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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2001
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number: 1-6523

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

State of incorporation:
Delaware

IRS Employer Identification Number:
56-0906609

Address of principal executive offices:
Bank of America Corporate Center
Charlotte, North Carolina 28255

Registrant's telephone number, including area code:
(888) 279-3457

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No

On October 31, 2001, there were 1,573,317,669 shares of Bank of America Corporation Common Stock outstanding.

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Bank of America Corporation

September 30, 2001 Form 10-Q

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1,108			
Corporate investment and brokerage services	142	114	415
340			

Total investment and brokerage services	528	471	1,579
1,448			

Mortgage banking income	109	121	426
366			
Investment banking income	305	376	1,106
1,146			
Equity investment gains	22	422	340
1,119			
Card income	618	594	1,792
1,634			
Trading account profits/(1)/	433	402	1,508
1,630			
Other income	174	131	541
550			

Total noninterest income	3,429	3,675	10,950
11,254			

Total revenue	8,633	8,238	25,823
24,939			

Provision for credit losses	1,251	435	2,886
1,325			

Gains on sales of securities	97	11	82
23			

Noninterest expense			
Personnel	2,304	2,298	7,239
7,143			
Occupancy	448	419	1,309
1,248			
Equipment	273	285	835
882			
Marketing	165	147	516
398			
Professional fees	144	100	411
298			
Amortization of intangibles	219	215	665
650			
Data processing	175	167	552
495			
Telecommunications	121	127	368
391			
Other general operating	613	509	1,732
1,529			
General administrative and other	144	143	454
412			
Business exit costs	1,305	-	1,305
-			
Restructuring charges	-	550	-
550			

Total noninterest expense	5,911	4,960	15,386
13,996			

Income before income taxes	1,568	2,854	7,633
9,641			
Income tax expense	727	1,025	2,899
3,509			

Net income	\$ 841	\$ 1,829	\$ 4,734
\$ 6,132			
=====			
=====			
Net income available to common shareholders	\$ 839	\$ 1,828	\$ 4,730
\$ 6,128			
=====			
=====			
Per share information			
Earnings per common share	\$.52	\$ 1.11	\$ 2.95
\$ 3.70			
=====			

=====			
Diluted earnings per common share	\$.51	\$ 1.10	\$ 2.90
\$ 3.66			
=====			
Dividends per common share	\$.56	\$.50	\$ 1.68
\$ 1.50			
=====			
Average common shares issued and outstanding (in thousands)	1,599,692	1,639,392	1,603,340
1,654,013			
=====			
</TABLE>			

(1) Trading account profits for the nine months ended September 30, 2001 included the \$83 million transition adjustment loss resulting from the adoption of Statement of Financial Accounting Standards No.133, "Accounting for Derivative Instruments and Hedging Activities," (SFAS 133) on January 1, 2001.

See accompanying notes to consolidated financial statements.

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<TABLE>			
<CAPTION>			
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Bank of America Corporation and Subsidiaries			
Consolidated Balance Sheet			
-			

	September 30		
December 31			
(Dollars in millions)	2001	2000	
-			

<S>	<C>	<C>	
Assets			
Cash and cash equivalents	\$ 23,280	\$	
27,513			
Time deposits placed and other short-term investments	4,629		
5,448			
Federal funds sold and securities purchased under agreements to resell (includes \$26,418 and \$24,622 pledged as collateral)	26,450		
28,055			
Trading account assets (includes \$35,079 and \$21,216 pledged as collateral)	53,471		
43,041			
Derivative assets	23,816		
15,534			
Securities:			
Available-for-sale (includes \$34,746 and \$40,674 pledged as collateral)	74,815		
64,651			
Held-to-maturity, at cost (market value - \$1,094 and \$1,133)	1,149		
1,187			
-			

Total securities	75,964		
65,838			
-			

Loans and leases	339,018		
392,193			
Allowance for credit losses	(6,665)		
(6,838)			
-			

Loans and leases, net of allowance for credit losses	332,353		
385,355			
-			

Premises and equipment, net	6,372		
6,433			
Interest receivable	3,355		
4,432			
Mortgage banking assets	3,477		
3,762			
Goodwill	11,028		
11,643			
Core deposits and other intangibles	1,330		
1,499			
Other assets	74,580		

43,638	

Total assets	\$640,105
\$642,191	
=====	
==	
Liabilities	
Deposits in domestic offices:	
Noninterest-bearing	\$98,881
\$98,722	
Interest-bearing	215,569
211,978	
Deposits in foreign offices:	
Noninterest-bearing	1,854
1,923	
Interest-bearing	43,566
51,621	

Total deposits	359,870
364,244	

Federal funds purchased and securities sold under agreements to repurchase	59,839
49,411	
Trading account liabilities	22,575
20,947	
Derivative liabilities	18,193
22,402	
Commercial paper	2,544
6,955	
Other short-term borrowings	20,396
35,243	
Accrued expenses and other liabilities	40,369
22,859	
Long-term debt	61,213
67,547	
Trust preferred securities	4,955
4,955	

Total liabilities	589,954
594,563	

Commitments and contingencies (Note Seven)	
Shareholders' equity	
Preferred stock, \$0.01 par value; authorized - 100,000,000 shares; issued and	
outstanding - 1,556,979 and 1,692,172 shares	67
72	
Common stock, \$0.01 par value; authorized - 5,000,000,000 shares; issued and	
outstanding - 1,582,129,416 and 1,613,632,036 shares	6,491
8,613	
Retained earnings	41,857
39,815	
Accumulated other comprehensive income (loss)	1,731
(746)	
Other	5
(126)	

Total shareholders' equity	50,151
47,628	

Total liabilities and shareholders' equity	\$640,105
\$642,191	
=====	
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</TABLE>

See accompanying notes to consolidated financial statements.

