or subtracting a number of basis points or "spread" specified by the Issuer on the related Floating Rate Note as being applicable to such Floating Rate Note and/or by multiplying a percentage or "spread multiplier" specified by the Issuer thereof on the related Floating Rate Note as being applicable to such Floating Rate Note and substantially in the form of Exhibit D.

Global Note - A Note, in the form provided by Section 3(a), issued to the Depository or its nominee, and registered in the Register in the name of the Depository or its nominee.

Holder - Means the person in whose name a Note is registered in the Register.

Indexed Notes- Any Notes pursuant to which the amount of principal, premium, if any, or interest payable is to be determined with reference to one or more specified commodities, loans, stocks, debt obligations or other securities, or credit events, or any combination or basket of the foregoing, or the exchange rate of one or more specified currencies (including composite currencies), or another index, formula or other method and substantially in the form of Exhibit E.

Initial Maturity Date - Has the meaning given such term in Section 13(d).

Initial Redemption Date - With respect to a Note that is subject to an Optional Redemption, the date specified as the Initial Redemption Date on such Note and after which, but prior to the Stated Maturity, an Optional Redemption of such Note may occur as specified in such Note.

Initial Renewal Date - Has the meaning given such term in Section 13(d).

Interest Payment Date - A date for payment of interest on a Note, as provided in the Note.

Issuer - Bank of America, N.A., a national banking association, and its successors and assigns is referred to herein as the "Issuer".

Issuing and Paying Agent - Bankers Trust Company, or any successor Issuing and Paying Agent appointed in accordance with this Agreement under Section 20 that has accepted such appointment hereunder.

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Letters of Representations - The letters from the Issuing and Paying Agent and Bank, as appropriate, to be furnished to DTC in accordance with Section 2(a) hereof, substantially in the forms set forth in Exhibit A hereto.

London Business Day - Any day on which dealings in deposits in U.S. dollars are transacted in the London inter-bank market.

New Maturity Date - Has the meaning given such term in Section 13(d).

Note or Notes - Any of the Issuer's Short-Term Notes or Medium-Term Notes issued, authenticated and delivered under this Agreement.

Offering Circular - The Offering Circular of the Issuer relating to the Notes dated August 1, 2000 as the same may be amended or supplemented from time to time.

Officer's Certificate - With respect to the Issuer, a certificate (i) signed by the Chairman of the Board, the President, or any Executive Vice President or Senior Vice President of the Issuer or such other persons as the Issuer designates in an Officer's Certificate signed by the President or any Vice President, and (ii) delivered to the Issuing and Paying Agent.

Optional Redemption - A redemption of a Note on or after the date designated on such Note as the Initial Redemption Date at the option of the Issuer as set forth in such Note at a Redemption Price as set forth in such Note.

Original Issue Date - As to any Note, the date on which such Note was issued and the purchase price therefore was paid by the related Holder, except that with respect to a Reopened Note, the Original Issue Date for all portions of such Note shall be the date on which the first portion of such Note was issued and the purchase price therefore was paid by the related Holder.

Original Issue Discount Note - Any Note issued at an issue price representing more than a de minimis discount from the principal amount payable at its Stated Maturity for federal income tax purposes.

Original Stated Maturity - Has the meaning given such term in Section 13(c).

Outstanding - For purposes of the provisions of this Agreement and the Notes, any Note authenticated and delivered pursuant to this Agreement shall, as of any date of determination, be deemed to be "Outstanding," except: (i) Notes theretofore canceled or delivered to the Issuing and Paying Agent for cancellation; (ii) Notes that have become due and payable on their Principal Payment Date and with respect to which monies sufficient to pay the Principal or Redemption Price thereof, as the case may be, and interest thereon shall have been made available to the Issuing and Paying Agent; or (iii) Notes in lieu of or in substitution for which other Notes shall have been authenticated and delivered pursuant to this Agreement.

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Payment Date - A date for payment of Principal of and interest on an Amortizing Note as provided in the Note.

Person - Any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency, instrumentality or political subdivision thereof.

Predecessor Notes - With respect to any particular Note, every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purpose of this definition, any Note authenticated and delivered under Section 17 or the terms of a Note in lieu of or in exchange for a mutilated, lost, destroyed, or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note, and any Note issued upon registration of transfer of or in exchange for any other Note shall be deemed to evidence all or a portion of the same debt evidenced by such other Note.

Prepayment Option Dates - If specified on the applicable Note, a date or dates for prepayment of a Note prior to the Stated Maturity thereof at the option of the Holder.

Prepayment Option Price - The amount prepayable to a Holder on a Prepayment Option Date together with any accrued interest to the Prepayment Option Date, as and if specified above on the applicable Note.

Pricing Supplement - A supplement to the Offering Circular for a particular Note or Notes.

Principal - The amount of a Note due and payable on the Stated Maturity therefor or, in the case of an Amortizing Note, the "Amortized Face Amount" (as specified in the Note).

Principal Office - Subject to the right of each to change its office, by advance written notice to the Issuer, such term means, (1) for the Issuing and Paying Agent, its principal corporate trust office at Four Albany Street, 4th floor, New York, New York 10006, Attention: Corporate Trust and Agency Group; and (2) for any successor or additional Agents, their offices specified in writing to the Issuer and the Issuing and Paying Agent.

Principal Payment Date - The date provided on the face of the Note on which the Principal, or Redemption Price of the Note, as the case may be, becomes due and payable.

Redemption Price - With respect to any Note subject to an Optional Redemption, the amount specified in such Note as payable, when such Note is redeemed on or after the Initial Redemption Date, pursuant to the related Note.

Reference Asset Payable Notes - An Indexed Note which may provide for interest payments, payments at maturity or other payments by delivery of the stocks, loans or other instruments reference to which is made in determining the amount of principal, premium, if any, or interest payable on such Note.

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Register - The register for the registration and transfer of the Notes maintained by the Issuing and Paying Agent pursuant to Section 15 hereof.

Registrar - Bankers Trust Company, or any successor or successors as Registrar, appointed in accordance with Section 20 hereof, who shall perform the duties provided under Section 2(c) hereof.

Regular Record Date - With respect to any Note, unless otherwise specified in such Note, the Regular Record Date with respect to any Interest Payment Date or Payment Date shall be the date that is the fifteenth calendar day (whether or not a Business Day) prior to the applicable Interest Payment Date or Payment Date, as the case may be.

Renewable Note - A Note the maturity of which may be renewed at the option of the Holder in accordance with the terms thereof.

Renewal Date - Has the meaning given such term in Section 13 (d).

Reopened Note - A Note which is reopened after the date on which such Note was issued and the purchase price therefore was paid, through the subsequent issuance of additional principal amount of such Note having the same CUSIP number and all other terms of the Note originally issued.

Securities Exchange Act - The Securities Exchange Act of 1934, as amended.

Selling Agent - Any party, other than the Issuer, to the Distribution Agreement, including any party added to such agreement after its initial date of execution. The initial Selling Agents are: Banc of America Securities LLC, Credit Suisse First Boston Corporation, Lehman Brothers Inc. (including its affiliate, Lehman Commercial Paper Inc.), Merrill Lynch & Co., Merrill, Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co., Incorporated and Salomon Smith Barney Inc.

Special Election Interval - A period during which, if so specified on the applicable Renewable Note, on the Interest Payment Date occurring in the last month of each such Special Election Interval after an Initial Renewal Date, the term of the Note may be extended to the Interest Payment Date occurring in the last month in a period equal to twice the Special Election Interval after the applicable Renewal Date, if the Holder of such Note elects to extend the term of the Note or any portion thereof as provided in such Note.

Special Election Period - A period, if specified on the applicable Note, during which the Holder of such Note may elect to renew the term of the Note, or if provided in the applicable Note, any portion thereof, by delivering a notice to such effect to the Issuing and Paying Agent.

Specified Currency - The currency in which such Note is denominated if such currency is denominated in a composite currency, currency unit or a currency other than U.S. dollars.

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Specified Currency Note - A Note, which pursuant to the terms specified thereon, is denominated in a Specified Currency.

Stated Maturity - As to any Note or any installment of Principal thereof or interest thereon, the date specified therein as the fixed date on which the Principal of such Note or such installment of Principal and interest is due and payable.

Transfer Agent - With respect to any Note issued by the Issuer, any Person or Persons appointed by the Issuer to exchange or transfer Notes issued by the Issuer.

## SECTION 2. Appointment of Agents.

(a) Issuing and Paying Agent. The Issuer hereby appoints Bankers



Trust Company, as Issuing and Paying Agent of the Issuer in respect to the Notes upon the terms and subject to the conditions herein set forth, and Bankers Trust Company hereby accepts such appointment; provided, however, that Bankers Trust Company shall not be required to act as Issuing and Paying Agent with respect to any Reference Asset Payable Note and Bankers Trust Company's acceptance of such appointment with respect to any Reference Asset Payable Note is expressly conditioned upon its prior written approval of the Pricing Supplement to such Reference Asset Payable Note, which Pricing Supplement shall include Administrative procedures relating to such Reference Asset Payable Note. The Issuing and Paying Agent shall have the powers and authority granted to and conferred upon it in the Notes and this Agreement and such further powers and authority to act on behalf of the Issuer as may be agreed upon by the Issuer and the Issuing and Paying Agent from time to time. All of the terms and provisions with respect to such powers and authority contained in the Notes are subject to and governed by the terms and provisions hereof.

The Issuer, further appoints and authorizes Bankers Trust Company, as Issuing and Paying Agent, to act as its Issuing and Paying Agent in executing the Letters of Representations to be delivered to the Depositary, in substantially the forms set forth in Exhibit A hereto.

The Issuing and Paying Agent shall at all times be a bank or trust company organized under the laws of the United States or any jurisdiction in the United States and authorized and empowered under such laws to fulfill and perform all the duties and obligations of the Issuing and Paying Agent hereunder.

The Issuing and Paying Agent hereby represents that it is a bank or trust company meeting the foregoing requirements and that it shall promptly notify the Issuer of any occurrence or event that renders it unable to continue to make the aforesaid representation.

(b) Selling Agents. The Issuer has appointed Banc of America

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Securities LLC, Credit Suisse First Boston Corporation, Lehman Brothers Inc. (Including its affiliate Lehman Commercial Paper Inc.), Merrill Lynch & Co., Merrill, Lynch, Pierce,

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Fenner & Smith Incorporated, Morgan Stanley & Co., Incorporated and Salomon Smith Barney Inc., as Selling Agents for the Notes by and under the terms of the Distribution Agreement, under which the Issuer may, from time to time, appoint other Selling Agents.

(c) Registrar. The Issuer hereby appoints Bankers Trust Company as

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Registrar of the Issuer in respect of the Notes upon the terms and subject to the conditions herein set forth, and Bankers Trust Company hereby accepts such appointment. The Registrar will keep the Register and otherwise act as Registrar in accordance with the terms of this Agreement.

The Registrar will keep a record of all Notes, at its Principal Office or at such other location as it may choose and as to which it will give advance notice to the Issuer. The Registrar will include in such record a notation as to whether such Notes have been paid or cancelled or, in the case of mutilated, destroyed, stolen or lost Notes, whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Registrar will keep a record of the Notes so replaced and the Notes issued in replacement thereof.

(d) Transfer Agents. The Issuer (at its sole cost and expense) may

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appoint from time to time one or more Transfer Agents for one or more of the Notes. The Issuer shall solicit written acceptance of the appointment from any entity so appointed as Transfer Agent. Such written acceptance shall be in a form satisfactory to the Issuing and Paying Agent and state that by the Transfer Agent's acceptance of such appointment, it agrees to act as a Transfer Agent pursuant to the terms and conditions of this Agreement. The Issuer hereby appoints Bankers Trust Company as the initial Transfer Agent for the Notes, and Bankers Trust Company hereby accepts such appointment.

(e) Calculation Agents.

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1. Appointment of Calculation Agent: The Issuer (at its sole  
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cost and expense) may appoint from time to time one or more Calculation Agents for one or more of the Notes. The Issuer shall solicit written acceptance of the appointment from any entity so appointed as Calculation Agent. Such written acceptance shall be in a form satisfactory to the Issuing and Paying Agent and state

that by the Calculation Agent's acceptance of such appointment, it agrees to act as a Calculation Agent pursuant to the terms and conditions of this Agreement.

- (a) Floating Rate Notes: Except as otherwise specified  
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in a Pricing Supplement relating to a particular Note, the Issuer hereby appoints Bankers Trust Company as the initial Calculation Agent for the Floating Rate Notes, and Bankers Trust Company hereby accepts such appointment.

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- (b). Indexed Notes: Before issuing an Indexed Note, the  
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Issuer shall appoint a Calculation Agent for the purpose of calculating the principal at maturity, the rate of interest or other amounts payable on the Indexed Notes, all in accordance with the terms of the Indexed Notes. With respect to Indexed Notes, at such times as shall be specified in the Pricing Supplement and the Indexed Note, the Calculation Agent shall determine the index (if required), principal, premium, if any, rate of interest, interest payable or other amounts payable. Upon the request of the Holder of any Indexed Note, the Calculation Agent will provide, if applicable, the current index, principal, premium, if any, rate of interest, interest payable or other amounts payable in connection with such Indexed Note.

2. Duties and Responsibilities: The duties and responsibilities  
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of the Calculation Agent shall be as specified herein, in the Administrative Procedures attached as Exhibit B hereto, and in the applicable Note. As promptly as practicable after each Interest Determination Date for a Floating Rate Note or an Indexed Note, the Calculation Agent will notify the Issuer thereof of the interest rate which will become effective on the next interest Reset Date (as defined in such Floating Rate Note or Indexed Rate Note). Upon the request of the Holder of a Floating Rate Note or an Indexed Rate Note, the Calculation Agent will provide to such Holder the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note or such Indexed Note.

### SECTION 3. The Notes.

- (a) Note Form; Signature. Except as otherwise provided in Section  
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3(h) hereof and except with respect to a Reopened Note, each Note issued by the Issuer with the same Original Issue Date and otherwise having identical terms shall be represented by a single note certificate (each a "Global Note"). Fixed Rate Notes will be substantially in the form of Exhibit C hereto, Floating Rate Notes will be substantially in the form of Exhibit D hereto, and Indexed Notes will be substantially in the form of Exhibit E hereto, provided that any Specified Currency Notes will be substantially in any such form with such changes as may be agreed upon by the Issuer and the Issuing and Paying Agent as provided in Section 11 hereof. The Notes may contain such insertions, omissions, substitutions, and other variations as the Issuer determines to be required or permitted by this Agreement and may have such letters, numbers, or other marks of identification and such legend or legends or endorsements placed thereon as any officer of the Issuer executing such Notes may determine to be necessary or appropriate, as evidenced by such officer's execution of such Notes by manual or facsimile signature, including, without

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limitation, any legends or endorsements that may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange on which the Notes may be listed or to conform to general usage.

Any Global Note issued hereunder shall, in addition to the provisions contained in Exhibits C, D or E, hereto, as the case may be, bear a legend in substantially the following form:

"This Note is a Global Note within the meaning of the Issuing and Paying Agency Agreement hereinafter referred to and is registered in the name of a Depositary or a nominee of a Depositary. This Note is exchangeable for Notes

registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Issuing and Paying Agency Agreement and may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository."

Furthermore, each Global Note issued hereunder to DTC or its nominee shall bear a legend in substantially the following form:

"Unless this Note is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & CO., has an interest herein."

The Issuer will from time to time and upon request furnish the Issuing and Paying Agent with an adequate supply of Certificated Notes, without coupons, serially numbered, which will have the Principal amount, date of issue, Stated Maturity Initial Redemption Date, if any, rate of interest (in the case of Fixed Rate Notes) or base rate, initial interest rate, spread and/or spread multiplier, if any, interest reset dates, index, if any, index maturity, other amounts payable, and maximum and minimum interest rates, if any (in the case of Floating Rate Notes or Indexed Notes), and, in each case, the name and address of the Holder, and other applicable terms which may be specified with respect to such Notes in accordance with the Administrative Procedures left blank.

Each Floating Rate Note will bear interest at a rate determined by reference to a base rate, which may be adjusted by a spread or multiplied by a spread multiplier. Each Floating Rate Note will designate an applicable base rate. Such base rate shall be calculated by reference to an interest rate formula described in such Note. The interest rates borne by any particular Notes

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may vary as against the rates borne by any other Notes. Any such variations in interest rates with respect to particular Notes shall not affect the rates of interest borne by any other Notes issued hereunder.

Each of the principal, premium, if any, interest payable or other amounts payable, or any combination of the foregoing, may be determined by reference to one or more indices. Each Indexed Note and the associated Pricing Supplement will designate the applicable indices. The principal, premium, if any, interest payable or other amounts payable may vary as against those borne by any other Indexed Notes. Any such variations in principal, premium, if any, interest payable or other amounts payable with respect to particular Indexed Notes shall not necessarily affect the principal, premium, if any, interest payable or other amounts payable borne by any other Indexed Notes issued under the Distribution Agreement.

Each Note will be signed manually or by facsimile by an Authorized Representative included in Exhibit G hereto. The Notes will have a Stated Maturity of not less than (7) seven days from date of issue and will be issued in the respective orders of the serial numbers imprinted thereon. The Issuing and Paying Agent hereby agrees to hold such blank Notes in safekeeping in accordance with its customary practices and procedures.

Notwithstanding the foregoing, any Global Note issued by the Issuer shall be exchangeable pursuant to this Section for Notes registered in the name of Persons other than the Depository for such Note or its nominee only if (i) such Depository notifies the Issuing and Paying Agent that it is unwilling or unable to continue as Depository for such Global Note or if at any time such Depository ceases to be a clearing agency registered under the Securities Exchange Act and in either such case a successor Depository is not appointed by the Issuer within ninety (90) days, or (ii) the Issuer thereof executes and delivers to the Issuing and Paying Agent a written notification that such Global Note shall be so exchangeable or (iii) an Event of Default occurs with respect to such Global Note. Any Global Note that is exchangeable pursuant to the preceding sentence shall be exchangeable for Certificated Notes registered in such names as such Depository shall direct. Notwithstanding any other provision in this Agreement, a Global Note may not be transferred except as a whole by the Depository with respect to such Global Note to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository.

As of the date hereof, the Issuer has authorized the offer and issuance from time to time of Notes with maturities of 7 days or more up to a maximum principal amount at any one time outstanding of \$50,000,000,000. Since \$50,000,000,000 in aggregate principal amount of Bank Notes with maturities of more than 270 days can be issued in compliance with the registration and

prospectus regulations of the Office of the Comptroller of the Currency (the "OCC"), not more than \$50,000,000,000 aggregate principal amount of such Bank Notes may be offered and issued under the Issuing and Paying Agency Agreement. Bank Notes with maturities of 270 days or less are exempt from the registration and prospectus regulations of the OCC. Accordingly, the maximum aggregate principal amount of such Bank Notes offered and issued under this Agreement is limited only by the \$50,000,000,000 limitation on the total aggregate principal amount of Bank Notes outstanding at any one time. Notwithstanding the foregoing, if the Issuer authorizes the offer and issuance of additional Notes and, to the extent necessary,

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registers such Notes with the OCC such additional Notes may be sold to or through the Agents pursuant to the terms of this Agreement, all as though the offer and issuance of such Notes were authorized as of the date hereof.

(b) Denominations. Unless otherwise indicated in the applicable

Notes and the applicable Pricing Supplement except as provided in Section 3(h) and to the extent that the Issuer elects to issue Notes in definitive form, the Notes shall be issuable only in book-entry form, without coupons, in minimum denominations of \$250,000 and integral multiples of \$1,000 in excess thereof.

(c) Completion of Notes. Upon receipt of the information set forth

in Section 5 (a), the Issuing and Paying Agent shall complete and authenticate each Note.

(d) Date. The Issuing and Paying Agent will date each Note the date

of its authentication.

(e) Certificate of Authentication. Only Notes that bear thereon a

certificate of authentication substantially in a form set forth below (a "Certificate of Authentication"), executed by the Issuing and Paying Agent by its manual signature, will be valid:

#### Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Issuing and Paying Agency Agreement.

Dated: \_\_\_\_\_ BANKERS TRUST COMPANY  
as Issuing and Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

(f) Original Issue Discount Notes. Each Original Issue Discount Note

shall contain on its face a legend substantially in the form of Exhibit F hereto.

(g) Custody of Notes. The Issuing and Paying Agent shall maintain in

safe custody all blank Notes that the Issuer delivers to it and that it holds hereunder and shall complete and issue such Notes only in the terms hereof.

(h) Certificated Notes. If at any time the Depository notifies the

Issuer or the Issuing and Paying Agent that it is unwilling or unable to continue to act as depository for any of the Global Notes, or if at any time such Depository ceases to be a clearing agency registered under the Securities Exchange Act and in either such case a successor Depository is not appointed by the Issuer within ninety (90) days, the Issuer will execute and the Issuing and Paying Agent will, upon the receipt of procedures for certificated securities in form and substance satisfactory to the Issuer and the Issuing and Paying

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Agent and upon receipt of instructions in writing from the Issuer, authenticate and deliver to the Holder or the Holder's designee Notes of like tenor and terms in definitive form in an aggregate principal amount equal to the Global Notes then outstanding in exchange for such Global Notes.

SECTION 4. Authorized Representatives. The Issuer hereby certifies that

each person named in Exhibit G hereto and designated as affiliated with the Issuer is a duly Authorized Representative of the Issuer and that the signature

set forth opposite such representative's name is his or her true and genuine signature. The Issuing and Paying Agent shall be entitled to rely on the information set forth in Exhibit G for purposes of determining an Authorized Representative until such time as the Issuing and Paying Agent receives a subsequent certificate from the Issuer deleting or amending any of the information set forth therein. The Issuing and Paying Agent shall not have any responsibility to the Issuer to determine whether any signature on a Note purporting to be that of an Authorized Representative in Exhibit G with respect to the Issuer is genuine, so long as such signature resembles the specimen signature set forth in Exhibit G or in a subsequent certificate delivered to the Issuing and Paying Agent by the Issuer. Any Note bearing the signature of a person who is an Authorized Representative in Exhibit G with respect to the Issuer on the date he or she signs such Note shall be a binding obligation of the Issuer upon the completion and authentication thereof by the Issuing and Paying Agent, notwithstanding that such person shall have ceased to be an Authorized Representative on the date such Note is completed, authenticated or delivered by the Issuing and Paying Agent.

SECTION 5. Completion, Authentication and Delivery of Notes.

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(a) The Issuing and Paying Agent may rely on such instructions if they are received by one of the duly Authorized Representatives of the Issuing and Paying Agent named in Exhibit H hereto or their successors, which may be named by the Issuing and Paying Agent (of which the Issuer shall be notified in writing), from time to time through the use of a facsimile transmission (confirmed by guaranteed delivery of overnight courier) from any person purporting to be any of the individuals included in Exhibit G hereto. Such instructions shall include the following (each term as used or defined in the related form of Note attached):

1. Principal Amount of the Note, CUSIP Number and, if applicable, the Specified Currency.
2. (a) Fixed Rate Notes:
  - (i) Interest Rate,
  - (ii) Interest Payment Dates, and
  - (iii) Regular Record Dates.
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- (b) Floating Rate Notes:
  - (i) Base Rate or Rates,
  - (ii) Initial Interest Rate,
  - (iii) Spread and/or Spread Multiplier, if any,
  - (iv) Interest Reset Date or Dates,
  - (v) Interest Reset Period,
  - (vi) Interest Payment Dates,
  - (vii) Regular Record Dates,
  - (viii) Index Maturity,
  - (ix) Maximum and Minimum Interest Rates, if any, and
  - (x) Calculation Agent, if other than the Issuing and Paying Agent.
- (c) Indexed Notes:
  - (i) Base Rates,
  - (ii) Initial Interest Rate(s),
  - (iii) Underlying index, credit or formula,
  - (iv) Interest (or Other Amounts Payable) Reset Date(s),
  - (v) Interest (or Other Amounts Payable) Reset Period(s),
  - (vi) Interest (or Other Amounts Payable) Payment Date(s),

- (vii) Regular Record Dates,
- (viii) Maximum and Minimum Interest Rates, if any, and
- (ix) Calculation Agent, if other than the Issuing and Paying Agent.

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3. Price to public, if any, of the Note (or whether the Note is being offered at varying prices relating to prevailing market prices at time of resale as determined by the Selling Agent).
4. Trade date.
5. Original Issue Date.
6. Stated Maturity.
7. Redemption provisions, if any, including Initial Redemption Date, Initial Redemption Percentage, Annual Redemption Reduction Percentage, whether partial redemption is permitted and method of determining Notes to be redeemed.
8. Prepayment Option Date(s) and Prepayment Option Price(s), if any.
9. Extension provisions, if any, including length of Extension Period(s), number of Extension Periods and Final Maturity Date.
10. Renewal terms, if any, including Special Election Interval and Special Election Period.
11. Net proceeds to the Issuer.
12. The Selling Agent's commission or underwriting discount and the Selling Agent's participant account at the Depositary for settlement.
13. Whether such Notes are being sold to the Selling Agent as principal or to an investor or other purchaser through the Selling Agent acting as agent for the Issuer, or through the Issuer itself.
14. Whether such Note is being issued as an Original Issue Discount Note and the terms thereof.
15. Such other information specified with respect to the Notes (whether by addendum, text to be included under "Other Provisions" on the face of such Note, or otherwise), including, with respect to any Specified Currency Note, provisions regarding the calculation of any interest or principal payments under such Note.

(b) Upon receipt of the information set forth in subsection (a) above, the Issuing and Paying Agent will confirm by facsimile to the Issuer the principal amount of the Notes of the Issuer issued as of such

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date hereunder after giving effect to such transaction and to all other transactions of which the Issuer has given instructions to the Issuing and Paying Agent but which have not yet been settled.

For purposes of monitoring the aggregate principal amount of Notes issued and/or outstanding at any time hereunder, the Issuing and Paying Agent shall determine the U.S. Dollar equivalent of the principal amount of each Original Issue Discount Note or series of Original Issue Discount Notes, each Indexed Note the principal of which is determined by reference to an index or series of such Indexed Notes and each Specified Currency Note or series of Specified Currency Notes as follows:

- (i) the U.S. dollar equivalent of Bank Notes denominated in a currency other than U.S. dollars shall be determined as of the issue date for such Notes on the basis of the spot rate for the sale of the U.S. dollar against the purchase of the relevant currency quoted by a foreign exchange dealer selected by the Issuer on the relevant day of calculation;
- (ii) the principal amount of Original Issue Discount Notes and any other Notes issued at a discount shall be deemed to be (x) the principal amount received by the Issuer for the relevant issue

or (y) in the case of a Specified Currency Note, the U.S. Dollar equivalent, determined in the manner specified in clause (i) above, of the principal amount received by the Issuer for the relevant issue.

- (iii) the U.S. dollar equivalent of Indexed Notes shall be calculated in the manner specified above by reference to the original nominal amount of such Bank Notes.

The Issuing and Paying Agent shall promptly notify the Issuer of each determination made as aforesaid.

(c) Upon receipt of such instructions, if such Notes are to be issued as one or more Global Notes, the Issuing and Paying Agent shall communicate to the Depositary and the Selling Agent through DTC's Participant Terminal System, a pending deposit message specifying the settlement information required in the Administrative Procedures.

(d) Instructions regarding the completion of a Note must be received by the Issuing and Paying Agent not later than the time and date specified in the Administrative Procedures.

SECTION 6. Procedure Upon Sale of the Notes. The Issuing and Paying Agent

will upon reasonable written request, promptly deliver copies of such Global Notes (with any additional terms provided by the Issuer included thereon) to the appropriate Selling Agents in accordance with Section 5(c) hereof.

SECTION 7. Payment of Interest; Actions on Days Other than Business Days;

Payment of Other Amounts.

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(a) Subject to the receipt of funds as provided in Section 12 hereof, interest payments will be made on the Notes on each Interest Payment Date and on the Stated Maturity thereof (or the date of Optional Redemption, if any) pursuant to the terms stated thereon. All such interest payments (other than interest due on the Stated Maturity, or on the date of Optional Redemption, if a Note is redeemed prior to its Stated Maturity) will be paid to the Holder of such Note at the close of business on the applicable Regular Record Date. Notwithstanding the foregoing, if a Note is dated between the Regular Record Date next preceding an Interest Payment Date and such Interest Payment Date, the first payment of interest on such Note will be made on the next succeeding Interest Payment Date following the next succeeding Regular Record Date, to the Holder on the Regular Record Date immediately succeeding such first Interest Payment Date, unless otherwise specified in the applicable Pricing Supplement. Interest will begin to accrue on the issue date and not from the previous Interest Payment Date. Unless otherwise specified on the face of the Note and in an applicable Pricing Supplement, interest on Fixed Rate Notes (including payments for partial periods) will be calculated on the basis of a 360-day year consisting of twelve 30-day months; provided, however, that if the term of

such Fixed Rate Note is for a period from 7 days through and including one year, then interest payable on such Fixed Rate Note, if any, on each Interest Payment Date and on the Stated Maturity will be calculated on the basis of the actual number of calendar days from and including the last Interest Payment Date to which interest has been paid to, but excluding, such Interest Payment Date or Stated Maturity, as the case may be, divided by 360. Unless otherwise specified on the face of the Note and in an applicable Pricing Supplement, in the case of Floating Rate Notes, interest will be calculated and paid on the basis of the actual number of days since the preceding Interest Payment Date (or, if none, since the Original Issue Date) divided by 360 or, if the base rate is the Treasury Rate or CMT Rate, as defined in the applicable Note, by the actual number of days since the preceding Interest Payment Date (or, if none, since the Original Issue Date). All interest on Certificated Notes (other than interest payable at Stated Maturity or upon any Optional Redemption) will be paid by check of the Issuing and Paying Agent mailed by such Issuing and Paying Agent to the Holder as such Holders address is shown in the Register referred to in Section 15 on the applicable Regular Record Date, or to such other address in the United States as such Holder shall designate to the Issuing and Paying Agent in writing not later than the relevant Regular Record Date; provided, however, that a Holder of one million dollars (\$1,000,000) or

more in aggregate Principal amount of Certificated Notes (all of which have identical terms and tenor) shall be entitled to receive payments of interest (other than interest payable at maturity or upon redemption) by wire transfer of immediately available funds upon written request to the Issuing and Paying Agent not later than fifteen (15) calendar days prior to the applicable Payment Date. All interest payments on any Global Note (other than Interest due on the Stated Maturity or the Optional Redemption Date, if any) shall be paid by the transfer of immediately available funds

to the Depository. The Issuing and Paying Agent will withhold taxes, if any, on interest to the extent that it has been instructed in writing by the Issuer of the related Note that any taxes should be withheld.

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(b) Actions Due on Saturdays, Sundays and Holidays. If any date on

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which a payment, notice or other action required by this Agreement, the Administrative Procedures or the Note falls on any day other than a Business Day, then that action or payment need not be taken or made on such date, but may be taken or made on the next succeeding Business Day on which the Issuing and Paying Agent is open for business with the same force and effect as if made on such date.

(c) Payment of Other Amounts. With respect to any Indexed Note

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which may include the payment of other amounts, the relevant Pricing Supplement shall provide for determination of, and timing and method of payment for, such other amounts.

SECTION 8. Payment of Principal. Upon the Stated Maturity (or date of

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Optional Redemption, if any) of any Note, or on each Interest Payment Date and the Stated Maturity, in the case of an Amortizing Note, and upon presentation and surrender of any Note on or after the Stated Maturity (or the date of Optional Redemption, if any), the Issuing and Paying Agent shall pay, subject to the receipt of funds as provided in Section 12 hereof, the Principal amount of the Note together with accrued interest due on the Stated Maturity (or the date of Optional Redemption, if any), either (i) by separate wire transfer of immediately available funds to such account at a bank in The City of New York (or other bank consented to by the Issuer of the related Note) as the Holder of such Note shall have designated in writing to the Issuing and Paying Agent at least 15 days prior to such Principal Payment Date and if such Note is a Global Note, to the Depository, or (ii) by check of the Issuing and Paying Agent payable to the, order of the Holder of the Note or its properly designated assignee or custodian. Upon payment in full, the Issuing and Paying Agent will cancel the Note and remit it directly to the Issuer thereof.

SECTION 9. Designation of Accounts to Receive Payment. In the event that

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Notes are issued in certificated form, a bank account to receive payments due under a certificated Note may be designated to the Issuing and Paying Agent to receive payments of interest and Principal under Sections 7 and 8 hereof either (i) by an Authorized Representative of the Issuer included in Exhibit G hereto in the authentication instructions given by it to the Issuing and Paying Agent under Section 5(a) hereof in respect of particular Notes, or (ii) in the event that the authentication instructions make no designation, or that the Holder wishes to change a designation previously made, by written notice from the Holder to the Issuing and Paying Agent. Such written notice must be provided to the Issuing and Paying Agent not later than fifteen (15) days prior to any Interest Payment Date, Principal Payment, or Payment Date, as the case may be.

SECTION 10. Information Regarding Amounts Due. The Issuing and Paying Agent

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shall provide to the Issuer, at least five (5) Business Days before each Interest Payment Date or other payment date, a list of interest payments or other payments to be made on the following Interest Payment Date or other payment date for each Note and in total. The Issuing and Paying Agent will provide to the Issuer by the fifteenth day of each month a list of the Principal, premium, if any, and interest or other amounts to be paid on Notes maturing in the next succeeding month.

SECTION 11. Specified Currency Notes. Prior to the issuance of any

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Specified Currency Note, the Issuer thereof shall provide to the Issuing and Paying Agent a form of such Note, which form shall be in substantially the form of Exhibit C, D or E hereto unless otherwise

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provided in the applicable Pricing Supplement, with such changes and additions as may be reasonably satisfactory to the Issuing and Paying Agent.

SECTION 12. Deposit of Funds. The Issuer shall, prior to 11:00 a.m., New

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York City time, on each Interest Payment Date or other payment date, pay to the Issuing and Paying Agent an amount in immediately available funds sufficient to pay all interest or other payments due on Notes issued by the Issuer on such Interest Payment Date and shall, prior to 11:00 a.m., New York City time, on the Stated Maturity (or any date of Optional Redemption, if any) of any Note issued by the Issuer, pay to the Issuing and Paying Agent an amount in immediately available funds sufficient to pay the Principal of any such Note, and interest accrued and/or other amounts due to the Stated Maturity (or the date of Optional Redemption, as the case may be).



SECTION 13. Optional Redemption.

(a) Optional Redemption. In accordance with and subject to the

terms and conditions provided in the applicable Note and Pricing Supplement, the Issuer may at its option redeem a Note issued by it in whole or from time to time in part (subject to the requirement that the principal amount of such Note after such redemption, if such Note is redeemed in part, (unless otherwise specified in a Pricing Supplement) be not less than \$250,000 or any integral multiple of \$1,000 in excess thereof, such minimum denomination, the "Authorized Denomination") on or after the date designated in such Note as the Initial Redemption Date at the applicable Redemption Price, in each case, with accrued and unpaid interest to the date of redemption. Unless otherwise specified in an applicable Pricing Supplement and in the Note, the Issuer may exercise such option by giving to the Holder thereof a notice of such redemption at least thirty (30) but not more than sixty (60) days prior to the date of redemption. The Issuer shall notify the Issuing and Paying Agent of its election to redeem any Note at least forty-five (45) days prior to the date of redemption (unless a shorter period is satisfactory to the Issuing and Paying Agent). In the event of redemption of the Note in part only, a new Note or Notes of like tenor and terms for the unredeemed portion thereof shall be issued in the name of the Holder thereof upon the cancellation thereof in accordance with the terms of this Agreement. Unless otherwise provided in the applicable Note, if less than all of the Notes with like tenor and terms to such Note are to be redeemed, the Notes to be redeemed shall be selected by the Issuing and Paying Agent by pro rata, by lot or by such method as shall be agreed upon by the Issuing and Paying Agent and the Issuer as being fair and appropriate.

(b) Optional Repayment. In accordance with and subject to the

terms and conditions provided in the applicable Note and Pricing Supplement, such Note will be repayable prior to its Stated Maturity at the option of the Holder on the Prepayment Option Dates and at the Prepayment Option Prices provided in the applicable Note together with accrued interest to such date. Unless otherwise provided in the applicable Note and Pricing Supplement, in order for the Note to be repaid, the Issuer (or the Issuing and Paying Agent, on behalf of the Issuer) must receive, at least thirty (30) but not more than forty-five (45) days prior to an Prepayment Option Date, the Note and the form, entitled "Option to Elect Repayment" included with such Note at the time of its issue,

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duly completed. Exercise of this repayment option shall be irrevocable, except as otherwise provided under Section 13 (c) below. If so provided in the applicable Note, the repayment option may be exercised by the Holder of such Note for less than the aggregate principal amount of the Note then outstanding provided that the principal amount of the Note remaining outstanding after repayment is in an Authorized Denomination. Upon such partial repayment the Note shall be cancelled and a new Note or Notes of like tenor and terms for the remaining principal amount thereof shall be issued in the name of the Holder.

(c) Optional Extension of Maturity. If so specified in the

applicable Note and Pricing Supplement, the Stated Maturity of such Note may be extended at the option of the Issuer, in the manner set forth below (unless otherwise provided on the face thereof), for that number of periods each of such length as provided in the applicable Note (each an "Extension Period") up to but not beyond the Final Maturity Date set forth in such Note. Unless otherwise specified in the Applicable Note and Pricing Supplement, the Issuer may exercise such option by notifying the Issuing and Paying Agent of such exercise at least fifty (50) but no more than sixty (60) days prior to the Stated Maturity in effect prior to such exercise (the "Original Stated Maturity"). If the Issuer exercises such option, the Issuing and Paying Agent will mail (by first class mail, postage prepaid) to the Holder of the Note no later than forty (40) days prior to the Original Stated Maturity a notice (the "Extension Notice") relating to such Extension Period, setting forth (i) the election of the Issuer to extend the Original Stated Maturity, (ii) the new Stated Maturity (which shall then be considered the Stated Maturity for all purposes of the Note), (iii) spread or spread multiplier applicable to the Extension Period, and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Issuing and Paying Agent's transmittal of the Extension Notice, the Original Stated Maturity of the Note shall be extended automatically, and, except as modified by the Extension Notice and as described in the next paragraph, such Note will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing unless otherwise provided in the Note and applicable Pricing Supplement, not later than twenty (20) days prior to

the Original Stated Maturity of such Note the Issuer may, at its option, in the case of a Fixed Rate Note, revoke the interest rate provided for in the Extension Notice for the Extension Period and establish an interest rate that is higher than the interest rate provided for in the Extension Notice for the Extension Period, or in the case of a Floating Rate Note, revoke the spread or spread multiplier provided for in the Extension Notice for the Extension Period, or in the case of an Indexed Note, make such other changes to the determination of principal, premium, if any, interest payable or other amounts payable, or any combination of the foregoing, each to the economic benefit of the Holder, by causing the Issuing and Paying Agent to transmit notice of such higher interest rate, or higher spread or spread multiplier, or other change, as the case may be, to the Holder of such Note. Such notice shall be irrevocable. All Notes with respect to which the Stated Maturity is extended and with respect to which the Holders of such Notes have not tendered such Notes for repayment (or have validly revoked any such tender) pursuant to the

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succeeding paragraph will bear such higher interest rate, or higher spread or spread multiplier, or other change, as the case may be, for the Extension Period.

If the Issuer elects to extend the Stated Maturity of the Note, the Holder thereof will have the option to elect repayment of the Note by the Issuer thereof on the Original Stated Maturity at a price equal to the aggregate principal amount thereof outstanding plus interest accrued to such date. In order to obtain such repayment, the Holder thereof must follow the procedures set forth in Section 13(b) for optional repayment except that the period for delivery of the Note or notification to the Issuing and Paying Agent shall be at least twenty-five (25) but not more than thirty-five (35) days prior to the Original Stated Maturity and except that, if the Holder thereof has tendered the Note for repayment pursuant to an Extension Notice, such Holder may, by written notice to the Issuing and Paying Agent, revoke such tender for repayment until the close of business on the tenth day prior to the Original Stated Maturity.

(d) Optional Renewal. If so provided in the applicable Note and

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Pricing Supplement, such Note may be renewed by the Holder of the Note on an Interest Payment Date (provided in the applicable Note) occurring in or prior to the twelfth month following the Original Issue Date (the "Initial Maturity Date") in accordance with the procedures described below Unless a Special Election Interval is provided in the applicable Note, on the Interest Payment Date occurring in the sixth month prior to the Initial Maturity Date (as provided in the applicable Note) of a Renewable Note (the "Initial Renewal Date") and on the Interest Payment Date occurring in each sixth month (or in the last month of each Special Election Interval) after such Initial Renewal Date (each, together with the Initial Renewal Date, a "Renewal Date"), the term of the Note may be extended to the Interest Payment Date occurring in the twelfth month (or, if a Special Election Interval is specified the last month in a period equal to twice the Special Election Interval) after such Renewal Date, if the Holder of such Note elects to extend the term of the Note or any portion thereof as provided below. If the Holder of the Note does not elect to extend the term of any portion of the principal amount of such Note during the specified period prior to any Renewal Date, such portion will become due and payable on the Interest Payment Date occurring in the sixth month (or the last month in the Special Election Interval) after such Renewal Date (the "New Maturity Date").

A Holder of such Note may elect to renew the term of the Note, or if provided in the applicable Note and Pricing Supplement, any portion constituting an Authorized Denomination thereof, by delivering a notice to such effect to the Issuing and Paying Agent not less than fifteen (15) nor more than thirty (30) days prior to such Renewal Date (unless a different Special Election Period is provided in the applicable Note). Such election will be irrevocable and will be binding upon each subsequent Holder of the Note. An election to renew the term of such Note may be exercised with respect to less than the entire principal amount of the Note only if notice is provided as provided in the applicable Note and only in such principal amount, or any integral multiple in excess thereof, as specified in such notice. Notwithstanding the foregoing, the term of such Note may not be extended beyond the maturity provided in the applicable Note.

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If the Holder of such Note does not elect to renew the term of the Note, the Note must be presented to the Issuing and Paying Agent (or any duly appointed paying agent) and, if the Note is issued in definitive form, as soon as practicable following receipt of the Note, the Issuing and Paying Agent (or any duly appointed paying agent) shall issue in exchange herefor in the name of the Holder (i) a Note, in a principal amount equal to the principal amount of such Note for which no election to renew the term thereof was exercised, with terms identical to those specified on the

Note (except that such Note shall have a fixed, nonrenewable maturity on the New Maturity Date) and (ii) if an election to renew is made with respect to less than the full principal amount of the Note, a replacement Note, in a principal amount equal to the principal amount of such exchanged Note for which the election to renew was made, with terms identical to such exchanged Note.

#### SECTION 14. Events of Default.

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Unless otherwise specified in the applicable Note and Pricing Supplement, the following will constitute "Events of Default" and the only Events of Default with respect to each Note: (a) default in the payment of any interest or other amounts payable upon such Note when due, which continues for thirty (30) days; (b) default in the payment of any principal of or premium, if any, upon such Note when due; (c) default in the performance of any covenant or agreement of the Issuer thereof contained in such Note which, unless otherwise specified therein, continues for 90 days; (d) the appointment of a conservator, receiver, liquidator or similar official for the Issuer thereof or for all or substantially all of its property, or the taking by the Issuer of any action to seek relief under any applicable insolvency or reorganization law.

If an Event of Default with respect to a Global Note shall occur, the Issuer thereof shall promptly issue Certificated Notes in exchange for such Global Note and the remedies provided in such Global Note for any such Event of Default will be exercisable only after such exchange has occurred, and only by the Holders of such Certificated Notes. The Holder of each such Certificated Note will itself be solely and entirely responsible for the exercise of any remedies provided therein.

If an Event of Default with respect to a Certificated Note shall occur and be continuing with respect thereto, the Holder thereof may: (i) by written notice to the Issuing and Paying Agent declare the entire outstanding principal amount thereof, together with any unpaid interest, other amounts and premium accrued thereon, to be immediately due and payable; (ii) institute a judicial proceeding of the enforcement of the terms thereof including the collection of all sums due and unpaid thereunder, prosecute such proceeding to judgment or final decree, and enforce the same against the Issuer thereof and collect monies adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer thereof; and (iii) take such other action at law or in equity as may appear necessary or desirable to collect and enforce such Certificated Note; provided, however, that in the event that such Note is an Original Issue Discount Note or Indexed Note the principal of which is determined by an index, unless otherwise specified in such Note, the amount of principal that becomes due and payable upon such declaration shall be equal to (a) with respect to Original Issue Discount Notes, the Amortized Face Amount as defined therein, and (b) with respect to Indexed Notes the principal of which is determined by an

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index, as specified in the relevant Pricing Supplement, and provided further, that the Holder of a Certificated Note may waive any Event of Default that occurs with respect thereto.

#### SECTION 15. Registration; Transfer.

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(a) The Registrar shall maintain a Register in which it shall register the names, addresses and taxpayer identification numbers of the Holders of the Notes and shall register the transfer of Notes.

(b) Upon surrender for registration of transfer of any Note to the Registrar or any Transfer Agent, the Issuer shall execute, and the Issuing and Paying Agent shall complete, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes, of any Authorized Denominations and having identical terms and provisions and for a like aggregate principal amount.

(c) At the option of the Holder of a certificated Note, certificated Notes may be exchanged for other certificated Notes of any Authorized Denominations and having identical terms and provisions and for a like aggregate principal amount, upon surrender of the Notes to be exchanged at the Registrar or any Transfer Agent. Whenever any certificated Notes are so surrendered for exchange, the Issuer thereof shall execute, and the Issuing and Paying Agent shall complete, authenticate and deliver, the certificated Notes which the Holder of the certificated Note making the exchange is entitled to receive. Each new Note issued upon presentment of any Note for registration of transfer or exchange shall be issued as of the date of its authentication. Except as provided herein or in the applicable Pricing Supplement and Note, owners of beneficial interests in a Global Note representing Book Entry Notes registered in their names, will not receive or be entitled to receive physical delivery of Certificated Notes and will not be considered the owners or Holders thereof under this Agreement.

(d) Notwithstanding the foregoing neither the Registrar or any Transfer Agent shall register the transfer of or exchange (i) any Note that has been called for redemption in whole or in part, except the unredeemed portion of Notes being redeemed in part, (ii) any Note during the period beginning at the opening of business 15 days before the mailing of a notice of such redemption and ending at the close of business on the date of such mailing, or (iii) any Global Note in violation of the legend contained on the face of such Global Note.

(e) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits as the Notes surrendered upon such registration of transfer or exchange.

(f) Every Note presented or surrendered for registration of transfer or for exchange shall be duly endorsed, or be accompanied by a written instrument of transfer with such evidence of due authorization and guaranty of signature as may reasonably be required by the Registrar or any Transfer Agent, as applicable, in form satisfactory to either of them, duly executed by the Holder thereof or his attorney duly authorized in writing.

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(g) No service charge shall be made to a Holder of Notes for any transfer or exchange of Notes, but the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

SECTION 16. Persons Deemed Owners. Prior to due presentment of a Note for

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registration of transfer, the Issuer, the Issuing and Paying Agent and any agent of the Issuer or the Issuing and Paying Agent may treat the Holder as the owner of such Note for the purpose of receiving payment of Principal of, interest and premium, if any, on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Issuing and Paying Agent nor any agent of the Issuer or the Issuing and Paying Agent shall be affected by notice to the contrary.

SECTION 17. Mutilated, Lost, Stolen or Destroyed Notes. In case any Note

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shall become mutilated, destroyed, lost or stolen, and upon the satisfaction by the applicant of the requirements of this Section 17 for a substituted Note, the Issuer shall execute, and upon its written request the Issuing and Paying Agent shall authenticate and deliver, a new Note having identical terms and provisions and having a number not contemporaneously outstanding, in exchange and substitution for the mutilated Note or in lieu of any substitution for the Note destroyed, lost or stolen. In the case of loss, theft or destruction, the applicant for a substituted Note shall furnish to the Issuer and to the Issuing and Paying Agent such security or indemnity as may be required by them to save each of them harmless. Such applicant shall also furnish to the Issuer and to the Issuing and Paying Agent evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof. In the case of mutilation, the applicant for a substituted Note shall surrender such mutilated Note to the Issuer or to the Issuing and Paying Agent for cancellation thereof. The Issuing and Paying Agent may authenticate any such substituted Note and deliver the same upon the written request or authorization of any Authorized Representative. Upon the issuance of any substituted Note, the Issuer may require the payment of a sum sufficient to cover any expense connected therewith. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note) if the applicant for such payment shall furnish the Issuer and the Issuing and Paying Agent with such security or indemnity as may be required by them to save each of them harmless, and, in the case of destruction, loss or theft, evidence to the satisfaction of the Issuer of the destruction, loss or theft of such Note and of the ownership thereof. All applications under this Section shall be processed by the Issuing and Paying Agent.

SECTION 18. Return of Unclaimed Funds. Any money deposited with the

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Issuing and Paying Agent and remaining unclaimed for two (2) years after the date upon which the last payment of principal of or interest on any Note to which such deposit relates shall have become due and payable, shall be repaid to the Issuer of such Note by the Issuing and Paying Agent on written demand, and the Holder of any Note to which such deposit related entitled to receive payment shall thereafter look only to the Issuer for the payment thereof and all liability of the Issuing and Paying Agent with respect to such money shall thereupon cease.

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SECTION 19. Amendment or Supplement. The Issuer and the Issuing and

Paying Agent may modify, amend or supplement this Agreement without the consent of any Holder. In addition, the Issuer may modify, amend or supplement the terms and conditions of the Notes, without the consent of any Holder thereof: (i) to evidence succession of another party to the Issuer, and such party's assumption of the Issuer's obligations under the Notes, upon the occurrence of a merger or consolidation, or transfer, sale or lease of assets as described below; (ii) to add additional covenants, restrictions or conditions for the protection of the Holder thereof; (iii) to cure ambiguities in the Notes, or correct defects or inconsistencies in the provisions thereof; (iv) to reflect the replacement of the Issuing and Paying Agent, or the assumption, by the Issuer or a substitute Issuing and Paying Agent of some or all of the Issuing and Paying Agent's or Calculation Agent's responsibilities under this Agreement; (v) to evidence the replacement or change of address of the Depositary; (vi) in the case of any extendible, redeemable, prepayable, amortizing or indexed amortizing Note, to reduce the principal amount thereof to reflect the payment, prepayment and/or redemption of a portion of the outstanding principal amount thereof; (vii) in the case of any extendible, renewable or indexed amortizing Note, to reflect any change in the maturity date thereof in accordance with the terms thereof; or (viii) to reflect the issuance in exchange therefor, in accordance with the terms thereof, of one or more Certificated Notes. However, the Notes may not be modified or amended without the express written consent of the registered Holder to: (i) change the Stated Maturity, except in the case of an extendible, renewable or indexed amortizing note as provided therein; (ii) extend the time of payment for the premium, if any, or interest on the Note, except in the case of an extendible, renewable or indexed amortizing note as provided therein; (iii) change the coin or currency in which the principal of, premium, if any, or interest on the Note is payable; (iv) reduce the principal amount thereof or the interest rate thereon, except in the case of an extendible, prepayable, redeemable, amortizing or Indexed Note as provided therein; (v) change the method of payment to other than wire transfer in immediately available funds; (vi) impair the right of the Holder thereof to institute suit for the enforcement of payments of principal of, premium, if any, or interest or other amounts on the Note; (vii) change any Note's definition of "Event of Default" or otherwise eliminate or impair any remedy available thereunder upon the occurrence of any Event of Default (as defined in such Note) ; or (viii) modify the provisions therein governing the amendment thereof.

Notes authenticated and delivered after the execution of any agreement modifying, amending or supplementing this Agreement or the Notes may bear a notation in form approved by the Issuer as to any matter provided for in such modification, amendment or supplement to this Agreement or the Notes. New Notes so modified as to conform, in the opinion of the Issuer, to any provisions contained in any such modification, amendment or supplement may be prepared by the Issuer, authenticated by the Issuing and Paying Agent (or any Authenticating Agent) and delivered in exchange for Outstanding Notes.

The Issuer may not consolidate or merge with or into any other person, or convey, transfer or lease its properties and assets substantially as an entirety to any person, unless (i) the surviving entity in such consolidation or merger, or the person that acquires by conveyance or transfer, or that leases, the properties and assets of the Issuer substantially as an entirety, shall be a bank, corporation or partnership organized and validly existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume the due and

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punctual payment of the principal of, premium, if any, and interest or other amounts payable on the Notes issued by the Issuer, and the performance or observance of every provision of the Notes on the part of the Issuer to be performed or observed; and (ii) immediately after giving effect to such transaction, no Event of Default with respect to the Issuer, and no event which, after notice or the lapse of time or both, would become an Event of Default with respect to the Issuer, shall have happened and be continuing.

If this Agreement is amended or modified pursuant to an agreement by the parties hereto pursuant to this Section 19, the Issuing and Paying Agent may require, and shall be fully protected in relying upon, an opinion of counsel, which opinion may be rendered by counsel to the Issuer, stating that the execution of such amendment or modification is authorized or permitted by this Agreement, and that such amendment or modification constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms and subject to customary exceptions.

#### SECTION 20. Resignation or Removal of Agents; Appointment of Successors to

Agents.

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##### (a) Resignation or Removal of Agent. Any Agent may at any time

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resign as such by giving written notice to the Issuer and, except in the case of the resignation of the Issuing and Paying Agent, to the Issuing and Paying Agent of such intention on its part, specifying the date on which its desired resignation shall become effective; provided that such date

shall not be less than thirty (30) days after the date on which such notice is given unless the Issuer agrees to accept less notice.

The Issuer may remove any Agent with respect to Notes issued by the Issuer at any time by filing with it an instrument in writing signed by or on behalf of the Issuer and specifying such removal and the date when it shall become effective.

The resignation or removal of an Agent with respect to Notes issued by the Issuer shall become effective on the date set forth in the notice thereof and shall only be effective with respect to the Issuer and Notes issued by the Issuer, except that any resignation or removal of the Issuing and Paying Agent or the Registrar shall take effect upon the Issuer's, appointment, as hereinafter provided, of a successor Issuing and Paying Agent or Registrar, as the case may be, and such Agent's acceptance of such appointment; provided, that if the Issuer has not appointed a replacement Agent within 30 days after any such removal or replacement, the affected Agent (at the expense of the Issuer) may petition any court of competent jurisdiction for the appointment of a successor Agent.

(b) Appointment of Successor to Agent. In case at any time the

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Issuing and Paying Agent or the Registrar becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a petition for corporate reorganization under any applicable federal, state, or foreign bankruptcy, insolvency, or similar law or makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver, custodian, or other similar official of all or substantially all of its property, or admits in writing its inability to pay or meet its debts as they mature, or if a receiver, custodian, or other similar official

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of it or of all or substantially all of its property is appointed, or if an order of any court is entered for relief against it under the provisions of any applicable federal, state or foreign bankruptcy, insolvency or similar law, or if any public officer takes charge or control of any such Agent, or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, such Agent shall promptly notify the Issuer and the Issuing and Paying Agent, in writing, of the occurrence of such event.

Either (i) following receipt of notice of resignation from, (ii) upon the Issuer's removal of, or (iii) following the Issuer's receipt of the notice referred to in the first paragraph of this Section 20(b) from, the Issuing and Paying Agent or the Registrar, the Issuer shall appoint a successor to such Agent by an instrument in writing filed with the Issuing and Paying Agent (or its successor). Upon the appointment as aforesaid of a successor Issuing and Paying Agent or Registrar and acceptance by such successor of such appointment, the Issuing and Paying Agent or Registrar hereunder so superseded shall cease to be such Issuing and Paying Agent or Registrar hereunder.

(c) Successor of Agent. Any successor Issuing and Paying Agent or

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Registrar appointed hereunder shall execute, acknowledge, and deliver to its predecessor and to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor Issuing and Paying Agent or Registrar without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties, and obligations of such predecessor, with like effect as if originally named as such Issuing and Paying Agent or Registrar hereunder. Such predecessor, upon payment of any amount then payable to it pursuant to Section 24, shall thereupon become obligated to transfer, deliver and pay over, and such successor Issuing and Paying Agent or Registrar shall be entitled to receive, all money, securities and other property on deposit with or held by such predecessor as such Issuing and Paying Agent or Registrar hereunder.

(d) Merger, Etc. of Agent. Any corporation into which any Agent

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hereunder may be merged, or converted, or any corporation with which any Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Agent shall be a party, or a corporation to which any Agent shall sell or otherwise transfer all or substantially all of the assets and business of such Agent shall be the successor to such Agent under this Agreement (provided that it shall be qualified as aforesaid) without the execution or filing of any paper or any further act on the part of any of the parties hereto. Each Agent will advise the Issuer promptly after any public announcement of a proposal by such Agent to enter into any such transaction.

(e) Change in Duties of an Agent. The Issuer may vary the

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appointment of any Agent other than the Issuing and Paying Agent.

(f) Additional Agents. The Issuer may from time to time appoint a

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paying agent for one or more Notes. In the event that (i) the Issuing and  
Paying Agent shall be removed or resign and any successor thereto shall not  
be located in The City of New York or (ii) the Issuing and Paying Agent  
shall cease to maintain an office in The City of

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New York at which amounts due on the Notes are payable, then in either such  
case the Issuer, with respect to Notes issued by it, shall appoint a paying  
agent with an office in The City of New York at which such Notes may be  
paid.

SECTION 21. Reliance on Instructions. The Issuing and Paying Agent shall

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incur no liability to the Issuer in acting hereunder upon instructions  
contemplated hereby which the Issuing and Paying Agent believed in good faith to  
have been properly given. In the event a discrepancy exists between the  
instructions as originally received by the Issuing and Paying Agent and any  
subsequent written confirmation thereof, such original instructions will be  
deemed controlling provided the Issuing and Paying Agent gives notice to the  
Issuer of such discrepancy promptly upon receipt of such written confirmation.

SECTION 22. Cancellation of Unissued Notes. Promptly upon the written

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request of the Issuer, the Issuing and Paying Agent shall cancel and return to  
the Issuer all unissued Notes of the Issuer in its possession.

SECTION 23. Representation and Warranties of the Issuer; Instructions by

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Certificate.

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(a) Each instruction given to the Issuing and Paying Agent in  
accordance with Section 5 hereof shall constitute a representation and  
warranty to the Issuing and Paying Agent by the Issuer that the issuance  
and delivery of the Notes is in accordance with the terms and conditions  
described in the Offering Circular and the applicable Pricing Supplement,  
have been duly and validly authorized by the Issuer and, when completed,  
authenticated and delivered pursuant hereto, the Notes will constitute the  
valid and legally binding obligations of the Issuer enforceable against the  
Issuer in accordance with its terms.

(b) Any instruction given by the Issuer to the Issuing and Paying  
Agent under this Agreement shall be in the form of an Officer's  
Certificate. For the purposes of this Agreement, "Officer's Certificate"  
means a certificate signed by an Authorized Representative and delivered to  
the Issuing and Paying Agent.

SECTION 24. Fees. For their services under this Agreement, the Agents,

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including the Issuing and Paying Agent, shall be entitled to compensation, as  
shall be mutually agreed upon in writing between each such Agent and the Issuer  
from time to time and the Issuer agrees to reimburse the Issuing and Paying  
Agent for all reasonable out of pocket disbursements and advances made or  
incurred by the Issuing and Paying Agent incurred without negligence or willful  
misconduct.

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SECTION 25. Notices.

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(a) All communications by or on behalf of the Issuer relating to  
the completion, delivery or payment of the Notes are to be directed to the  
Corporate Trust Agency Group of the Issuing and Paying Agent, Four Albany  
Street, 4th floor, New York, New York 10006, Attention: Corporate Trust and  
Agency Group (or such other department or division as the Issuing and  
Paying Agent shall specify in writing to the Issuer). The Issuer will send  
all Notes to be completed and delivered by the Issuing and Paying Agent to  
such Corporate Trust and Agency Group (or such other department or division  
as the Issuing and Paying Agent shall specify in writing to the Issuer).  
The Issuing and Paying Agent will, upon written request, advise the Issuer  
from time to time of the individuals generally responsible for the  
administration of this Agreement.

(b) Notices and other communications hereunder shall (except to the  
extent otherwise expressly provided) be in writing and shall be addressed  
as follows, or to such other address as the party receiving such notice  
shall have previously specified:

If to the Issuer:

Bank of America, N.A.

Bank of America Corporate Center  
100 North Tryon Street  
6th Floor, NC1-007-06-07  
Charlotte, North Carolina 28255  
Telephone: (704) 388-2375  
Telecopier: (704) 386-9946  
Attention: James T. Houghton

With copies to:

Bank of America Corporation  
Bank of America Corporate Center  
Legal Department, 20th Floor, NC1-007-20-01  
Charlotte, North Carolina 28255  
Telephone: (704) 386-9036  
Telecopier: (704) 386-6453  
Attention: Jacqueline Jarvis Jones

and

Smith Helms Mulliss & Moore, L.L.P.  
201 North Tryon Street  
Charlotte, North Carolina 28202  
Telephone: (704) 343-2229  
Telecopier: (704) 334-8467  
Attention: Robert M. Donlon

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If to the Issuing and Paying Agent:

Bankers Trust Company  
Four Albany Street,  
4th floor,  
New York, New York 10006  
Telephone: (212) 250-6519  
Telecopier: (212) 250-6961/6392  
Attention: Corporate Trust and Agency Group

with a copy to:

Shaw Pittman  
1675 Broadway  
New York, New York 10019-5820  
Telephone: (212) 603-6893  
Telecopies: (212) 603-6801  
Attention: Michele D. Ross, Esq.

SECTION 26. Information Furnished by the Issuing and Paying Agent. Upon

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the reasonable request of the Issuer and from time to time, the Issuing and Paying Agent shall promptly provide the Issuer with information with respect to Notes issued by it hereunder to the extent such information is reasonably available.

SECTION 27. Liability. Neither the Issuing and Paying Agent nor its

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officers or employees shall be liable to the Issuer for any act or omission hereunder except in the case of negligence or willful misconduct. The duties and obligations of the Issuing and Paying Agent, its officers and employees shall be determined by the express provisions of this Agreement and they shall not be liable except for the negligent performance of such duties and obligations as are specifically set forth herein and no implied covenants shall be read into this Agreement against them. Neither the Issuing and Paying Agent nor its officers shall be required to ascertain whether any issuance or sale of Notes (or any amendment or termination of this Agreement) is in compliance with any other agreement to which the Issuer is a party (whether or not any of the Agents is also a party to such other agreement).

SECTION 28. Additional Responsibilities; Attorneys Fees.

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(a) If the Issuer shall ask the Issuing and Paying Agent to perform any duties not specifically set forth in the Agreement as duties of the Issuing and Paying Agent (the "Additional Responsibilities") and the Issuing and Paying Agent chooses to perform such Additional Responsibilities, the Issuing and Paying Agent shall be held to the same standard of care and shall be entitled to all the protective provisions (including, but not limited to, indemnification) set forth herein.

(b) In the event the Issuer shall default under any of the provisions or obligations of this Agreement, the Notes or any amendment, supplement or modification related hereto, affecting the rights or duties



of the Issuing and Paying Agent, and the Issuing and Paying Agent shall employ attorneys or incur other expenses for the

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enforcement of performance or observance of any such obligation or agreement, the Issuer agrees that, in the absence of negligence or willful misconduct on the part of the Issuing and Paying Agent, it will on demand therefore pay to the Issuing and Paying Agent the reasonable fees of such attorneys and such other expenses incurred by the Issuing and Paying Agent.

SECTION 29. Transfer of Notes and Moneys.

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(a) The Issuing and Paying Agent shall hold all Certificated Notes delivered to it for payment solely for the benefit of the respective Holders of the Notes which shall have so delivered such Notes until moneys representing the payment for such Notes shall have been delivered to or for the account of or to the order of such Holders.

(b) The Issuing and Paying Agent shall hold all moneys delivered to it pursuant to this Agreement for the payment of Certificated Notes in trust solely for the benefit of the person or entity which shall have so delivered such moneys until such Notes shall have been delivered to or for the account of such person or entity, but such moneys need not be segregated from other funds except to the extent required by law.

(c) The Issuing and Paying Agent shall only make such payments called for under this Agreement from funds transferred to it for payment pursuant to this Agreement which funds are immediately available and on deposit in an appropriate account maintained by the Issuing and Paying Agent in The City of New York.

(d) Under no circumstances shall the Issuing and Paying Agent be obligated to expend any of its own funds in connection with the performance of its duties hereunder.

(e) The Issuing and Paying Agent may become a purchaser, holder, transferor or otherwise own, hold or transfer any Notes and may commence or join in any action which a Holder is entitled to take without any conflict with its responsibilities pursuant to this Agreement.

(f) The Issuing and Paying Agent shall not be required to invest any moneys delivered to it.

(g) The Issuing and Paying Agent shall have no liability for interest on any moneys received from the Issuer hereunder.

(h) The Issuing and Paying Agent shall not be responsible for the correctness of any recital in the Notes or in any offering materials and makes no representations as to the validity of the Notes and shall incur no responsibility in respect thereto.

(i) The Issuing and Paying Agent shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith

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deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(j) Any action taken by the Issuing and Paying Agent pursuant to this Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Holder of any Note shall be conclusive and binding upon all future holders of the same Note and Notes issued in exchange therefor or in place thereof.

(k) In paying Notes hereunder, the Issuing and Paying Agent shall be acting as a conduit and shall not be paying Notes for its own account, and in the absence of written notice from the Issuer to the contrary and in the absence of gross negligence or wilful misconduct of the Issuing and Paying Agent, the Issuing and Paying Agent shall be entitled to assume that any Global Note presented to it, or deemed presented to it, for payment, is entitled to be so paid.

SECTION 30. Indemnity. The Issuer covenants and agrees to indemnify the

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Issuing and Paying Agent (including its directors, officers, attorneys, employees and agents) for, and to hold it harmless against, any loss, liability or expense (including reasonable attorneys fees and disbursements) incurred without negligence or willful misconduct on its part, arising out of or in connection with this Agreement or the Administrative Procedures and/or the

performance of the Issuing and Paying Agent's duties hereunder and the Administrative Procedures, including the reasonable costs and expenses of defending it against any claim of liability in the premises. The Issuing and Paying Agent may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any related loss, liability or expense. These indemnification obligations shall survive the termination of this Agreement including any termination under state or federal banking law or other insolvency law, to the extent enforceable under applicable law, and shall survive the resignation or removal of the Issuing and Paying Agent while remaining applicable to any action taken or omitted by the Issuing and Paying Agent while acting pursuant to this Agreement.

SECTION 31. Limitation of Liability; Reliance on Opinions and  
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Certificates.  
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(a) THE ISSUING AND PAYING AGENT'S DUTIES ARE MINISTERIAL IN NATURE AND IN NO EVENT SHALL THE ISSUING AND PAYING AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, TO ANY PERSON OR ENTITY FOR ANY (a) LOSS, LIABILITY, DAMAGES OR EXPENSES (OTHER THAN, IN THE CASE OF THE ISSUER ONLY, THOSE WHICH RESULT DIRECTLY FROM THE ISSUING AND PAYING AGENT'S NEGLIGENCE OR WILLFUL MISCONDUCT) OR (b) SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) , EVEN IF THE ISSUING AND PAYING AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF THE FORM OF ACTION, INCLUDING WITHOUT LIMITATION FOR BREACH OF THIS CONTRACT OR TORT (INCLUDING NEGLIGENCE).

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(b) The Issuing and Paying Agent shall be entitled to consult with counsel of its choosing and shall have no liability to the Issuer in respect of an action taken or omitted by the Issuing and Paying Agent in good faith in reliance on an opinion of counsel or an Officer's Certificate, including in-house counsel.

(c) Notwithstanding anything to the contrary herein, the Issuing and Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent, correspondent, attorney or receiver appointed with due care by it hereunder.

SECTION 32. Benefit of Agreement. This Agreement is solely for the  
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benefit of the parties hereto and the Holders and their successors and assigns and no other person shall acquire or have any rights under or by virtue hereof.

SECTION 33. Governing Law. This Agreement shall be governed by, and  
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construed in accordance with, the laws of the State of New York applicable to agreements to be entered into and to be performed in such State.

SECTION 34. Headings and Table of Contents. The table of contents and the  
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section and subsection headings herein are for convenience only and shall not affect the construction hereof.

SECTION 35. Counterparts. This Agreement may be signed in separate  
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counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

SECTION 36. Termination of Prior Issuing and Paying Agent Agreements. The  
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Issuer and Bankers Trust Company agree that on the day on which no notes issued by the Issuer and authenticated and delivered under the Issuing and Paying Agent Agreement with an April 30, 1993 Effective Date entered into between Bankers Trust Company and the Issuer remain outstanding, such agreement shall terminate (other than the provisions contained therein which by their terms survive termination).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their behalf by their officers duly authorized thereunto, as of the day and year first above written.

BANK OF AMERICA, N.A., as Issuer

By: /s/  
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Name: James T. Houghton  
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Title: Senior Vice President  
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BANKERS TRUST COMPANY, as  
Issuing and Paying Agent

By: /s/  
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Name: Daniel M Chipko  
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Title: Associate  
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AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (the "Amendment") is made and entered into as of the 24th day of January, 2001, by and between James H. Hance, Jr. ("Executive") and Bank of America Corporation, a Delaware corporation (the "Corporation").

Statement of Purpose  
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Executive has been employed by the Corporation pursuant to that certain Employment Agreement dated April 10, 1998 and effective as of September 30, 1998 by and between Executive and NationsBank Corporation, a North Carolina corporation (the "Employment Agreement"). NationsBank Corporation reincorporated during 1998 in Delaware and subsequently changed its name to Bank of America Corporation. The Employment Agreement is currently scheduled to terminate effective September 30, 2001. Executive and the Corporation desire to modify the terms and conditions of the Employment Agreement as set forth herein in order to extend Executive's period of employment under the Employment Agreement by three years through September 30, 2004.

NOW, THEREFORE, in consideration of the foregoing statement of purpose and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Section 2 of the Employment Agreement is hereby amended to read as follows:

"2. Employment Period. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to enter into the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on September 30, 2004 (the "Employment Period")."

2. Except as expressly or by necessary implication amended hereby, the Employment Agreement shall continue in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first above written.

BANK OF AMERICA CORPORATION

By: /s/ C. J. Cooley

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Name: C. J. Cooley

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Title: Corporate Personnel Executive  
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"Corporation"

/s/ James H. Hance, Jr.

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James H. Hance, Jr.

"Executive"

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (the "Amendment") is made and entered into as of the 24th day of January, 2001, by and between Kenneth D. Lewis ("Executive") and Bank of America Corporation, a Delaware corporation (the "Corporation").

Statement of Purpose

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Executive has been employed by the Corporation pursuant to that certain Employment Agreement dated April 10, 1998 and effective as of September 30, 1998 by and between Executive and NationsBank Corporation, a North Carolina corporation (the "Employment Agreement"). NationsBank Corporation reincorporated during 1998 in Delaware and subsequently changed its name to Bank of America Corporation. The Employment Agreement is currently scheduled to terminate effective September 30, 2001. Executive and the Corporation desire to modify the terms and conditions of the Employment Agreement as set forth herein in order to (i) extend Executive's period of employment under the Employment Agreement by three years through September 30, 2004 and (ii) designate Executive as the Corporation's Chairman of the Board and Chief Executive Officer effective upon the retirement of Hugh L. McColl, Jr. from such position on April 25, 2001.

NOW, THEREFORE, in consideration of the foregoing statement of purpose and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Section 2 of the Employment Agreement is hereby amended to read as follows:

"2. Employment Period. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to enter into the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on September 30, 2004 (the "Employment Period")."

2. Section 3(a)(i) of the Employment Agreement is amended effective as of April 26, 2001 to read as follows:

"(i) During the Employment Period, the Executive shall serve as Chairman of the Board and Chief Executive Officer of the Company and a member of the Company's Policy Committee, reporting directly to the Board of Directors of the Company, with appropriate authority, duties and responsibilities."

3. Section 3(b)(ii) of the Employment Agreement is amended effective as of April 26, 2001 to read as follows:

"(ii) Annual Bonus. During the Employment Period, the Executive shall be eligible to receive an annual cash bonus ("Annual Bonus") pursuant to

the terms of the Company's Executive Incentive Compensation Plan as in effect from time to time."

4. Section 4(b)(i) of the Employment Agreement is amended effective as of April 26, 2001 to read as follows:

"(i) the continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, or"

5. The second sentence of the final paragraph of Section 4(b) of the Employment Agreement ["Any act, or failure to act . . . of the Company."] is amended effective as of April 26, 2001 to read as follows:

"Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company."

6. Except as expressly or by necessary implication amended hereby, the Employment Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first above written.

BANK OF AMERICA CORPORATION

By: /s/ C. J. Cooley

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Name: C. J. Cooley

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Title: Corporate Personnel Executive  
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"Corporation"

/s/ Kenneth D. Lewis

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Kenneth D. Lewis

"Executive"

BANK OF AMERICA CORPORATION  
GLOBAL CORPORATE AND INVESTMENT BANKING  
EQUITY INCENTIVE PLAN

Effective January 1, 2000

1. Name and Purpose:

This plan shall be known as the "Bank of America Corporation Global Corporate and Investment Banking Equity Incentive Plan" (the "Plan"). Bank of America Corporation establishes this Plan effective January 1, 2000 for the purpose of determining for certain associates employed in the Corporation's Global Corporate and Investment Banking group the portion of incentive compensation to be payable in the form of cash and the portion to be payable in the form of "restricted stock units" awarded under the Corporation's Key Employee Stock Plan ("Restricted Stock Units").

2. Definitions:

For purposes of the Plan, the following terms shall have the following meanings:

"Associate" means a common law employee of the Corporation or one of its subsidiaries who is identified as an employee in the personnel records of the Corporation or the applicable subsidiary.

"Common Stock" means the common stock of the Corporation.

"Corporate Personnel Executive" means the Corporate Personnel Executive of the Corporation.

"Corporation" means Bank of America Corporation, and its successors and assigns.

"Covered Incentive" means, with respect to a GCIB Associate, any incentive award payable to the GCIB Associate pursuant to any incentive compensation plan of the Global Corporate and Investment Banking group approved for purposes of this Plan by the Plan Administrator. Covered Incentives may be payable annually, quarterly, or on such other basis as provided by the applicable plan.

"Effective Date" means the effective date of the Plan: January 1, 2000.

"Fair Market Value" of a share of Common Stock means the closing price on the relevant date of a share of Common Stock as reflected in the report of composite trading of New York Stock Exchange listed securities for that day (or, if no shares were publicly traded on that day, the immediately preceding day that shares were so traded) published in The Wall Street Journal (Eastern Edition) or in any other publication selected by the Plan Administrator; provided, however, that if the shares are misquoted or omitted by the selected publication(s), the Plan Administrator shall directly solicit the information from officials of the stock exchanges or from

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other informed independent market sources. If shares of Common Stock shall not have been publicly traded for more than ten (10) days immediately preceding such date, then the Fair Market Value of a share shall be determined by the Plan Administrator in such manner as he shall deem appropriate.

"GCIB Associate" means an Associate employed in the Corporation's Global Corporate and Investment Bank, provided that "GCIB Associate" shall not include any "Insider" or "Named Executive Officer" as defined under the Stock Plan.

"Grant Date" means the date that Restricted Stock Units are awarded to a GCIB Associate pursuant to the Plan, which date shall be either (i) the date that the cash portion of the Covered Incentive is otherwise payable to the GCIB Associate or (ii) such other date as the Plan Administrator, in its sole and exclusive discretion, may determine at a time prior to such Covered Incentive payment date.

"Plan Administrator" means the Corporate Personnel Executive.

"Retirement" means:

- (a) for an Associate working in the United States, the Associate's termination of employment with the Corporation and its subsidiaries (other than due to the Associate's death or disability) after the Associate has (i) attained at least age fifty (50), (ii) completed at least fifteen (15) years of

"Vesting Service" under the tax-qualified Pension Plan sponsored by the Corporation, and (iii) attained a combined age and years of "Vesting Service" equal to at least seventy-five (75); or

- (b) for an Associate working outside the United States, termination of the Associate's employment with the Corporation and its subsidiaries (other than due to the Associate's death or disability) as of the later of (i) the date of the Associate's eligibility for retirement under the local program or (ii) attainment of at least age fifty (50).

"Stock Plan" means the Bank of America Corporation Key Employee Stock Plan, as the same may be in effect from time to time.

### 3. Administration:

The Plan Administrator shall be responsible for administering the Plan. The Plan Administrator shall have all of the powers necessary to enable it to properly carry out its duties under the Plan. Not in limitation of the foregoing, the Plan Administrator shall have the power to construe and interpret the Plan and to determine all questions that shall arise thereunder. The Plan Administrator shall have such other and further specified duties, powers, authority and discretion as are elsewhere in the Plan either expressly or by necessary implication conferred upon it. The Plan Administrator may appoint such agents as it may deem necessary for the effective performance of its duties, and may delegate to such agents such powers and duties as the Plan Administrator may deem expedient or appropriate that are not inconsistent with the

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intent of the Plan. The decision of the Plan Administrator upon all matters within its scope of authority shall be final and conclusive on all persons, except to the extent otherwise provided by law.

### 4. Operation:

This Plan shall apply to any Covered Incentive payable to a GCIB Associate on or after the Effective Date. For any such Covered Incentive, a portion shall be payable in cash and a portion shall be payable as Restricted Stock Units awarded on the applicable Grant Date in accordance with the following provisions:

- (i) The amount to be payable as Restricted Stock Units shall equal 1.25 times the sum of (A) 20% of the portion of the Covered Incentive that is greater than \$250,000 but less than \$500,000, (B) 30% of the portion of the Covered Incentive that is greater than or equal to \$500,000 but less than \$1,000,000, and (C) 35% of the portion of the Covered Incentive that is greater than or equal to \$1,000,000. All Covered Incentives payable to a GCIB Associate more frequently than annually shall be aggregated within the calendar year paid for purposes of applying the foregoing formula. For example, if a GCIB Associate receives four quarterly payments of \$250,000 each during a calendar year, none of the first installment would be included, 20% of the second installment would be included, and 30% of each of the last two installments would be included.
- (ii) The number of Restricted Stock Units to be awarded as described in subparagraph (i) above shall equal the amount determined under subparagraph (i) above divided by the average Fair Market Value of a share of Common Stock for the five consecutive trading days ending on the applicable Grant Date.
- (iii) The number of Restricted Stock Units determined in accordance with subparagraph (ii) above shall be awarded under the Stock Plan to the GCIB Associate and evidenced by an award agreement. The award agreement shall include the following:
  - (A) the award shall be payable in three equal annual installments beginning on the first anniversary of the Grant Date; (B) the award shall be payable earlier upon the GCIB Associate's death, "Disability" (as defined under the Stock Plan), Retirement or workforce reduction, job elimination or divestiture (as determined by the Plan Administrator); (C) except as provided in clause (B), the unpaid portion of an award shall be forfeited as of the date a GCIB Associate terminates employment unless the applicable award agreement provides for an additional right to receive payment following termination; and (D) the Restricted Stock Units may include dividend equivalents as the Plan Administrator may determine and as set forth in the applicable award agreement.
- (iv) For a GCIB Associate working inside the United States, if and to the extent Restricted Stock Units become payable, they shall be paid to the GCIB Associate by delivery of one (1)



- (v) For a GCIB Associate working outside the United States, if and to the extent Restricted Stock Units become payable, they shall be payable in either shares of Common Stock or cash as provided in the applicable award agreement. In addition for such awards, and notwithstanding and provision of the Plan to the contrary, in order to foster and promote achievement of the purposes of the Plan or to comply with provisions of laws in other countries in which GCIB Associates covered by the Plan are located, the Plan Administrator, in its sole discretion, shall have the power and authority to (a) determine which GCIB Associates working outside the United States are eligible to participate in the Plan, (b) modify the terms and conditions of awards of Restricted Stock Units made to such GCIB Associates and (c) establish subplans and modified terms and procedures to the extent such actions may be necessary or advisable.
- (vi) Notwithstanding any provision herein to the contrary, the Plan Administrator may in his discretion determine to modify the percentages set forth in subparagraph (i) above or modify the definition of Covered Incentive for a GCIB Associate or group of GCIB Associates for a given period of time, so long as any such modification does not result in a larger portion of the GCIB Associate's Covered Incentive being payable as Restricted Stock Units (compared to what would have been payable as Restricted Stock Units without regard to such modification).

5. Amendment, Modification and Termination of the Plan:

The Plan Administrator shall have the right and power at any time and from time to time to amend the Plan in whole or in part and at any time to terminate the Plan; provided, however, that no such amendment or termination shall adversely affect any award of Restricted Stock Units made in accordance with the Plan prior to the effective date of such amendment or termination without the consent of the affected GCIB Associate.

6. Applicable Law:

The Plan shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable, and to the extent such laws are not applicable, by the laws of the state of Delaware.

7. Miscellaneous:

A GCIB Associate's rights and interests under the Plan may not be assigned or transferred by the GCIB Associate. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Corporation and any GCIB Associate. The Plan shall be binding on the Corporation and any successor in interest of the Corporation.

IN WITNESS WHEREOF, this instrument has been executed by an authorized officer of the Corporation as of the 14th day of December, 2000.

BANK OF AMERICA CORPORATION

By: /s/ C. J. Cooley  
-----  
C. J. Cooley  
Corporate Personnel Executive

## CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "Agreement") is made and entered into as of the 24th day of January, 2001, by and between HUGH L. MCCOLL, JR. ("Executive") and BANK OF AMERICA CORPORATION, a Delaware corporation ("Bank of America").

### STATEMENT OF PURPOSE -----

Executive has served as Bank of America's Chief Executive Officer for numerous years and in that role has had primary responsibility for establishing Bank of America's long-term strategic goals. Executive is retiring from his employment with Bank of America effective April 25, 2001 with the consent of the Board of Directors of Bank of America. Bank of America desires to continue to have the benefit of the advice, counsel and services of Executive following his retirement as described herein. In addition, Executive has acquired extensive knowledge of Bank of America's business methods, customers and employees, and the parties therefore desire to restrict the activities of Executive in retirement as set forth herein in an effort to protect Bank of America's legitimate business interests.

NOW, THEREFORE, in consideration of the foregoing Statement of Purpose and the mutual covenants herein contained, Bank of America and Executive agree as follows:

1. Consulting Services. During the Term (as defined herein), Executive shall stand ready and shall furnish to Bank of America such reasonable services of an advisory or consulting nature with respect to its business and affairs as Bank of America may reasonably call upon him to furnish and his health and other business commitments may permit, including without limitation the following: (i) consultations regarding Bank of America strategic initiatives, (ii) assistance in the transition of matters that carry over from his term of employment and (iii) representation as an ambassador of Bank of America to its customers, the financial services industry, the government and other constituencies. In providing services hereunder, the parties acknowledge and agree that (A) Executive shall be available for the Term upon reasonable notice and at reasonable times for periodic consultations, either in person or by telephone, (B) in performing consulting services hereunder, Executive shall not be an employee of Bank of America but shall act in the capacity of independent contractor, and (C) Executive shall not be required to render such services during reasonable vacation periods or times of illness, disability or other incapacity.

2. Noncompetition.

(a) Definitions. Capitalized terms used herein shall have the meanings set forth below:

"Affiliate" means (i) any entity directly or indirectly controlling (including without limitation an entity for which Executive serves as an officer, director, employee, consultant or other agent), controlled by, or under common control with Executive, and (ii) each other entity in which

Executive, directly or indirectly, owns any controlling interest or of which Executive serves as a general partner.

"Company" means, collectively, (i) Bank of America, (ii) any corporation, partnership or other business entity that is, directly or indirectly, controlled by or under common control with Bank of America and (iii) their respective successors.

"Competition" means Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder (other than as specifically provided for herein), member, owner or partner of any company or business operation specified below:

(i) any company which is, or is a direct or indirect subsidiary of, one of the twenty-five (25) largest bank holding companies headquartered in the United States (as measured by asset size) or any of the ten largest investment banking companies headquartered in the United States (as measured by capital); or

(ii) any business operation of any company

in the financial services industry if such business operation is then in substantial and direct competition with a principal business operation of the Company in which the Company is engaged during the Term and if the financial services company has total revenues of \$500 million or more annually.

(b) Covenants.

(i) Noncompetition. During the Term, Executive shall not engage in Competition with the Company in any locality or region of the United States in which the Company has operations; provided, however, that it shall not be a violation of this paragraph 2(b)(i) for Executive to (A) become the registered or beneficial owner of up to five percent (5%) of any class of the capital stock of a competing corporation registered under the Securities Exchange Act of 1934, as amended, provided that Executive does not actively participate in the business of such corporation until such time as this covenant expires; or (B) engage in any other activities as approved in writing in advance by the Chief Executive Officer of Bank of America.

(ii) Trade Secrets and Confidential Information. Executive hereby agrees that he will hold in a fiduciary capacity for the benefit of the Company, and shall not directly or indirectly use or disclose any Trade Secret, as defined hereinafter, that Executive may have acquired during the term of his employment by the Company or during the Term of this Agreement for so long as such

information remains a Trade Secret. The term "Trade Secret" as used in this Agreement shall mean information including, but not limited to, technical or nontechnical data, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and is the subject of reasonable efforts by the Company to maintain its secrecy.

In addition to the foregoing and not in limitation thereof, Executive agrees that during the Term he will hold in a fiduciary capacity for the benefit of the Company and shall not directly or indirectly use or disclose, any Confidential or Proprietary Information, as defined hereinafter, that Executive may have acquired (whether or not developed or compiled by Executive and whether or not Executive was authorized to have access to such Information) during the term of, in the course of or as a result of his employment by the Company or during the Term of this Agreement. The term "Confidential or Proprietary Information" as used in this Agreement means any secret, confidential or proprietary information of the Company not otherwise included in the definition of "Trade Secret" above. The term "Confidential and Proprietary Information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Company.

(c) Reasonable and Necessary Restrictions. Executive acknowledges that the restrictions, prohibitions and other provisions of this paragraph 2 are reasonable, fair and equitable in scope, term and duration, are necessary to protect the legitimate business interests of Bank of America, and are a material inducement to Bank of America to enter into this Agreement. Executive covenants that Executive will not challenge the enforceability of this paragraph 2 nor will Executive raise any equitable defense to its enforcement.

(d) Remedies. Executive acknowledges that the obligations undertaken by Executive pursuant to this paragraph 2 are unique and that Bank of America likely will have no adequate remedy at law if Executive shall fail to perform any of Executive's obligations hereunder, and Executive therefore confirms that Bank of America's right to specific performance of the terms of this paragraph 2 is essential to protect the rights and interests of Bank of America. Accordingly, in addition to any other remedies that Bank of America may have at law or in equity, Bank of America shall have the right to have all obligations,

covenants, agreements and other provisions of this paragraph 2 specifically performed by Executive, and Bank of America shall have the right to obtain preliminary and permanent injunctive relief to secure specific performance and to prevent a breach or contemplated breach of this paragraph 2 by Executive, and Executive submits to the jurisdiction of the courts of the State of Delaware for this purpose. In addition, in the event Executive breaches any provision of this paragraph 2, Executive shall forfeit and have no right to receive any benefits under this Agreement from and after the date of such breach.

(e) Operations of Affiliates. Executive agrees that he will refrain from (i) authorizing any Affiliate to perform or (ii) assisting in any manner any Affiliate in performing any activities that would be prohibited by the terms of this paragraph 2 if they were performed by Executive.

3. Consideration. During the Term, so long as Executive is complying with the terms and conditions of this Agreement, Bank of America shall provide Executive with the following benefits in consideration of Executive's obligation to be available to and to render advisory and consulting services pursuant to the provisions of paragraph 1 and Executive's covenants set forth in paragraph 2: (i) an office, administrative support and parking at Bank of America's offices in Charlotte, North Carolina; and (ii) access to a Bank of America owned or provided aircraft for personal use for up to one hundred fifty (150) hours per year. In that regard, Executive may bring such number of additional passengers on such aircraft as available seating permits, and Executive need not be one of the passengers. Executive acknowledges that the value of such access to aircraft described in clause (ii) above shall be taxable to Executive in accordance with applicable laws. In addition, Bank of America shall reimburse Executive for any reasonable out-of-pocket business expenses, including travel, lodging and meals, incurred by Executive in performing the services described in paragraph 1 above.

4. Term. The initial term of the Agreement (the "Initial Term") shall commence as of the effective date of Executive's retirement from Bank of America and shall continue in effect until the fifth anniversary of such retirement. Unless either party provides the other with at least sixty (60) days' advance written notice of termination of the Agreement as of the end of the Initial Term, the Agreement shall thereafter be automatically extended for additional one (1) year periods (each a "Renewal Term") unless, at least sixty (60) days prior to the end of any such Renewal Term, either party provides the other party with written notice of termination to be effective at the end of such Renewal Term. Notwithstanding the foregoing, the Agreement shall automatically terminate in the case of Executive's death or permanent inability due to physical or mental incapacity to provide the services contemplated by this Agreement. For purposes of this Agreement, "Term" means collectively the Initial Term and any Renewal Term.

#### 5. Miscellaneous.

(a) Notice. Any notice which either party hereto may be required or permitted to give to the other shall be in writing and may be delivered personally, by intraoffice mail, by fax or by mail to such address and directed to such person(s) as Bank of America may notify Executive from time to time; and to Executive, at Executive's address as shown on the records of Bank of America, or at such other address as Executive, by notice to Bank of America, may designate in writing from time to time.

(b) Entire Agreement. This Agreement contains the entire agreement between Bank of America and Executive with respect to the subject matter hereof, and no amendment, modification or cancellation hereof shall be effective unless the same is in writing and executed by the parties hereto (or by their respective duly authorized representatives).

(c) Applicable Law. This Agreement shall be enforced, interpreted and construed under the laws of the State of Delaware, notwithstanding any conflict-of-laws doctrines of such

state or any other jurisdiction to the contrary, and without the aid of any canon, custom or rule requiring construction against the draftsman.

(d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, executors, administrators, legal representatives, successors and assigns, if any.

(e) Captions. The captions and headings set forth in this Agreement are for convenience of reference only and shall not be construed as a part of this Agreement.

(f) Multiple Originals. This Agreement is executed in multiple originals, each of which shall be deemed an original hereof.

IN WITNESS WHEREOF, Executive has hereunto set his hand and seal, and Bank of America has caused this Agreement to be executed by its duly authorized representative, all as of the day and year first above written.

/s/ Hugh L. McColl, Jr.

-----  
Hugh L. McColl, Jr.

"Executive"

BANK OF AMERICA CORPORATION

By: /s/ C. J. Cooley

-----  
Name: C. J. Cooley

-----  
Title: CORPORATE PERSONNEL EXECUTIVE

"Bank of America"

BANK OF AMERICA CORPORATION  
SUMMARY OF 2000 CORPORATE MANAGEMENT INCENTIVE PLAN

I. Objective of the Plan

The purposes of this plan is to retain key management of the Corporation and to motivate them to increase shareholders' wealth.

II. Participants

Participants are approved by the Management Compensation Committee. Participants whose employment is terminated (either by Bank of America or the participant) prior to the receipt of payment will not be eligible to receive the award. This rule does not apply in cases related to death, retirement or disability.

III. Determination of the Annual Fund

Funding will be based on a target incentive award and the achievement of goals or objectives as determined at the beginning of the year. Preliminary funding of the pool will be based primarily on the Corporation's achievement of its financial goals such as EPS growth, Revenue growth, and SVA.

- o If the Corporation achieves a minimum performance level, the funding level will be adjusted accordingly. If this minimum level of performance is not achieved, a pool will not be funded.
- o Upon achievement of the target performance level, a pool will be funded based on the targeted incentive award for all participants in the plan.
- o The pool funding for achievement above target performance will be determined by the Management Compensation Committee.

The pool as determined above may be adjusted up or down based on the Corporation's financial performance and achievement of goals or objectives as determined by the Management Compensation Committee.

IV. Funding Allocation/Award Determination

Participants will be evaluated on the achievement of specific performance goals. The Management Compensation Committee has the authority to:

- A. Determine the award amount, if any, to eligible participants based on guidelines or rules deemed appropriate.
- B. Allocate among the eligible participants all or any portion of the pool funded.
- C. Reduce or eliminate awards based on a less than acceptable level of performance.

V. Plan Year

The plan year shall be from January 1 to December 31.

Terms and Conditions of the relocation of Edward J. Brown III to San Francisco

1. I will retain my existing residence in Charlotte and pay all expenses related to this home.
2. Regarding the purchase of my new home in San Francisco located at 3070 Pacific, the bank agrees to provide \$6.2 million of the \$6.6 million required funds to purchase, renovate and decorate the home. All expenses related to this home including interest, real estate taxes, insurance and utilities will be reimbursed to me by the bank on an after tax basis.
3. Upon my relocation to Charlotte, the bank agrees to reimburse me for all expenses related to the sale of the San Francisco home. Additionally, the bank agrees to reimburse me for any loss taken on the sale of the home.
4. In the event that I retire or am terminated while working for Bank of America in San Francisco, the bank agrees to pay for all expenses incurred in the relocation of my family back to Charlotte and reimburse me for all expenses related to the sale of the San Francisco home. Lastly, the bank agrees to reimburse me for any loss taken on the sale of the home.

/s/ Edward J. Brown III

-----

Edward J. Brown III

October 5, 1998

CONCUR:

By: \_\_\_\_\_ Date: \_\_\_\_\_

| Year Ended December 31   |           |           |           |           |           |     |
|--|-----------|-----------|-----------|-----------|-----------|-----|
| (Dollars in millions)<br>1995  | 2000      | 1999      | 1998      | 1997      | 1996      |     |
| <S><br>Excluding Interest on Deposits  | <C>       | <C>       | <C>       | <C>       | <C>       | <C> |
| Income before income taxes<br>8,377  | \$ 11,788 | \$ 12,215 | \$ 8,048  | \$ 10,556 | \$ 9,311  | \$  |
| Less: Equity in undistributed earnings<br>of unconsolidated subsidiaries<br>(19) | (27)      | (167)     | 162       | (49)      | (7)       |     |
| Fixed charges:   |           |           |           |           |           |     |
| Interest expense (including capitalized<br>interest)<br>6,354                    | 13,806    | 10,084    | 9,479     | 8,219     | 7,082     |     |
| 1/3 of net rent expense<br>275   | 368       | 342       | 335       | 302       | 282       |     |
| Total fixed charges<br>6,629   | 14,174    | 10,426    | 9,814     | 8,521     | 7,364     |     |
| Earnings (excluding capitalized interest)<br>14,987                              | \$ 25,935 | \$ 22,474 | \$ 18,024 | \$ 19,028 | \$ 16,668 | \$  |
| Fixed charges<br>6,629   | \$ 14,174 | \$ 10,426 | \$ 9,814  | \$ 8,521  | \$ 7,364  | \$  |
| Ratio of earnings to fixed charges<br>2.26                                       | 1.83      | 2.16      | 1.84      | 2.23      | 2.26      |     |

</TABLE>

| Year Ended December 31   |           |           |          |           |          |     |
|--|-----------|-----------|----------|-----------|----------|-----|
| (Dollars in millions)<br>1995  | 2000      | 1999      | 1998     | 1997      | 1996     |     |
| <S><br>Including Interest on Deposits  | <C>       | <C>       | <C>      | <C>       | <C>      | <C> |
| Income before income taxes<br>8,377  | \$ 11,788 | \$ 12,215 | \$ 8,048 | \$ 10,556 | \$ 9,311 | \$  |
| Less: Equity in undistributed earnings<br>of unconsolidated subsidiaries<br>(19) | (27)      | (167)     | 162      | (49)      | (7)      |     |
| Fixed charges:   |           |           |          |           |          |     |
| Interest expense (including capitalized<br>interest)<br>16,369                   | 24,816    | 19,086    | 20,290   | 18,903    | 16,682   |     |
| 1/3 of net rent expense<br>275   | 368       | 342       | 335      | 302       | 282      |     |
| Total fixed charges<br>16,644  | 25,184    | 19,428    | 20,625   | 19,205    | 16,964   |     |



|   |           |           |           |           |           |    |
|---|-----------|-----------|-----------|-----------|-----------|----|
| Earnings (excluding capitalized interest)<br>25,002 | \$ 36,945 | \$ 31,476 | \$ 28,835 | \$ 29,712 | \$ 26,268 | \$ |
| -----   |           |           |           |           |           |    |
| Fixed charges<br>16,644                             | \$ 25,184 | \$ 19,428 | \$ 20,625 | \$ 19,205 | \$ 16,964 | \$ |
| -----   |           |           |           |           |           |    |
| Ratio of earnings to fixed charges<br>1.50          | 1.47      | 1.62      | 1.40      | 1.55      | 1.55      |    |
| =====   |           |           |           |           |           |    |
| =====   |           |           |           |           |           |    |
| </TABLE>  |           |           |           |           |           |    |

Bank of America Corporation and Subsidiaries  
Ratio of Earnings to Fixed Charges and Preferred Dividends

Exhibit 12(b)

<TABLE>  
<CAPTION>

|  |           | Year Ended December 31 |           |           |           |     |
|--|-----------|------------------------|-----------|-----------|-----------|-----|
|  |           | 2000                   | 1999      | 1998      | 1997      |     |
| (Dollars in millions)                                      |           |                        |           |           |           |     |
| 1996   | 1995      |                        |           |           |           |     |
|  |           |                        |           |           |           |     |
|  |           | <C>                    | <C>       | <C>       | <C>       | <C> |
|  |           |                        |           |           |           |     |
| Excluding Interest on Deposits                             |           |                        |           |           |           |     |
| Income before income taxes                                 |           | \$ 11,788              | \$ 12,215 | \$ 8,048  | \$ 10,556 | \$  |
| 9,311  | \$ 8,377  |                        |           |           |           |     |
| Less: Equity in undistributed earnings                     |           |                        |           |           |           |     |
| of unconsolidated subsidiaries                             |           | (27)                   | (167)     | 162       | (49)      |     |
| (7)  | (19)      |                        |           |           |           |     |
| Fixed charges:   |           |                        |           |           |           |     |
| Interest expense (including capitalized interest)          |           | 13,806                 | 10,084    | 9,479     | 8,219     |     |
| 7,082  | 6,354     |                        |           |           |           |     |
| 1/3 of net rent expense                                    |           | 368                    | 342       | 335       | 302       |     |
| 282  | 275       |                        |           |           |           |     |
|  |           |                        |           |           |           |     |
| Total fixed charges  |           | 14,174                 | 10,426    | 9,814     | 8,521     |     |
| 7,364  | 6,629     |                        |           |           |           |     |
| Preferred dividend requirements                            |           | 9                      | 10        | 40        | 183       |     |
| 332  | 426       |                        |           |           |           |     |
|  |           |                        |           |           |           |     |
| Earnings (excluding capitalized interest)                  |           | \$ 25,935              | \$ 22,474 | \$ 18,024 | \$ 19,028 | \$  |
| 16,668   | \$ 14,987 |                        |           |           |           |     |
|  |           |                        |           |           |           |     |
| Fixed charges and preferred dividends                      |           | \$ 14,183              | \$ 10,436 | \$ 9,854  | \$ 8,704  | \$  |
| 7,696  | \$ 7,055  |                        |           |           |           |     |
|  |           |                        |           |           |           |     |
| Ratio of earnings to fixed charges and preferred dividends |           | 1.83                   | 2.15      | 1.83      | 2.19      |     |
| 2.17   | 2.12      |                        |           |           |           |     |

</TABLE>

<TABLE>  
<CAPTION>

|   |          | Year Ended December 31 |           |          |           |      |
|---|----------|------------------------|-----------|----------|-----------|------|
|   |          | 2000                   | 1999      | 1998     | 1997      | 1996 |
| (Dollars in millions)                             |          |                        |           |          |           |      |
| 1995  |          |                        |           |          |           |      |
|   |          |                        |           |          |           |      |
|   |          | <C>                    | <C>       | <C>      | <C>       | <C>  |
|   |          |                        |           |          |           |      |
| Including Interest on Deposits                    |          |                        |           |          |           |      |
| Income before income taxes                        |          | \$ 11,788              | \$ 12,215 | \$ 8,048 | \$ 10,556 | \$   |
| 9,311   | \$ 8,377 |                        |           |          |           |      |
| Less: Equity in undistributed earnings            |          |                        |           |          |           |      |
| of unconsolidated subsidiaries                    |          | (27)                   | (167)     | 162      | (49)      |      |
| (7)   | (19)     |                        |           |          |           |      |
| Fixed charges:                                    |          |                        |           |          |           |      |
| Interest expense (including capitalized interest) |          | 24,816                 | 19,086    | 20,290   | 18,903    |      |
| 16,682  | 16,369   |                        |           |          |           |      |
| 1/3 of net rent expense                           |          | 368                    | 342       | 335      | 302       |      |
| 282   | 275      |                        |           |          |           |      |
|   |          |                        |           |          |           |      |
| Total fixed charges                               |          | 25,184                 | 19,428    | 20,625   | 19,205    |      |

|  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| 16,964   | 16,644    |           |           |           |           |
| Preferred dividend requirements                            |           | 9         | 10        | 40        | 183       |
| 332  | 426       |           |           |           |           |
| -----  |           |           |           |           |           |
| -----  |           |           |           |           |           |
| Earnings (excluding capitalized interest)                  |           | \$ 36,945 | \$ 31,476 | \$ 28,835 | \$ 29,712 |
| 26,268   | \$ 25,002 |           |           |           | \$        |
| -----  |           |           |           |           |           |
| -----  |           |           |           |           |           |
| Fixed charges and preferred dividends                      |           | \$ 25,193 | \$ 19,438 | \$ 20,665 | \$ 19,388 |
| 17,296   | \$ 17,070 |           |           |           | \$        |
| -----  |           |           |           |           |           |
| -----  |           |           |           |           |           |
| Ratio of earnings to fixed charges and preferred dividends |           | 1.47      | 1.62      | 1.40      | 1.53      |
| 1.52   | 1.46      |           |           |           |           |
| =====  |           |           |           |           |           |
| =====  |           |           |           |           |           |
| </TABLE>   |           |           |           |           |           |

DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

| <TABLE>   |   |
|---|---|
| <CAPTION>                                       |   |
| -----   |   |
| Name  | Location                                |
| -----   |   |
| <S>   |   |
| A/M Properties, Inc.                            | <C><br>Baltimore, MD                    |
| -----   |   |
| Abilene Park, Inc.                              | Dallas, TX                              |
| -----   |   |
| Aegina FSC, Inc.                                | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----   |   |
| Aegina, Inc.                                    | San Francisco, CA                       |
| -----   |   |
| Aerocrane Leasing Ltd.                          | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----   |   |
| AF Funding (1993), Inc.                         | Wilmington, DE                          |
| -----   |   |
| AF Funding II (1993), Inc.                      | Wilmington, DE                          |
| -----   |   |
| Air France/KDHF II (NGHGI) (Grantor Trust)      | Wilmington, DE                          |
| -----   |   |
| Air France/NationsBank (Grantor Trust)          | Wilmington, DE                          |
| -----   |   |
| Airlease Ltd., A California Limited Partnership | San Francisco, CA                       |
| -----   |   |
| Airlease Management Services, Inc.              | San Francisco, CA                       |
| -----   |   |
| Alamo Funding II, Inc.                          | Dallas, TX                              |
| -----   |   |
| Alamo Funding, Inc.                             | Dallas, TX                              |
| -----   |   |
| Alexanders on Ninth, Inc.                       | Charlotte, NC                           |
| -----   |   |
| Alpha Dearborn Limited Partnership              | Lake Forest, IL                         |
| -----   |   |
| Alpha Leasing, Ltd.                             | Hamilton, Bermuda                       |
| -----   |   |
| ALS II, Inc.                                    | Wilton, CT                              |
| -----   |   |
| Amadeo Trust                                    | Las Vegas, NV                           |
| -----   |   |
| Amadeo, Inc.                                    | Las Vegas, NV                           |
| -----   |   |
| Amarillo Lane, Inc.                             | Dallas, TX                              |
| -----   |   |
| AMB Pier One LLC                                | San Francisco, CA                       |
| -----   |   |
| American Financial Service Group, Inc.          | Greensboro, NC                          |
| -----   |   |
| Amorgos FSC I, Ltd.                             | San Francisco, CA                       |
| -----   |   |
| Amorgos FSC II, Ltd.                            | San Francisco, CA                       |
| -----   |   |

|   |   |
|---|---|
| Amorgos I, Inc.                                     | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Amorgos II, Inc.                                    | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Amsalem (QSPE) Limited                              | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| ANA II (Grantor Trust)                              | Wilmington, DE                          |
| -   | -                                       |
| -   | -                                       |
| Anaconda Management LLC                             | Dallas, TX                              |
| -   | -                                       |
| -   | -                                       |
| Andros FSC I, Ltd.                                  | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Andros FSC II, Ltd.                                 | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Andros I, Inc.                                      | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Andros II, Inc.                                     | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| APL, Inc.   | Dallas, TX                              |
| -   | -                                       |
| -   | -                                       |
| Appold Holdings Limited                             | London, U.K.                            |
| -   | -                                       |
| -   | -                                       |
| Appold Leasing, Inc.                                | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Appold Limited                                      | London, U.K.                            |
| -   | -                                       |
| -   | -                                       |
| Ariens Credit Corporation                           | Alpharetta, GA                          |
| -   | -                                       |
| -   | -                                       |
| ArkAIR Ltd.   | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -   | -                                       |
| -   | -                                       |
| ArkBronze Ltd.                                      | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| ArkCopper Ltd.                                      | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| ArkDiamond Ltd.                                     | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| ArkEmerald Ltd.                                     | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| ArkFlint Ltd.                                       | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| ArkGold Ltd.  | George Town, Grand Cayman, Cayman Is.   |
| -   | -                                       |
| -   | -                                       |
| Arrendadora Bank of America, S.A.                   | Mexico City, Mexico                     |
| -   | -                                       |
| -   | -                                       |
| Ashburn A Corp.                                     | Baltimore, MD                           |
| -   | -                                       |
| -   | -                                       |
| Asian American Merchant Bank Ltd.                   | Singapore, Singapore                    |
| -   | -                                       |
| -   | -                                       |
| Asp Funding II, Inc.                                | Dallas, TX                              |
| -   | -                                       |
| -   | -                                       |
| Asp Funding, Inc.                                   | Dallas, TX                              |
| -   | -                                       |
| -   | -                                       |
| Asset Backed Funding Corporation                    | Charlotte, NC                           |
| -   | -                                       |
| -   | -                                       |
| Asset Holding Co. Inc.                              | San Francisco, CA                       |
| -   | -                                       |
| -   | -                                       |
| Atico Financial Corporation dba Cavalier Properties | Miami, FL                               |

|   |               |
|---|---------------|
| Atlanta Affordable Housing Fund Limited Partnership | Charlotte, NC |
| Atlantic Equity Corporation                         | Charlotte, NC |
| Atlantic Square Investments, Inc.                   | Las Vegas, NV |
| Austin Community Development Corporation            | Austin, TX    |

DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

| <TABLE>                                |                                       |
|--|---------------------------------------|
| <CAPTION>                              |                                       |
| Name                                   | Location                              |
| <S>                                    |                                       |
| Austin National Realty Corporation     | Austin, TX                            |
| Avelino, Inc.                          | San Francisco, CA                     |
| B&D Phase III LLC                      | Baltimore, MD                         |
| B.A. Insurance (Cayman) Ltd.           | George Town, Grand Cayman, Cayman Is. |
| BA 1998 Partners Associates Fund, L.P. | Chicago, IL                           |
| BA 1998 Partners Fund I, L.P.          | Chicago, IL                           |
| BA 1998 Partners Fund II, L.P.         | Chicago, IL                           |
| BA 1998 Partners Fund LDC              | Chicago, IL                           |
| BA 1998 Partners Master Fund I, L.P.   | Chicago, IL                           |
| BA 1998 Partners Master Fund II, L.P.  | Chicago, IL                           |
| BA Agency, Inc.                        | Albuquerque, NM                       |
| BA Asia Limited                        | Hong Kong, PRC                        |
| BA Assets Company                      | George Town, Grand Cayman, Cayman Is. |
| BA Australia Limited                   | Sydney, New South Wales, Australia    |
| BA Capital Company, L.P.               | Charlotte, NC                         |
| BA Card Operations, Inc.               | Dover, DE                             |
| BA Card Services, Inc.                 | Makati, Philippines                   |
| BA Coinvest GP, Inc.                   | Chicago, IL                           |
| BA Equity Advisors S.r.L.              | Milan, Italy                          |

|   |                                       |
|---|---------------------------------------|
| BA Equity Advisors Sp.zo.o                | Warsaw, Poland                        |
| -   |                                       |
| -   |                                       |
| BA Equity Holdings, L.P.                  | Charlotte, NC                         |
| -   |                                       |
| -   |                                       |
| BA Equity Investment Company, L.P.        | Charlotte, NC                         |
| -   |                                       |
| -   |                                       |
| BA Equity Investors, Inc.                 | Chicago, IL                           |
| -   |                                       |
| -   |                                       |
| BA Equity Partners Beratungs GmbH         | Frankfurt, Germany                    |
| -   |                                       |
| -   |                                       |
| BA Finance (Hong Kong) Limited            | Hong Kong, PRC                        |
| -   |                                       |
| -   |                                       |
| BA Finance Ireland Limited                | Dublin, Ireland                       |
| -   |                                       |
| -   |                                       |
| BA Finance Lease, Inc.                    | San Francisco, CA                     |
| -   |                                       |
| -   |                                       |
| BA Holding Company S.A.                   | Luxembourg, Luxembourg                |
| -   |                                       |
| -   |                                       |
| BA Insurance Agency, Inc.                 | San Diego, CA                         |
| -   |                                       |
| -   |                                       |
| BA International (Netherlands) B.V.       | Amsterdam, The Netherlands            |
| -   |                                       |
| -   |                                       |
| BA International Finance B.V.             | Amsterdam, The Netherlands            |
| -   |                                       |
| -   |                                       |
| BA Investments                            | George Town, Grand Cayman, Cayman Is. |
| -   |                                       |
| -   |                                       |
| BA LocProc Pty. Limited                   | Sydney, New South Wales, Australia    |
| -   |                                       |
| -   |                                       |
| BA Merchant Services, Inc.                | San Francisco, CA                     |
| -   |                                       |
| -   |                                       |
| BA Mortgage, LLC                          | Charlotte, NC                         |
| -   |                                       |
| -   |                                       |
| BA Netting Limited                        | London, U.K.                          |
| -   |                                       |
| -   |                                       |
| BA Overseas Holdings                      | George Town, Grand Cayman, Cayman Is. |
| -   |                                       |
| -   |                                       |
| BA Properties, Inc.                       | Los Angeles, CA                       |
| -   |                                       |
| -   |                                       |
| BA Rescarven Holding Company              | George Town, Grand Cayman, Cayman Is. |
| -   |                                       |
| -   |                                       |
| BA SBIC Sub, Inc.                         | Chicago, IL                           |
| -   |                                       |
| -   |                                       |
| BA Securities Australia Limited           | Sydney, New South Wales, Australia    |
| -   |                                       |
| -   |                                       |
| BA Securities Investment Advisory Limited | Taipei, Taiwan                        |
| -   |                                       |
| -   |                                       |
| BA Service Corp.                          | Charlotte, NC                         |
| -   |                                       |
| -   |                                       |
| BA Staff Superannuation Limited           | Sydney, New South Wales, Australia    |
| -   |                                       |
| -   |                                       |
| BA Swiss FSC Holdings, LLC                | San Francisco, CA                     |
| -   |                                       |
| -   |                                       |
| BA Technology I, LLC                      | Charlotte, NC                         |
| -   |                                       |
| -   |                                       |
| BAC Funding Consortium, Inc.              | Miami, FL                             |
| -   |                                       |
| -   |                                       |
| BAC Realty LLC                            | Dallas, TX                            |





|   |   |
|---|---|
| BAL Locomotive Leasing 1996 Trust                 | San Francisco, CA                       |
| -----   | -----                                   |
| BAL Locomotive Leasing 1996, Company              | Calgary, Alberta, Canada                |
| -----   | -----                                   |
| BAL Locomotive Leasing 1997 Dell Corporation      | San Francisco, CA                       |
| -----   | -----                                   |
| BAL Locomotive Leasing 1997 Del2 Corporation      | San Francisco, CA                       |
| -----   | -----                                   |
| BAL Locomotive Leasing 1997 Trust                 | San Francisco, CA                       |
| -----   | -----                                   |
| BAL Locomotive Leasing 1997, Company              | Calgary, Alberta, Canada                |
| -----   | -----                                   |
| BAL Simulator Leasing 1999 Dell Corporation       | San Francisco, CA                       |
| -----   | -----                                   |
| BAL Simulator Leasing 1999, Company               | Calgary, Alberta, Canada                |
| -----   | -----                                   |
| BAL Switch Leasing 1999 Dell Corporation          | San Francisco, CA                       |
| -----   | -----                                   |
| BALCAP Funding, LLC                               | San Francisco, CA                       |
| -----   | -----                                   |
| Balmoral Leasing Ltd.                             | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----   | -----                                   |
| BA-MBS LLC  | Las Vegas, NV                           |
| -----   | -----                                   |
| Bamerilease, Inc.                                 | Phoenix, AZ                             |
| -----   | -----                                   |
| Bamerinvest, C.A.                                 | Caracas, Chacao, Venezuela              |
| -----   | -----                                   |
| Banc of America Advisors, Inc.                    | Charlotte, NC                           |
| -----   | -----                                   |
| Banc of America Advisory Services, LLC            | Charlotte, NC                           |
| -----   | -----                                   |
| Banc of America Agency of Nevada, Inc.            | Las Vegas, NV                           |
| -----   | -----                                   |
| Banc of America Agency of Texas, Inc.             | Dallas, TX                              |
| -----   | -----                                   |
| Banc of America Agency, LLC                       | Towson, MD                              |
| -----   | -----                                   |
| Banc of America Auto Finance Corp.                | Las Vegas, NV                           |
| -----   | -----                                   |
| Banc of America Bridge LLC                        | Charlotte, NC                           |
| -----   | -----                                   |
| Banc of America Business Finance Corporation      | Atlanta, GA                             |
| -----   | -----                                   |
| Banc of America Capital Management, Inc.          | Charlotte, NC                           |
| -----   | -----                                   |
| Banc of America Capital Markets-Asia, Inc.        | Singapore, Singapore                    |
| -----   | -----                                   |
| Banc of America CDC Special Holding Company, Inc. | Charlotte, NC                           |
| -----   | -----                                   |
| Banc of America CLO Corporation II                | Dallas, TX                              |
| -----   | -----                                   |
| Banc of America Commercial Corporation            | Tucker, GA                              |
| -----   | -----                                   |
| Banc of America Commercial Finance Corporation    | Wilton, CT                              |
| -----   | -----                                   |
| Banc of America Commercial Mortgage, Inc.         | Charlotte, NC                           |



|  |                                     |
|--|-------------------------------------|
| Banc of America Retirement Management, Inc.                  | Atlanta, GA                         |
| Banc of America SBIC Corporation                             | Charlotte, NC                       |
| Banc of America Securities Canada Co.                        | Halifax, Nova Scotia                |
| Banc of America Securities Canada Holding Corp.              | Charlotte, NC                       |
| Banc of America Securities Limited                           | London, U.K.                        |
| Banc of America Securities LLC                               | Charlotte, NC                       |
| Banc of America Securities-Japan, Inc.                       | Tokyo, Japan                        |
| Banc of America Specialty Finance, Inc.                      | Alpharetta, GA                      |
| Banc of America Technology Investments, Inc.                 | Charlotte, NC                       |
| Banc of America Vendor Finance, Inc.                         | San Diego, CA                       |
| BancAmerica Capital Holdings I, L.P.                         | Charlotte, NC                       |
| BancAmerica Capital Holdings II, L.P.                        | Chicago, IL                         |
| BancAmerica Capital Investors I, L.P.                        | Charlotte, NC                       |
| BancAmerica Capital Investors II, L.P.                       | Chicago, IL                         |
| BancAmerica Capital Investors SBIC I, L.P.                   | Charlotte, NC                       |
| BancAmerica Capital Investors SBIC II, L.P.                  | Chicago, IL                         |
| BancAmerica Coinvest Fund 2000, L.P.                         | Chicago, IL                         |
| BancofAmerica Forex (Philippines), Inc.                      | Makati, Philippines                 |
| Bank IV Affordable Housing Corporation                       | Wichita, KS                         |
| Bank IV Securities, Inc.                                     | Charlotte, NC                       |
| Bank Marketing Systems, Inc.                                 | Oklahoma City, OK                   |
| Bank of America - Liberal Sociedade Anonima (Banco Multiplo) | Rio de Janeiro, Brazil              |
| Bank of America (Asia) Limited                               | Hong Kong, PRC                      |
| Bank of America (Hawaii) Insurance Agency, Inc.              | Honolulu, HI                        |
| Bank of America (Jersey) Limited                             | St. Helier, Jersey, Channel Islands |
| Bank of America (Macau) Limited                              | Macau                               |
| Bank of America (Polska) S.A.                                | Warsaw, Poland                      |
| Bank of America Brasil Holdings Ltda.                        | Sao Paulo, Brazil                   |
| Bank of America California, National Association             | Walnut Creek, CA                    |



|   |                      |
|---|----------------------|
| Bank of America, National Association (USA)                 | Phoenix, AZ          |
| -----   | -----                |
| Bank of America, S.A.                                       | Madrid, Spain        |
| -----   | -----                |
| Bank of America-Giannini Foundation                         | San Francisco, CA    |
| -----   | -----                |
| Bank of Canton (Nominees) Limited, The                      | Hong Kong, PRC       |
| -----   | -----                |
| Bank South Home Equity, Inc.                                | Atlanta, GA          |
| -----   | -----                |
| BankAmerica Acceptance Corp.                                | San Diego, CA        |
| -----   | -----                |
| BankAmerica Capital Advisors LLC                            | Chicago, IL          |
| -----   | -----                |
| BankAmerica Capital I                                       | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Capital II                                      | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Capital III                                     | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Capital IV                                      | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Financial, Inc.                                 | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Foundation                                      | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Institutional Capital A                         | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Institutional Capital B                         | San Francisco, CA    |
| -----   | -----                |
| BankAmerica International Financial Corporation             | San Francisco, CA    |
| -----   | -----                |
| BankAmerica International Investment Corporation            | Chicago, IL          |
| -----   | -----                |
| BankAmerica Investment Corporation                          | Chicago, IL          |
| -----   | -----                |
| BankAmerica Nominees (1993) Pte Ltd.                        | Singapore, Singapore |
| -----   | -----                |
| BankAmerica Nominees (Hong Kong) Ltd.                       | Hong Kong, PRC       |
| -----   | -----                |
| BankAmerica Nominees (Singapore) Pte. Ltd.                  | Singapore, Singapore |
| -----   | -----                |
| BankAmerica Nominees Limited (London)                       | London, U.K.         |
| -----   | -----                |
| BankAmerica Realty Finance, Inc.                            | Los Angeles, CA      |
| -----   | -----                |
| BankAmerica Realty Services, Inc.                           | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Representacao e Servicos Limitada               | Sao Paulo, Brazil    |
| -----   | -----                |
| BankAmerica Special Assets Corporation                      | San Francisco, CA    |
| -----   | -----                |
| BankAmerica Trust and Banking Corporation (Bahamas) Limited | Nassau, Bahamas      |
| -----   | -----                |
| BankAmerica Trust Company (Hong Kong) Limited               | Hong Kong, PRC       |
| -----   | -----                |
| Barnesbury, Ltd.  | Hamilton, Bermuda    |

|  |                                       |
|--|---------------------------------------|
| Barnett Auto Receivables Corp.                 | Reno, NV                              |
| Barnett Bank Premises Company - Brickell       | Jacksonville, FL                      |
| Barnett Capital I                              | Jacksonville, FL                      |
| Barnett Capital II                             | Jacksonville, FL                      |
| Barnett Capital III                            | Jacksonville, FL                      |
| Barnett Leasing Company                        | Jacksonville, FL                      |
| Barnett Southside Land, Inc.                   | Charlotte, NC                         |
| Barrow Ltd.                                    | George Town, Grand Cayman, Cayman Is. |
| Bartlett Park Neighborhood Redevelopment, L.C. | Tampa, FL                             |
| Barton Apartments, L.P., The                   | St. Louis, MO                         |
| BAS Alternative Investment Montage Fund LLC    | New York, NY                          |
| BAS Alternative Management, LLC                | San Francisco, CA                     |
| BAS Capital Funding Corporation                | Chicago, IL                           |
| BAVP, LP                                       | Foster City, CA                       |
| Bay 2 Bay Leasing LLC                          | San Francisco, CA                     |
| Bay Street Limited                             | George Town, Grand Cayman, Cayman Is. |
| Baycliff Cayman Ltd.                           | Charlotte, NC                         |
| Baycliff DE Inc.                               | Charlotte, NC                         |
| BBI Merchant Processing Company, LLC           | Charlotte, NC                         |
| Becham (QSPE) Limited                          | George Town, Grand Cayman, Cayman Is. |
| Beechnut Holdings, Inc.                        | Houston, TX                           |
| Belmont Heights Development Company, L.C.      | Tampa, FL                             |
| Beta Dearborn Limited Partnership              | Lake Forest, IL                       |
| BFS Participacoes Ltda.                        | Sao Paulo, Brazil                     |

</TABLE>

<TABLE>  
<CAPTION>

Name

Location

|   |                            |
|---|----------------------------|
| -----                                       |                            |
| -----                                       |                            |
| <S>   | <C>                        |
| Binfield Ltd.                               | Hamilton, Bermuda          |
| -----                                       |                            |
| Birch Funding II, Inc.                      | Dallas, TX                 |
| -----                                       |                            |
| Birch Funding, Inc.                         | Dallas, TX                 |
| -----                                       |                            |
| BIRMSON, L.L.C.                             | Wilton, CT                 |
| -----                                       |                            |
| Biscayne Apartments, Inc.                   | Atlanta, GA                |
| -----                                       |                            |
| BJ Services Trust 1997-1                    | Houston, TX                |
| -----                                       |                            |
| BJCC, Inc.                                  | Wilton, CT                 |
| -----                                       |                            |
| Blue Ridge Finance Ltd.                     | Hamilton, Bermuda          |
| -----                                       |                            |
| Blue Ridge Investments, L.L.C.              | Charlotte, NC              |
| -----                                       |                            |
| Blue Spruce Investments, GP                 | Las Vegas, NV              |
| -----                                       |                            |
| BNB Auto, Inc.                              | St. Louis, MO              |
| -----                                       |                            |
| BoA Netherlands Cooperatieve U.A.           | Amsterdam, The Netherlands |
| -----                                       |                            |
| Boatmen's Capital Management, Inc.          | St. Louis, MO              |
| -----                                       |                            |
| Boatmen's Financial Services, Inc.          | St. Louis, MO              |
| -----                                       |                            |
| Boatmen's Insurance Agency, Inc.            | St. Louis, MO              |
| -----                                       |                            |
| BofA Investment Company S.A.                | Buenos Aires, Argentina    |
| -----                                       |                            |
| BofA Investment Company S.A.                | Buenos Aires, Argentina    |
| -----                                       |                            |
| Brazilian Financial Services, Inc.          | San Francisco, CA          |
| -----                                       |                            |
| Bronco Street REIT                          | Dallas, TX                 |
| -----                                       |                            |
| Bunga Jambu Ltd.                            | Hamilton, Bermuda          |
| -----                                       |                            |
| Bunga Orkid, Ltd.                           | Hamilton, Bermuda          |
| -----                                       |                            |
| Burton Road Development Partners, LLC       | Atlanta, GA                |
| -----                                       |                            |
| Bushton BCP Investment Partnership I, L.P.  | Wilmington, DE             |
| -----                                       |                            |
| Bushton TRG Investment Partnership I, L.P.  | Wilmington, DE             |
| -----                                       |                            |
| Bushton TRG Investment Partnership IV, L.P. | Wilmington, DE             |
| -----                                       |                            |
| C&S Premises, Inc.                          | Atlanta, GA                |
| -----                                       |                            |
| C&S Premises-SPE, Inc.                      | Atlanta, GA                |
| -----                                       |                            |
| Cabot Investments                           | London, U.K.               |

|  |   |
|--|---|
| California Street Limited                              | George Town, Grand Cayman, Cayman Is.   |
| CalKearn, LLC  | Reno, NV                                |
| Canaan Collaborative Limited Partnership, The          | Houston, TX                             |
| Canea FSC, Inc.  | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Cape Canterbury, Ltd.                                  | Hamilton, Bermuda                       |
| Capital Courts Corporation                             | Washington, DC                          |
| Capital Crossing Development Corporation               | Suitland, MD                            |
| Capitol Information Networks, Inc.                     | Austin, TX                              |
| Carlton Court CDC, Inc.                                | Dallas, TX                              |
| Carlton Court Limited Partnership                      | Dallas, TX                              |
| Carolina Investments Limited                           | London, U.K.                            |
| Carolina Leasing Limited                               | London, U.K.                            |
| Carolina Mountain Holding Company                      | Charlotte, NC                           |
| Carson Asset Management Company                        | Reno, NV                                |
| Cash Flow, Inc.  | Charlotte, NC                           |
| Castle Bay REIT  | Dallas, TX                              |
| Castlepoint, L.L.C.                                    | St. Louis, MO                           |
| Cathay Pacific/NationsBank Trust I (Grantor Trust)     | Wilmington, DE                          |
| Cathedral Gorge Management LLC                         | Las Vegas, NV                           |
| Cave Lake Investments GP                               | Las Vegas, NV                           |
| CBD, L.L.C.  | St. Louis, MO                           |
| Centerpoint Development LLC                            | Baltimore, MD                           |
| Centrex Capital Automobile Assets (Number Four), Inc.  | Melville, NY                            |
| Centrex Capital Automobile Assets (Number Three), Inc. | Melville, NY                            |
| Centrex Capital Automobile Assets (Number Two), Inc.   | Melville, NY                            |
| Centrex Capital Corp.                                  | Melville, NY                            |
| Charlotte Affordable Housing LLC, The                  | Charlotte, NC                           |
| Charlotte Gateway Village, LLC                         | Charlotte, NC                           |



-----  
Charlotte Transit Center, Inc.

Charlotte, NC  
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</TABLE>

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DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

<TABLE>

<CAPTION>

-----  
Name Location  
-----

<S> Charter-Colonial Securities, Inc. <C> Houston, TX  
-----

Charter-Houston Securities, Inc. Houston, TX  
-----

Chase Eagle, Inc. Miami, FL  
-----

Chase Federal Housing Corporation Baltimore, MD  
-----

Chase I, Inc. Miami, FL  
-----

ChaseFed Insurance Co. Miami, FL  
-----

Chepstow Holding Corporation Charlotte, NC  
-----

Chepstow Real Estate Investment Trust Charlotte, NC  
-----

Cherry Affordable Housing Corp. Charlotte, NC  
-----

Church Street Crossing Associates, L.P. Washington, DC  
-----

CIC Trading, S.A. Buenos Aires, Argentina  
-----

Citizens Financial Securities Corporation Fort Lauderdale, FL  
-----

CIVC Fund, L.P. Chicago, IL  
-----

CIVC SBIC Fund, LLC Chicago, IL  
-----

Clark Street Redevelopment Corporation St. Louis, MO  
-----

CNL Franchise Network, L.P. Orlando, FL  
-----

Columbia Community Investment Limited Partnership Charlotte, NC  
-----

Commerce Place Company Nashville, TN  
-----

Commonwealth National Bank Mobile, AL  
-----

Community Reinvestment Group, L.C. Fort Lauderdale, FL  
-----

Conag Finance, Inc. San Francisco, CA  
-----

Concorde Solutions, Inc. San Francisco, CA  
-----

Conestoga Trail REIT Dallas, TX

|  |                                       |
|--|---------------------------------------|
| Consolidated Asset Management Company                  | Oklahoma City, OK                     |
| Continental Finanziaria S.P.A.                         | Milan, Italy                          |
| Continental Illinois Venture Corporation               | Chicago, IL                           |
| Continental Information & Technology Services Co. S.A. | Buenos Aires, Argentina               |
| Continental Partners Group, Inc.                       | Chicago, IL                           |
| Continental Servicios Corporativos, S.A. de C.V.       | Mexico City, Mexico                   |
| Coppell Limited  | George Town, Grand Cayman, Cayman Is. |
| Copperhead Lane Investments GP                         | Dallas, TX                            |
| Corporate Leasing Facilities Limited                   | London, U.K.                          |
| Corpus Christi Community Development Corporation       | Corpus Christi, TX                    |
| Courtyards Apartments II, Inc.                         | Charlotte, NC                         |
| Courtyards Apartments, Inc.                            | Atlanta, GA                           |
| Covation LLC   | Atlanta, GA                           |
| Coventry Village Apartments, Inc.                      | Atlanta, GA                           |
| CreditQuick Finance Company                            | Charlotte, NC                         |
| CreditQuick, Inc.                                      | Charlotte, NC                         |
| Crockett Funding II, Inc.                              | Dallas, TX                            |
| Crockett Funding, Inc.                                 | Dallas, TX                            |
| CSC Associates, L.P.                                   | Marietta, GA                          |
| CSF Holdings, Inc.                                     | Tampa, FL                             |
| CSI Holdings, Inc.                                     | Charlotte, NC                         |
| CSV Apartments LLC                                     | Atlanta, GA                           |
| Cupples Development Phase I, L.L.C.                    | St. Louis, MO                         |
| Cupples Development, L.L.C.                            | St. Louis, MO                         |
| Cupples Garage, L.L.C.                                 | St. Louis, MO                         |
| CX HUL, LLC  | San Francisco, CA                     |
| Dalespring Corporation                                 | Baltimore, MD                         |
| Dallas Fort Worth Affordable Housing, LLC              | Dallas, TX                            |

|  |                                       |
|--|---------------------------------------|
| Danville Community Development Corporation | Danville, VA                          |
| Dartford River Crossing Limited            | Dartford, Kent, U.K.                  |
| Davis Street Limited                       | George Town, Grand Cayman, Cayman Is. |
| DCRS Corporation                           | Atlanta, GA                           |
| Delabarre Place Property Holdings, Inc.    | Baltimore, MD                         |
| Deportes Sports Holdings Limited           | George Town, Grand Cayman, Cayman Is. |

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DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

|  |                          |
|--|--------------------------|
| <TABLE>                                    |                          |
| <CAPTION>                                  |                          |
|  |                          |
| Name                                       | Location                 |
| <S>  |                          |
| DFO Partnership                            | <C><br>San Francisco, CA |
| Diamond Shoals Finance Ltd.                | Hamilton, Bermuda        |
| Diamondback Park, Inc.                     | Dallas, TX               |
| Dill Avenue Redevelopment Partnership, LLC | Atlanta, GA              |
| Dogwood Management LLC                     | Las Vegas, NV            |
| Douglass Road LLC                          | Washington, DC           |
| Down Under Leasing Corporation             | Charlotte, NC            |
| DPC, Inc.                                  | Dallas, TX               |
| East Nashville Housing, LLC                | Nashville, TN            |
| Eban Incorporated                          | Dallas, TX               |
| Eban Village I, Ltd.                       | Dallas, TX               |
| Eban Village II, Ltd.                      | Dallas, TX               |
| EBS Partnership, The                       | London, U.K.             |
| Echo Canyon Park, Inc.                     | Las Vegas, NV            |
| Echo Leasing, Ltd.                         | Hamilton, Bermuda        |
| Edmondson Gardens LLC                      | Baltimore, MD            |
| Eighth Street, LLC                         | Charlotte, NC            |
| Electronic Broking Services Limited        | London, U.K.             |

|  |   |
|--|---|
| Electronic Payments Exchange, Inc., The          | San Francisco, CA                       |
| Eleusis FSC I, Ltd.                              | San Francisco, CA                       |
| Eleusis FSC II, Ltd.                             | San Francisco, CA                       |
| Eleusis I, Inc.                                  | San Francisco, CA                       |
| Eleusis II, Inc.                                 | San Francisco, CA                       |
| Elko Asset Management Company                    | Reno, NV                                |
| Elko Park, Inc.                                  | Dallas, TX                              |
| Elmsleigh Funding, Ltd.                          | George Town, Grand Cayman, Cayman Is.   |
| Eloundra FSC, Inc.                               | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Eloundra, Inc.                                   | San Francisco, CA                       |
| Epidaurus FSC, Inc.                              | Charlotte Amalie, St. Thomas, U.S. V.I. |
| EQCC Asset Backed Corporation                    | Jacksonville, FL                        |
| EQCC Receivables Corporation                     | Jacksonville, FL                        |
| EQCC Trans Receivable Corporation                | Jacksonville, FL                        |
| EquiCredit Corporation                           | Jacksonville, FL                        |
| EquiCredit Corporation of America                | Jacksonville, FL                        |
| Equity/Protect Reinsurance Company               | Jacksonville, FL                        |
| ESP Financial Services LLC                       | San Diego, CA                           |
| Export Funding Corporation                       | Charlotte, NC                           |
| Fallon Lane II, Inc.                             | Dallas, TX                              |
| Fallon Lane, Inc.                                | Dallas, TX                              |
| FBA Bancorp                                      | Chicago, IL                             |
| Fenchurch Steamship Corporation                  | London, U.K.                            |
| Finance Investment Company                       | Springfield, MO                         |
| FinancialOxygen, Inc.                            | Walnut Creek, CA                        |
| First Executive Leasing FSC Ltd.                 | Charlotte Amalie, St. Thomas, U.S. V.I. |
| First Executive Sands Leasing Corp.              | San Francisco, CA                       |
| First Housing Development Corporation of Florida | Tampa, FL                               |



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|---|--|
| Galveston Funding, Inc. II                            | Dallas, TX                               |
| Gatwick, Inc.   | Dallas, TX                               |
| G-BNWE Aircraft Pty Limited                           | Sydney, Australia                        |
| G-BNWF Aircraft Pty Limited                           | Sydney, Australia                        |
| G-BNWG Aircraft Pty Limited                           | Sydney, Australia                        |
| G-BNWJ Aircraft Pty Limited                           | Sydney, Australia                        |
| G-BNWK Aircraft Pty Limited                           | Sydney, Australia                        |
| G-BNWL Aircraft Pty Limited                           | Sydney, Australia                        |
| G-BNWP Aircraft Pty Limited                           | Sydney, Australia                        |
| General Fidelity Insurance Company                    | San Diego, CA                            |
| General Fidelity Life Insurance Company               | San Diego, CA                            |
| Gleneagles Trading LLC                                | Charlotte, NC                            |
| GLM Investments, Inc.                                 | Charlotte, NC                            |
| GlobalNet Comunicaciones Financieras, S.A.            | Santiago, Chile                          |
| Gold Max Investments Limited                          | Hong Kong, PRC                           |
| Golden Gate Participacoes Ltda.                       | Sao Paulo, Brazil                        |
| Gournia FSC, Inc.                                     | Charlotte Amalie, St. Thomas, U .S. V.I. |
| Gournia, Inc.   | San Francisco, CA                        |
| Grace Church European Investments Company             | Charlotte, NC                            |
| Grand Rock, L.L.C.                                    | St. Louis, MO                            |
| Gravely Credit Corporation                            | Alpharetta, GA                           |
| Greater Brownsville Community Development Corporation | Brownsville, TX                          |
| GTVBI, Inc.   | Chicago, IL                              |
| Harbilan Corporation                                  | Charlotte, NC                            |
| Harbour Directors I Limited                           | George Town, Grand Cayman, Cayman Is.    |
| Harbour Directors II Limited                          | George Town, Grand Cayman, Cayman Is.    |
| Harbour Nominees Ltd.                                 | George Town, Grand Cayman, Cayman Is.    |
| Harbour Secretaries I Limited                         | George Town, Grand Cayman, Cayman Is.    |



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|--|---|
| Integrated Holdings, LLC   | Chicago, IL                             |
| -----  | -----                                   |
| Integrion Financial Network, LLC                                     | Herndon, VA                             |
| -----  | -----                                   |
| Interfirst (Leasing) Limited   | London, U.K.                            |
| -----  | -----                                   |
| InverAmerica S.A.  | Santa Fe de Bogota, Colombia            |
| -----  | -----                                   |
| Inversiones of America Corredores de Bolsa Limitada                  | Santiago, Chile                         |
| -----  | -----                                   |
| Inversiones y Negocios Fiduciarios S.A.                              | Buenos Aires, Argentina                 |
| -----  | -----                                   |
| InvestAmerica S.A.   | Santiago, Chile                         |
| -----  | -----                                   |
| Irapetra FSC, Inc.   | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----  | -----                                   |
| Ironside Property Holdings, Inc.                                     | Irving, TX                              |
| -----  | -----                                   |
| Irving Park, Inc.  | Dallas, TX                              |
| -----  | -----                                   |
| Island Funding, Ltd.   | Dallas, TX                              |
| -----  | -----                                   |
| Island Funding, Ltd. II  | George Town, Grand Cayman, Cayman Is.   |
| -----  | -----                                   |
| Ismael I, Inc.   | George Town, Grand Cayman, Cayman Is.   |
| -----  | -----                                   |
| Jambu Holdings, Inc.   | San Francisco, CA                       |
| -----  | -----                                   |
| Japan Airlines/NCNB 1993-1 (Grantor Trust)                           | Charlotte, NC                           |
| -----  | -----                                   |
| Jawbridge Finance, Inc.  | Dallas, TX                              |
| -----  | -----                                   |
| JCCA, Inc.   | Wilton, CT                              |
| -----  | -----                                   |
| Jefferson, Marion, Washington Community Development Corporation, The | Corpus Christi, TX                      |
| -----  | -----                                   |
| Jeffries-Meyers Revitalization Ltd.                                  | Dallas, TX                              |
| -----  | -----                                   |
| Joey Trust   | San Francisco, CA                       |
| -----  | -----                                   |
| Justin, Inc.   | George Town, Grand Cayman, Cayman Is.   |
| -----  | -----                                   |
| K.C. Acquisitions, L.L.C.  | Kansas City, MO                         |
| -----  | -----                                   |
| Kauai Hotel, L.P.  | Los Angeles, CA                         |
| -----  | -----                                   |
| Kavala FSC, Inc.   | Bridgetown, Barbados                    |
| -----  | -----                                   |
| Kenilworth Industrial Park Limited Liability Company                 | Washington, DC                          |
| -----  | -----                                   |
| Kenilworth-Burroughs Limited Partnership                             | Washington, DC                          |
| -----  | -----                                   |
| Kill Devil Hills Finance Limited Partnership                         | Wilmington, DE                          |
| -----  | -----                                   |
| Kill Devil Hills Finance II Limited Partnership                      | Wilmington, DE                          |
| -----  | -----                                   |
| Kithira FSC I, Ltd.  | San Francisco, CA                       |





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| Liberal Gestao e Recursos Ltda.                        | Rio de Janeiro, Brazil                  |
| -----  | -----                                   |
| Liberal Qualificado Fundo de Investimento em Acoes     | Rio de Janeiro, Brazil                  |
| -----  | -----                                   |
| Liberal S.A. Corretora de Cambio e Valores Mobiliarios | Rio de Janeiro, Brazil                  |
| -----  | -----                                   |
| Linden Tree Development Corp.                          | Melville, NY                            |
| -----  | -----                                   |
| Lindos FSC, Inc.                                       | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----  | -----                                   |
| Lindos, Inc.   | San Francisco, CA                       |
| -----  | -----                                   |
| Links at Eastwood LLC, The                             | Charlotte, NC                           |
| -----  | -----                                   |
| Locomotive Lease Holding VII, Company                  | Halifax, Nova Scotia                    |
| -----  | -----                                   |
| Lubbock Funding, Inc.                                  | Dallas, TX                              |
| -----  | -----                                   |
| Lubbock Funding, Inc. II                               | Dallas, TX                              |
| -----  | -----                                   |
| Lyndhurst Properties Corp.                             | Melville, NY                            |
| -----  | -----                                   |
| "M&M Realty, Inc."                                     | St. Louis, MO                           |
| -----  | -----                                   |
| Madison Park A Corp.                                   | Baltimore, MD                           |
| -----  | -----                                   |
| Madre Mesa Property Holdings, Inc.                     | Baltimore, MD                           |
| -----  | -----                                   |
| Maguire Partners-Glendale Center, LLC                  | Los Angeles, CA                         |
| -----  | -----                                   |
| Main Place Funding, LLC                                | Charlotte, NC                           |
| -----  | -----                                   |
| Malia FSC, Inc.  | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----  | -----                                   |
| Malia, Inc.  | San Francisco, CA                       |
| -----  | -----                                   |
| Manele Bay I, Limited                                  | St. Helier, Jersey, Channel Islands     |
| -----  | -----                                   |
| Manele Bay II, Limited                                 | St. Helier, Jersey, Channel Islands     |
| -----  | -----                                   |
| Mar A Lowe Corp.                                       | Baltimore, MD                           |
| -----  | -----                                   |
| MAR, Inc.  | Charlotte, NC                           |
| -----  | -----                                   |
| Marco Polo Leasing Ltd.                                | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----  | -----                                   |
| Marnat Creek Limited Partnership                       | Tucker, GA                              |
| -----  | -----                                   |
| Marsico Capital Management, LLC                        | Denver, CO                              |
| -----  | -----                                   |
| Marsico Fund Advisors, LLC                             | Denver, CO                              |
| -----  | -----                                   |
| Marsico Management Holdings, L.L.C.                    | Charlotte, NC                           |
| -----  | -----                                   |
| Maryland Housing Equity Fund Limited Partnership       | Columbia, MD                            |
| -----  | -----                                   |
| Mayfair Partners                                       | Dallas, TX                              |

|                                       |                   |
|---------------------------------------|-------------------|
| Maywell Mark Corp.                    | Oklahoma City, OK |
| Mazestake Limited                     | London, U.K.      |
| MB Deal 97, S.L.                      | Madrid, Spain     |
| MBG Trust                             | Wilmington, DE    |
| MBHD, LLC                             | Nashville, TN     |
| MCOG Leasing Corp.                    | San Francisco, CA |
| Mecklenburg Park, Inc.                | Dallas, TX        |
| Medina Lane, Inc.                     | Charlotte, NC     |
| Mercury Marine Acceptance Corporation | Alpharetta, GA    |
| MESBIC Ventures Holding Company       | Dallas, TX        |
| Metropolitan Development, L.L.C.      | St. Louis, MO     |
| Michigan Place, LLC                   | Chicago, IL       |
| Middletown Finance, Inc.              | Dallas, TX        |
| Midwest Realty & Management, Inc.     | Getzville, NY     |
| Minbanc Capital Corp.                 | Washington, DC    |
| Misty Waters Apartments, Inc.         | Atlanta, GA       |
| MN World Trade Corporation            | Baltimore, MD     |
| MNC Affiliates Group, Inc.            | Washington, DC    |
| MNC American Corporation              | Birmingham, AL    |
| MNC Consumer Discount Company         | Washington, DC    |
| MNC Credit Corp                       | Washington, DC    |
| MNC Investment Bank, Ltd.             | Baltimore, MD     |
| Mobley Park Apartments, L.C.          | Tampa, FL         |
| Mohave Partners                       | Dallas, TX        |
| MOIL Corporation                      | Wilton, CT        |
| Montrose & Company, LLC               | Reno, NV          |

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| -----  |   |
| Name   | Location                                |
| -----  |   |
| <S>  |   |
| Moorpark Holding, Inc.                           | <C><br>Chicago, IL                      |
| -----  |   |
| Motift, Inc.                                     | Atlanta, GA                             |
| -----  |   |
| MS Spitfire LLC                                  | San Francisco, CA                       |
| -----  |   |
| Muirfield Trading LLC                            | Charlotte, NC                           |
| -----  |   |
| Multi Banco S.A.                                 | Sao Paulo, Brazil                       |
| -----  |   |
| Multi-Family Housing Investment Fund I, LLC      | Charlotte, NC                           |
| -----  |   |
| Mycenae FSC, Inc.                                | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----  |   |
| Mycenae, Inc.                                    | San Francisco, CA                       |
| -----  |   |
| MYM Holdings Corporation                         | Charlotte, NC                           |
| -----  |   |
| N.B. (Bahamas) Ltd.                              | Nassau, Bahamas                         |
| -----  |   |
| NAPICO/USAA Tax Credit Fund I                    | Beverly Hills, CA                       |
| -----  |   |
| Nations Argentina, S.A.                          | Buenos Aires, Argentina                 |
| -----  |   |
| Nations de Colombia Ltda.                        | Santa Fe de Bogota, Colombia            |
| -----  |   |
| Nations Europe Limited                           | London, U.K.                            |
| -----  |   |
| Nations Finance (Cayman) Limited                 | George Town, Grand Cayman, Cayman Is.   |
| -----  |   |
| Nations Finance Company                          | Dublin, Ireland                         |
| -----  |   |
| Nations High Yield Bond Fund (Offshore)          | George Town, Grand Cayman, Cayman Is.   |
| -----  |   |
| Nations International Equity Fund (Offshore)     | George Town, Grand Cayman, Cayman Is.   |
| -----  |   |
| Nations International Value Fund (Offshore)      | George Town, Grand Cayman, Cayman Is.   |
| -----  |   |
| Nations Investment Management Limited            | London, U.K.                            |
| -----  |   |
| Nations Marsico Focused Equities Fund (Offshore) | George Town, Grand Cayman, Cayman Is.   |
| -----  |   |
| Nations Marsico Growth & Income Fund (Offshore)  | George Town, Grand Cayman, Cayman Is.   |
| -----  |   |
| NationsBanc Auto Funding Corporation             | Charlotte, NC                           |
| -----  |   |
| NationsBanc Business Credit, Inc.                | Tucker, GA                              |
| -----  |   |
| NationsBanc Charlotte Center, Inc.               | Charlotte, NC                           |
| -----  |   |
| NationsBanc Equity Mortgage Corporation          | Richmond, VA                            |

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|--|---|
| NationsBanc Health Services, Inc.                      | Charlotte, NC                           |
| NationsBanc Insurance Agency, Inc.                     | Norfolk, VA                             |
| NationsBanc Insurance Company, Inc.                    | Charlotte, NC                           |
| NationsBanc Insurance Inc.                             | Mount Airy, MD                          |
| NationsBanc Lease Finance VI                           | Wilmington, DE                          |
| NationsBanc Leasing & R.E. Corporation                 | Charlotte, NC                           |
| NationsBanc Montgomery Holdings Corporation            | Charlotte, NC                           |
| NationsBanc Pacific Corporation                        | Charlotte, NC                           |
| NationsBank CLO Corporation                            | Dallas, TX                              |
| NationsBank CLO Funding Corp.                          | Dallas, TX                              |
| NationsBank International Trust (Jersey) Limited       | Saint Helier, Jersey, Channel Islands   |
| NationsBank Trust Company of New York                  | New York, NY                            |
| NationsCommercial Corp.                                | Dallas, TX                              |
| NationsCredit Financial Acceptance Corporation         | Irving, TX                              |
| NationsCredit Financial Services Corporation           | Irving, TX                              |
| NationsCredit Financial Services Corporation of Nevada | Irving, TX                              |
| NationsCredit Home Equity ABS Corporation              | Irving, TX                              |
| NationsCredit Insurance Agency, Inc.                   | Irving, TX                              |
| NationsCredit Insurance Corporation                    | Irving, TX                              |
| NationsCredit Manufactured Housing Corporation         | Jacksonville, FL                        |
| NationsCredit Securitization Corporation               | Alpharetta, GA                          |
| Nations-CRT Hong Kong, Limited                         | Hong Kong, PRC                          |
| Nauplia FSC, Inc.                                      | Charlotte Amalie, St. Thomas, U.S. V.I. |
| NB Capital Trust I                                     | Charlotte, NC                           |
| NB Capital Trust II                                    | Charlotte, NC                           |
| NB Capital Trust III                                   | Charlotte, NC                           |
| NB Capital Trust IV                                    | Charlotte, NC                           |
| NB Finance Lease, Inc.                                 | Tucker, GA                              |

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| NB Financial Trading (Ireland) Limited | Dublin, Ireland |
| NB Holdings Corporation                | Charlotte, NC   |
| NB Insurance Services, Inc.            | Tucker, GA      |

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DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

| Name                                       |  | Location                              |  |
|--|--|---------------------------------------|--|
| <S>  |  | <C>                                   |  |
| NB International Finance B.V.              |  | Amsterdam, The Netherlands            |  |
| NB Partner Corp.                           |  | Charlotte, NC                         |  |
| NBCDC Osborne, Inc.                        |  | Tampa, FL                             |  |
| NBLC Limited Partnership, LLLP             |  | Tucker, GA                            |  |
| NBRE Realty LLC                            |  | Las Vegas, NV                         |  |
| NCNB Corporate Services, Inc.              |  | Charlotte, NC                         |  |
| NCNB Lease Atlantic, Inc.                  |  | Wilmington, DE                        |  |
| NCNB Lease Finance                         |  | Wilmington, DE                        |  |
| NCNB Lease Finance II                      |  | Wilmington, DE                        |  |
| NCNB Lease Finance III                     |  | Wilmington, DE                        |  |
| NCNB Lease Finance IV                      |  | Wilmington, DE                        |  |
| NCNB Lease Finance V                       |  | Wilmington, DE                        |  |
| NCNB Lease International, LLC              |  | Charlotte, NC                         |  |
| NCNB Lease Offshore, Inc.                  |  | Wilmington, DE                        |  |
| NCNB Properties, Inc.                      |  | Charlotte, NC                         |  |
| Neighborhood Rental Limited Partnership II |  | Baltimore, MD                         |  |
| Nevin Rd Associates LLC                    |  | Raleigh, NC                           |  |
| New Haven Limited Partnership              |  | Dallas, TX                            |  |
| Newington Limited Partnership, The         |  | Baltimore, MD                         |  |
| NMS Capital, L.P.                          |  | New York, NY                          |  |
| NMS Services (Cayman) Inc.                 |  | George Town, Grand Cayman, Cayman Is. |  |

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| NMS Services, Inc.   | New York, NY                            |
| Nubia Redevelopment Partnership                                  | Dallas, TX                              |
| Nye Asset Management Company                                     | Reno, NV                                |
| OA Management, Inc.  | Tampa, FL                               |
| Oak Park at Nations Ford LLC                                     | Charlotte, NC                           |
| Oakland Trace Redevelopment, L.C.                                | Jacksonville, FL                        |
| Odessa Park, Inc.  | Dallas, TX                              |
| Old Heritage New Homes, Ltd.                                     | Dallas, TX                              |
| Old Sterling Street REIT   | Dallas, TX                              |
| Olefinas Del Zulia, S.A.   | Caracas, Chacao, Venezuela              |
| Orchards Subdivision, LLC, The                                   | Atlanta, GA                             |
| Osborne Landing, Ltd.  | Tampa, FL                               |
| Oshkosh/McNeilus Financial Services Partnership                  | Dodge Center, MN                        |
| Outerbanks Finance Ltd.  | Hamilton, Bermuda                       |
| Overseas Lending Corporation                                     | San Francisco, CA                       |
| Pacific Diamond Assets Limited                                   | Hong Kong, PRC                          |
| Pacific Southwest Realty Company                                 | San Francisco, CA                       |
| Padovano Investments   | George Town, Grand Cayman, Cayman Is.   |
| Pan American Mortgage Corp.                                      | Miami, FL                               |
| Paradise Funding, Ltd.   | George Town, Grand Cayman, Cayman Is.   |
| Park at Hillside, LLC, The                                       | Nashville, TN                           |
| Park at Lakewood L.L.C. dba Campbellton Glen Apartments LLC, The | Charlotte, NC                           |
| Pasir Mas Ltd.   | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Patras FSC, Inc.   | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Patras, Inc.   | San Francisco, CA                       |
| PDE, Inc.  | George Town, Grand Cayman, Cayman Is.   |
| PDK Hangar, L.L.C.   | Charlotte, NC                           |
| Peak Finance Partners I, L.P.                                    | Reno, NV                                |

|                                 |   |
|---------------------------------|---|
| Peak Finance Partners II, L.P.  | Reno, NV                                |
| Peak Finance Partners III, L.P. | Reno, NV                                |
| Peak Finance Partners IV, L.P.  | Reno, NV                                |
| Peak Finance Partners V, L.P.   | Reno, NV                                |
| Peak Finance Partners VI, L.P.  | Reno, NV                                |
| Perissa LLC                     | San Francisco, CA                       |
| Pershing Park, Inc.             | Las Vegas, NV                           |
| Phaestos FSC, Inc.              | Charlotte Amalie, St. Thomas, U.S. V.I. |

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DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

| Name                        | Location                                |
|-----------------------------|---|
| Piccadilly, Inc.            | Dallas, TX                              |
| Piedmont Finance Ltd.       | Hamilton, Bermuda                       |
| Pine Hill Investments, Inc. | Dallas, TX                              |
| Pine Oaks/Mesquite, Inc.    | Dallas, TX                              |
| Pinehurst Trading, Inc.     | Charlotte, NC                           |
| PJM Office Building, LLC    | Baltimore, MD                           |
| PJM Retail Center, LLC      | Baltimore, MD                           |
| Plano Partners              | Dallas, TX                              |
| PNB Securities Corporation  | Los Angeles, CA                         |
| Poplar Partners             | Dallas, TX                              |
| Poros FSC I, Inc.           | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Poros FSC II, Inc.          | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Poros FSC III, Inc.         | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Poros FSC IV, Inc.          | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Poros FSC IX, Inc.          | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Poros FSC V, Inc.           | Charlotte Amalie, St. Thomas, U.S. V.I. |



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| -----<br>-----<br>Poros FSC VI, Inc.                       | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros FSC VII, Inc.                      | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros FSC VIII, Inc.                     | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros FSC X, Inc.                        | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros FSC XI, Inc.                       | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros FSC XII, Inc.                      | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros FSC, Inc.                          | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Poros VII, Inc.                          | San Francisco, CA                       |
| -----<br>-----<br>Price Auto Outlet of California, Inc.    | Anaheim, CA                             |
| -----<br>-----<br>Private Export Funding Corporation       | New York, NY                            |
| -----<br>-----<br>PRLAP, Inc. (Alaska Corporation)         | Juneau, AK                              |
| -----<br>-----<br>PRLAP, Inc. (Missouri Corporation)       | Clayton, MO                             |
| -----<br>-----<br>PRLAP, Inc. (North Carolina Corporation) | Charlotte, NC                           |
| -----<br>-----<br>PRLAP, Inc. (Tennessee Corporation)      | Knoxville, TN                           |
| -----<br>-----<br>PRLAP, Inc. (Texas Corporation)          | Dallas, TX                              |
| -----<br>-----<br>PRLAP, Inc. (Virginia Corporation)       | Richmond, VA                            |
| -----<br>-----<br>PRLAP, Inc. (Washington Corporation)     | Seattle, WA                             |
| -----<br>-----<br>Prodigy Holdings Private Limited         | Curepipe, Mauritius                     |
| -----<br>-----<br>Pydna Corporation                        | San Francisco, CA                       |
| -----<br>-----<br>Pylos FSC, Inc.                          | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Pylos, Inc.                              | San Francisco, CA                       |
| -----<br>-----<br>Pyrgos FSC, Inc.                         | Charlotte Amalie, St. Thomas, U.S. V.I. |
| -----<br>-----<br>Pyrgos, Inc.                             | San Francisco, CA                       |
| -----<br>-----<br>Python Partners                          | Dallas, TX                              |
| -----<br>-----<br>Quarrywood Limited                       | Hong Kong, PRC                          |
| -----<br>-----<br>Quatro I, Inc.                           | Tulsa, OK                               |
| -----<br>-----<br>Queen City Partnership                   | Dallas, TX                              |
| -----<br>-----<br>Raffles Leasing Ltd.                     | Charlotte Amalie, St. Thomas, U.S. V.I. |

|   |                   |
|---|-------------------|
| Rainer Mortgage Company                       | Seattle, WA       |
| Red River Park, Inc.                          | Charlotte, NC     |
| Regent Street II, Inc.                        | Dallas, TX        |
| Related Insured Tax Credit Partners III, L.P. | New York, NY      |
| Republic Dallas Ltd. (U.K.)                   | London, U.K.      |
| RepublicBank Insurance Agency, Inc.           | Dallas, TX        |
| Reynoldstown Rising, LLC                      | Atlanta, GA       |
| Ritchie Court M Corporation                   | Baltimore, MD     |
| River City Capital Management, Inc.           | St. Louis, MO     |
| Roanoke Community Development Corporation     | Roanoke, VA       |
| Rockwell Resources, Inc.                      | Charlotte, NC     |
| Romeo Leasing, Ltd.                           | Hamilton, Bermuda |
| Rosedale General Partner, LLC                 | Baltimore, MD     |

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DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

| Name  |  | Location                                |  |
|---|--|---|--|
| Rosedale Terrace Limited Partnership        |  | Baltimore, MD                           |  |
| Rotunda Partners II, LLC                    |  | Oakland, CA                             |  |
| Royal Oaks, L.L.C.                          |  | Jacksonville, FL                        |  |
| Ruby Aircraft Leasing and Trading Limited   |  | London, U.K.                            |  |
| Ruby Lake LLC                               |  | Las Vegas, NV                           |  |
| Safari (QSPE) Limited                       |  | George Town, Grand Cayman, Cayman Is.   |  |
| Sagebrush Holdings, Inc.                    |  | Las Vegas, NV                           |  |
| Samedan Leasing Ltd.                        |  | Charlotte Amalie, St. Thomas, U.S. V.I. |  |
| San Antonio Business Development Fund, Inc. |  | San Antonio, TX                         |  |
| Sandhills Finance Ltd.                      |  | Hamilton, Bermuda                       |  |
| Santa Isabela Limitada                      |  | Sao Paulo, Brazil                       |  |

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| Sardonyx Shipping Pte Ltd  | Singapore, Singapore                      |
| Savannah at Washington Park, LLC   | Fayetteville, GA                          |
| Savannah Community Development Corporation dba Savannah Regional Small Business Capital Fund | Savannah, GA                              |
| Regional Small Business Capital Fund   | Savannah, GA                              |
| Savannah International Sales, Inc.   | Charlotte Amalie, Saint Thomas, U.S. V.I. |
| Sawgrass Trading LLC   | Charlotte, NC                             |
| SBMB Corporation   | Wilton, CT                                |
| Scales Ltd.  | Hamilton, Bermuda                         |
| SCI Holdings Corporation   | Baltimore, MD                             |
| SCIC LMN Springfield, LLC  | Baltimore, MD                             |
| SCIC Properties, LLC   | Baltimore, MD                             |
| SCIC Riverwalk, LLC  | Baltimore, MD                             |
| SCIC San Antonio II, LLC   | Baltimore, MD                             |
| SCRC Process Service Corp.   | Baltimore, MD                             |
| Sea Ray Credit Corporation   | Alpharetta, GA                            |
| Seabrook Operations, Inc.  | Atlanta, GA                               |
| Seafirst America Corporation   | Seattle, WA                               |
| Seafirst Insurance Corporation   | Bellevue, WA                              |
| Seafirst Leasing Company   | Seattle, WA                               |
| Seaview of Seabrook, Inc.  | Atlanta, GA                               |
| Second Land Sales, Inc.  | Atlanta, GA                               |
| Securilease BV   | Amsterdam, The Netherlands                |
| Securitization Funding Corporation   | Dallas, TX                                |
| Security Pacific Acceptance Corp. II   | San Diego, CA                             |
| Security Pacific Australian Assets Limited   | Sydney, New South Wales, Australia        |
| Security Pacific Capital Leasing Corporation   | San Francisco, CA                         |
| Security Pacific Equipment Finance (Europe) Inc.   | San Francisco, CA                         |
| Security Pacific EuroFinance Holdings, Inc.  | San Francisco, CA                         |



|  |                               |
|--|-------------------------------|
| Silver Management Company                            | Las Vegas, NV                 |
| -----  | -----                         |
| Silver Management Holding Company                    | Las Vegas, NV                 |
| -----  | -----                         |
| Silverdale Assets Limited                            | Hong Kong, PRC                |
| -----  | -----                         |
| Skyros, Ltd.   | Hamilton, Bermuda             |
| -----  | -----                         |
| Societe Anonyme Immobiliere du 28 Place Vendome      | Paris, France                 |
| -----  | -----                         |
| Societe Nouvelle Les Dolomites Francaises, SARL      | Gresse en Vercors, France     |
| -----  | -----                         |
| SOP M Corp.  | Baltimore, MD                 |
| -----  | -----                         |
| SoundBay Leasing LLC                                 | San Francisco, CA             |
| -----  | -----                         |
| Sounion FSC, Inc.<br>U.S. V.I.                       | Charlotte Amalie, St. Thomas, |
| -----  | -----                         |
| South Charles Investment Corporation                 | Baltimore, MD                 |
| -----  | -----                         |
| South Charles Realty Corp                            | Baltimore, MD                 |
| -----  | -----                         |
| Southern California Business Development Corporation | Los Angeles, CA               |
| -----  | -----                         |
| Southern Dallas Development Fund, Inc.               | Dallas, TX                    |
| -----  | -----                         |
| Sovran Capital Management Corporation                | Richmond, VA                  |
| -----  | -----                         |
| SPAA Leasing Corporation                             | San Francisco, CA             |
| -----  | -----                         |
| Spitfire Capital Partners LP                         | San Francisco, CA             |
| -----  | -----                         |
| Spotted Horse Holdings, Inc.                         | Cheyenne, WY                  |
| -----  | -----                         |
| Springfield Finance and Development Corporation      | Springfield, MO               |
| -----  | -----                         |
| Spruce Street I, L.L.C.                              | St. Louis, MO                 |
| -----  | -----                         |
| SRF 2000 LLC   | Charlotte, NC                 |
| -----  | -----                         |
| SRF Trading, Inc.                                    | Miami, FL                     |
| -----  | -----                         |
| SRV-Highland, Inc.                                   | Miami, FL                     |
| -----  | -----                         |
| St. Johns Place, L.C.                                | Jacksonville, FL              |
| -----  | -----                         |
| St. Wenceslaus Limited Partnership                   | Baltimore, MD                 |
| -----  | -----                         |
| Stanton Road Housing LLC                             | Washington, DC                |
| -----  | -----                         |
| Star Systems, Inc.                                   | Maitland, FL                  |
| -----  | -----                         |
| Statewide Administrative Services, Inc.              | Tucker, GA                    |
| -----  | -----                         |
| Steppington/Dallas, Inc.                             | Dallas, TX                    |
| -----  | -----                         |

|   |                               |
|---|-------------------------------|
| Storey Asset Management Company   | Reno, NV                      |
| Suburban Service Corporation  | Charlotte, NC                 |
| Summerhill Redevelopment Partners, LLC                                      | Atlanta, GA                   |
| SunAmerica Affordable Housing Partners XL, a Nevada Limited Partnership     | Los Angeles, CA               |
| SunAmerica Affordable Housing Partners XXXII, a Nevada Limited Partnership  | Los Angeles, CA               |
| SunAmerica Affordable Housing Partners XXXIII, a Nevada Limited Partnership | Los Angeles, CA               |
| Sunset Hill Corporation   | Baltimore, MD                 |
| SunStar Acceptance Corporation  | Atlanta, GA                   |
| SunStar Acceptance Corporation (Hawaii)                                     | Atlanta, GA                   |
| Swallowtail Limited Islands   | St. Helier, Jersey, Channel   |
| Sweet River Investments, Ltd. Cayman Is.                                    | George Town, Grand Cayman,    |
| Sycamore Funding II, Inc.   | Dallas, TX                    |
| Sycamore Funding, Inc.  | Dallas, TX                    |
| Tabono Joint Venture  | Dallas, TX                    |
| Tabono Partnership II, Ltd.   | Dallas, TX                    |
| Tanah Merah Leasing Ltd. U.S.V.I.   | Charlotte Amalie, St. Thomas, |
| Tango Leasing Ltd.  | Hamilton, Bermuda             |
| Tennessee Nationalease Corporation  | Charlotte, NC                 |
| Terry Street Redevelopment Limited Liability Company                        | Atlanta, GA                   |
| Thasos FSC, Inc.  | Bridgetown, Barbados          |
| Third Coast Community Development Corporation                               | Houston, TX                   |
| Third Ward Committee, LLC   | Charlotte, NC                 |
| Third Ward Neighborhood Development Association                             | Charlotte, NC                 |
| Three Commercial Place Associates   | Norfolk, VA                   |
| Tidewater Partners Limited Partnership                                      | Virginia Beach, VA            |

</TABLE>

<TABLE>

<CAPTION>

| Name                                     | Location                                   |
|--|--|
| <S>                                      |  |
| Tiryns FSC, Inc.                         | <C> Charlotte Amalie, St. Thomas, U.S.V.I. |
| -----                                    |  |
| Titulos Rioplatenses S.A.                | Montevideo, Uruguay                        |
| -----                                    |  |
| TJN Corporation                          | Wilton, CT                                 |
| -----                                    |  |
| TLC, L.C.                                | Jacksonville, FL                           |
| -----                                    |  |
| T-Oaks Apartments, Inc.                  | Atlanta, GA                                |
| -----                                    |  |
| Tower I Partnership, The                 | Hong Kong, PRC                             |
| -----                                    |  |
| Tower I Trust, The                       | Hong Kong, PRC                             |
| -----                                    |  |
| Tower II Trust, The                      | Hong Kong, PRC                             |
| -----                                    |  |
| Townsite Plaza Development, Inc.         | St. Louis, MO                              |
| -----                                    |  |
| Transit Holding, Inc.                    | San Francisco, CA                          |
| -----                                    |  |
| Transit Leasing Corporation              | San Francisco, CA                          |
| -----                                    |  |
| Transpacific Finance Limited Partnership | Wilmington, DE                             |
| -----                                    |  |
| Transpacific Funding (1993), Inc.        | Wilmington, DE                             |
| -----                                    |  |
| Trinity Management Pte Ltd               | George Town, Grand Cayman, Cayman Is.      |
| -----                                    |  |
| Tri-Star Communications, Inc.            | San Francisco, CA                          |
| -----                                    |  |
| Trotwood Property Holdings, Inc.         | Irving, TX                                 |
| -----                                    |  |
| Troy Street Limited Liability Company    | Alexandria, VA                             |
| -----                                    |  |
| Trunoms, Limited                         | Nassau, Bahamas                            |
| -----                                    |  |
| Tryon Assurance Company, Ltd.            | Hamilton, Bermuda                          |
| -----                                    |  |
| Tryon Investments II, LLC                | San Francisco, CA                          |
| -----                                    |  |
| Tryon Investments, LLC                   | Charlotte, NC                              |
| -----                                    |  |
| Tyler Development Fund Inc.              | Tyler, TX                                  |
| -----                                    |  |
| Tyler International Sales, Inc.          | Charlotte Amalie, Saint Thomas, U.S. V.I.  |
| -----                                    |  |
| Tyler Trading, Inc.                      | Dallas, TX                                 |
| -----                                    |  |
| U. N. Service Corp.                      | Little Rock, AR                            |
| -----                                    |  |
| Ulysses Beta, Inc.                       | San Francisco, CA                          |
| -----                                    |  |

|  |                                       |
|--|---------------------------------------|
| Ulysses Leasing Limited                | St. Helier, Jersey, Channel Islands   |
| -----                                  | -----                                 |
| Ulysses Queensland Corporation         | San Francisco, CA                     |
| -----                                  | -----                                 |
| Union Modern Mortgage Corporation, The | Little Rock, AR                       |
| -----                                  | -----                                 |
| Union Realty and Securities Company    | St. Louis, MO                         |
| -----                                  | -----                                 |
| United States Airlease Holding, Inc.   | San Francisco, CA                     |
| -----                                  | -----                                 |
| UniTrusco Corporation                  | Jacksonville, FL                      |
| -----                                  | -----                                 |
| University Lofts Associates, L.P.      | St. Louis, MO                         |
| -----                                  | -----                                 |
| University Lofts Development, L.L.C.   | St. Louis, MO                         |
| -----                                  | -----                                 |
| University Park Shopping Center, LLC   | Charlotte, NC                         |
| -----                                  | -----                                 |
| Urban Housing/JBH Apartments, L.P.     | San Diego, CA                         |
| -----                                  | -----                                 |
| USA Auto Mall of Florida, Inc.         | Orlando, FL                           |
| -----                                  | -----                                 |
| USA Auto Mall of New Jersey, Inc.      | Linden, NJ                            |
| -----                                  | -----                                 |
| USA Auto Mall of New York, Inc.        | Bethpage, NY                          |
| -----                                  | -----                                 |
| USA Auto Mall, Inc.                    | Exton, PA                             |
| -----                                  | -----                                 |
| Uwharrie Finance Ltd.                  | Hamilton, Bermuda                     |
| -----                                  | -----                                 |
| Vasco da Gama Licenciamentos S.A.      | Rio de Janeiro, Brazil                |
| -----                                  | -----                                 |
| Velocity Associates, LLC               | San Francisco, CA                     |
| -----                                  | -----                                 |
| Velocity Investments, LLC              | San Francisco, CA                     |
| -----                                  | -----                                 |
| Venco, B.V.                            | George Town, Grand Cayman, Cayman Is. |
| -----                                  | -----                                 |
| Vernon Park, Inc.                      | Dallas, TX                            |
| -----                                  | -----                                 |
| Verrington Limited                     | George Town, Grand Cayman, Cayman Is. |
| -----                                  | -----                                 |
| Viewpointe Archive Services, L.L.C.    | Charlotte, NC                         |
| -----                                  | -----                                 |
| Villages of La Costa Southwest, L.L.C. | San Diego, CA                         |
| -----                                  | -----                                 |
| Viper LLC                              | Dallas, TX                            |
| -----                                  | -----                                 |
| Vision Achievement Limited             | Hong Kong, PRC                        |
| -----                                  | -----                                 |
| Viva Associates, LLC                   | San Francisco, CA                     |
| -----                                  | -----                                 |
| Viva Investment, LLC                   | San Francisco, CA                     |
| -----                                  | -----                                 |
| Wallace Terrace Apartments, L.P.       | Charlotte, NC                         |
| -----                                  | -----                                 |
| Wanda Finance Ltd.                     | Hamilton, Bermuda                     |



|                                  |               |
|----------------------------------|---------------|
| Washington View (H) Corporation  | Baltimore, MD |
| Washington View (NH) Corporation | Baltimore, MD |

DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION AS OF 01/31/2001

<TABLE>  
<CAPTION>

| Name   | Location                                |
|--|---|
| Washington Wheatley Neighborhood Partnership       | Kansas City, MO                         |
| Washoe Asset Management Company                    | Reno, NV                                |
| Washoe Lake LLC                                    | Las Vegas, NV                           |
| WCH Limited Partnership                            | Dallas, TX                              |
| Wellington Land Company, Inc.                      | Baltimore, MD                           |
| Wellington Park/Lewisville, Inc.                   | Dallas, TX                              |
| Wellston Homes General Partner, L.L.C.             | Clayton, MO                             |
| Wellston Homes, L.P.                               | St. Louis, MO                           |
| Wendover Lane II, Inc.                             | Dallas, TX                              |
| Wendover Lane, Inc.                                | Dallas, TX                              |
| West End, L.L.C.                                   | St. Louis, MO                           |
| West Trade, LLC                                    | Charlotte, NC                           |
| Westview Terrace Apartments, L.L.C.                | Miami, FL                               |
| White Pine Asset Management Company                | Reno, NV                                |
| White Sands Leasing, LLC                           | San Francisco, CA                       |
| Wickliffe A Corp.                                  | Baltimore, MD                           |
| William Mann Jr. Community Development Corporation | Fort Worth, TX                          |
| Windmill Leasing Ltd.                              | Charlotte Amalie, St. Thomas, U.S. V.I. |
| Windmill Sands Leasing, LLC                        | San Francisco, CA                       |
| Wingtip Finance Ltd.                               | Hamilton, Bermuda                       |
| Winnebago Acceptance Corporation                   | Alpharetta, GA                          |

|   |                          |
|---|--------------------------|
| Wolnoms, Limited                          | Nassau, Bahamas          |
| -----                                     | -----                    |
| Woods at Addison LLC                      | Capitol Heights, MD      |
| -----                                     | -----                    |
| Worthen Community Development Corporation | Little Rock, AR          |
| -----                                     | -----                    |
| Worthen Development Corporation, Inc.     | Maumelle, AR             |
| -----                                     | -----                    |
| Worthen Mortgage Company                  | Buffalo, NY              |
| -----                                     | -----                    |
| Worthington Avenue, LLC                   | Charlotte, NC            |
| -----                                     | -----                    |
| Wrightbrothers Ltd.                       | Hamilton, Bermuda        |
| -----                                     | -----                    |
| Yellow Rose Investments Company           | Dallas, TX               |
| -----                                     | -----                    |
| Zentac Productions, Inc.                  | San Francisco, CA        |
| -----                                     | -----                    |
| Zephyr Cove Finance, Inc.                 | Dallas, TX               |
| -----                                     | -----                    |
| Zeus 1999 FSC, Ltd.                       | Hamilton, Bermuda        |
| -----                                     | -----                    |
| Zeus 1999, Inc.                           | San Francisco, CA        |
| -----                                     | -----                    |
| Zulu Leasing, Ltd.                        | Hamilton, Bermuda        |
| -----                                     | -----                    |
| 200 Madison Avenue Realty Corporation     | Charlotte, NC            |
| -----                                     | -----                    |
| 555 California Street Partners            | San Francisco, CA        |
| -----                                     | -----                    |
| 724 Solutions, Inc.                       | Toronto, Ontario, Canada |
| -----                                     | -----                    |
| IV CB&T Tulsa Holdings, Inc.              | Tulsa, OK                |
| -----                                     | -----                    |

</TABLE>

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (Nos. 333-47222; 333-83503; 333-07229; 333-15375; 333-18273; 333-43137; 333-13811; 333-51367; 33-54784; 33-49881; 33-57533; 33-63097 and 33-45498); the Registration Statements on Form S-8 (Nos. 333-53644; 33-45279; 33-60695; 333-02875; 333-07105; 333-20913; 333-24331; 333-58657; 333-65209; 333-69849 and 2-80406); and the Post-Effective Amendments on Form S-8 to Registration Statements on Form S-4 (Nos. 33-43125; 33-55145; 33-63351; 33-62069; 33-62208; 333-16189; 333-60553; and 333-40515) of Bank of America Corporation of our report dated January 12, 2001, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Charlotte, North Carolina  
March 19, 2001

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of Bank of America Corporation and the several undersigned officers and directors whose signatures appear below, hereby makes, constitutes and appoints Charles M. Berger, James W. Kiser and Paul J. Polking, and each of them acting individually, its, his and her true and lawful attorneys with power to act without any other and with full power of substitution, to prepare, execute, deliver and file in its, his and her name and on its, his and her behalf, and in each of the undersigned officer's and director's capacity or capacities as shown below, an Annual Report on Form 10-K for the year ended December 31, 2000, and all exhibits thereto and all documents in support thereof or supplemental thereto, and any and all amendments or supplements to the foregoing, hereby ratifying and confirming all acts and things which said attorneys or attorney might do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, Bank of America Corporation has caused this power of attorney to be signed on its behalf, and each of the undersigned officers and directors, in the capacity or capacities noted, has hereunto set his or her hand as of the date indicated below.

BANK OF AMERICA CORPORATION

By: /s/ Hugh L. McColl, Jr.

-----  
Hugh L. McColl, Jr.  
Chairman and Chief Executive Officer

Dated: January 24, 2001

<TABLE>

<CAPTION>

| Signature<br>-----   | Title<br>-----  | Date<br>----            |
|--|---|-------------------------|
| <S><br>/s/ Hugh L. McColl, Jr.<br>-----<br>Hugh L. McColl, Jr. | <C><br>Chairman, Chief Executive Officer<br><br>and Director<br>(Principal Executive Officer)       | <C><br>January 24, 2001 |
| /s/ James H. Hance, Jr.<br>-----<br>James H. Hance, Jr.        | Vice Chairman, Chief<br><br>Financial Officer and Director<br>(Principal Financial Officer)         | January 24, 2001        |
| /s/ Marc D. Oken<br>-----<br>Marc D. Oken                      | Executive Vice President and<br><br>Principal Financial Executive<br>(Principal Accounting Officer) | January 24, 2001        |
| /s/ Charles W. Coker<br>-----<br>Charles W. Coker              | Director  | January 24, 2001        |
| _____<br>Alan T. Dickson                                       | Director  | January __, 2001        |
| /s/ Frank Dowd, IV<br>-----<br>Frank Dowd, IV                  | Director  | January 24, 2001        |
| /s/ Kathleen F. Feldstein<br>-----<br>Kathleen F. Feldstein    | Director  | January 24, 2001        |
| /s/ Paul Fulton<br>-----<br>Paul Fulton                        | Director  | January 24, 2001        |
| /s/ Donald E. Guinn<br>-----<br>Donald E. Guinn                | Director  | January 24, 2001        |
| /s/ C. Ray Holman<br>-----<br>C. Ray Holman                    | Director  | January 24, 2001        |
| /s/ W. W. Johnson<br>-----<br>W. W. Johnson                    | Director  | January 24, 2001        |

|   |  |                             |
|---|--|-----------------------------|
| /s/ Kenneth D. Lewis<br>-----<br>Kenneth D. Lewis<br></TABLE>       | President, Chief Operating<br><br>Officer and Director | January 24, 2001            |
| <TABLE><br><S><br>/s/ Walter E. Massey<br>-----<br>Walter E. Massey | <C><br><br>Director                                    | <C><br><br>January 24, 2001 |
| /s/ O. Temple Sloan, Jr.<br>-----<br>O. Temple Sloan, Jr.           | Director   | January 24, 2001            |
| /s/ Meredith R. Spangler<br>-----<br>Meredith R. Spangler           | Director   | January 24, 2001            |
| /s/ Ronald Townsend<br>-----<br>Ronald Townsend                     | Director   | January 24, 2001            |
| /s/ Jackie M. Ward<br>-----<br>Jackie M. Ward                       | Director   | January 24, 2001            |
| /s/ Virgil R. Williams<br>-----<br>Virgil R. Williams<br></TABLE>   | Director   | January 24, 2001            |

Bank of America Corporation

Extract of Board of Director Resolutions

January 24, 2001

RESOLVED, that Charles M. Berger, James W. Kiser and Paul J. Polking be, and each of them with full power to act without the other hereby is, authorized and empowered to prepare, execute, deliver and file the 2000 Form 10-K and any amendment or amendments thereto on behalf of and as attorneys for the Corporation and on behalf of and as attorneys for any of the following: the principal executive officer, the principal financial officer, the principal accounting officer, and any other officer of the Corporation.

Certificate of Secretary

I, ALLISON L. GILLIAM, Assistant Secretary of Bank of America Corporation, a corporation duly organized and existing under the laws of the State of Delaware, do hereby certify that the foregoing is a true and correct extract of resolutions duly adopted by a majority of the entire Board of Directors of the corporation at a meeting of the Board of Directors held January 24, 2001, at which meeting a quorum was present and acted throughout and that the resolutions are in full force and effect and have not been amended or rescinded as of the date hereof.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of the corporation this 12th day of March, 2001.

(CORPORATE SEAL)

/s/ Allison L. Gilliam  
-----  
(Allison L. Gilliam)  
Assistant Secretary