Bank of America Corporation and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity

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Accumulated

Other	Common Stock			Retained
	Preferred	-----		
Comprehensive (Dollars in millions, shares in thousands) Income (Loss) / (1) /	Stock	Shares	Amount	Earnings
-----				-----
<S>	<C>	<C>	<C>	<C>
<C>				
Balance, December 31, 1999	\$77	1,677,273	\$11,671	\$35,681
\$ (2,658)				
Net income				6,132
Other comprehensive income, net of tax:				
Net unrealized gains on available-for-sale and marketable equity securities				
852				
Net unrealized losses on foreign currency translation adjustments				
(2)				
Comprehensive income				
Cash dividends:				
Common				(2,475)
Preferred				(4)
Common stock issued under employee plans		3,091	53	
Common stock repurchased		(49,650)	(2,444)	
Conversion of preferred stock	(3)	109	3	
Other		1	114	4
-----				-----
Balance, September 30, 2000	\$74	1,630,824	\$9,397	\$39,338
\$ (1,808)				
=====				=====
Balance, December 31, 2000	\$72	1,613,632	\$8,613	\$39,815
\$ (746)				
Net income				4,734
Other comprehensive income, net of tax:				
Net unrealized gains on available- for-sale and marketable equity securities				
1,029				
Net unrealized losses on foreign currency translation adjustments				
(4)				
Net gains on derivatives / (2) /				
1,452				
Comprehensive income				
Cash dividends:				
Common				(2,691)
Preferred				(4)
Common stock issued under employee plans		22,096	830	
Common stock repurchased		(53,826)	(3,016)	
Conversion of preferred stock	(5)	226	5	
Other		1	59	3
-----				-----
Balance, September 30, 2001	\$67	1,582,129	\$6,491	\$41,857
\$1,731				
=====				=====
=====				

<CAPTION>

(Dollars in millions, shares in thousands)	Other	Total Share- holders' Equity	Comprehensive Income
-----	-----	-----	-----
<S>	<C>	<C>	<C>

Balance, December 31, 1999	\$ (339)	\$44,432	
Net income		6,132	\$6,132
Other comprehensive income, net of tax:			
Net unrealized gains on available-for-sale and marketable equity securities		852	852
Net unrealized losses on foreign currency translation adjustments		(2)	(2)
Comprehensive income			<u>\$6,982</u>
Cash dividends:			
Common		(2,475)	
Preferred		(4)	
Common stock issued under employee plans	184	237	
Common stock repurchased		(2,444)	
Conversion of preferred stock			
Other	13	131	
Balance, September 30, 2000	\$ (142)	\$46,859	
Balance, December 31, 2000	\$ (126)	\$47,628	
Net income		4,734	\$4,734
Other comprehensive income, net of tax:			
Net unrealized gains on available- for-sale and marketable equity securities		1,029	1,029
Net unrealized losses on foreign currency translation adjustments		(4)	(4)
Net gains on derivatives /(2)/		1,452	1,452
Comprehensive income			<u>\$7,211</u>
Cash dividends:			
Common		(2,691)	
Preferred		(4)	
Common stock issued under employee plans	73	903	
Common stock repurchased		(3,016)	
Conversion of preferred stock			
Other	58	120	
Balance, September 30, 2001	\$5	\$50,151	

</TABLE>

- (1) Accumulated Other Comprehensive Income (Loss) consists of the after-tax valuation allowance for available-for-sale and marketable equity securities of \$469 and \$(560) at September 30, 2001 and December 31, 2000, respectively; foreign currency translation adjustments of \$(190) and \$(186) at September 30, 2001 and December 31, 2000, respectively; and net gains on derivatives of \$1,452 at September 30, 2001.
- (2) Net gains on derivatives for the nine months ended September 30, 2001 included the \$9 million after-tax transition adjustment gain resulting from the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) on January 1, 2001.

See accompanying notes to consolidated financial statements.

<TABLE>
<CAPTION>

Bank of America Corporation and Subsidiaries
Consolidated Statement of Cash Flows

Nine Months
Ended September

<S>		<C>	
<C>			
Operating activities			
Net income	\$	4,734	\$
6,132			
Reconciliation of net income to net cash provided by (used in) operating activities:			
Provision for credit losses		2,886	
1,325			
Gains on sales of securities		(82)	
(23)			
Business exit costs		1,305	
-			
Restructuring charges		-	
550			
Depreciation and premises improvements amortization		641	
695			
Amortization of intangibles		665	
650			
Deferred income tax expense		272	
1,329			
Net increase in trading and hedging instruments		(19,788)	
(1,020)			
Net (increase) decrease in interest receivable		1,077	
(846)			
Net increase in other assets		(9,114)	
(6,364)			
Net increase (decrease) in interest payable		(992)	
555			
Net increase (decrease) in accrued expenses and other liabilities		17,068	
(84)			
Other operating activities, net		(707)	
(1,421)			
-			

Net cash provided by (used in) operating activities		(2,035)	
1,478			
-			

Investing activities			
Net (increase) decrease in time deposits placed and other short-term investments		819	
(704)			
Net decrease in federal funds sold and securities purchased under agreements to resell		1,605	
4,504			
Proceeds from sales of available-for-sale securities		95,361	
15,802			
Proceeds from maturities of available-for-sale securities		5,632	
4,536			
Purchases of available-for-sale securities		(99,971)	
(16,880)			
Proceeds from maturities of held-to-maturity securities		-	
211			
Proceeds from sales and securitizations of loans and leases		9,874	
5,440			
Other changes in loans and leases, net		11,565	
(38,959)			
Purchases and originations of mortgage banking assets		(932)	
(337)			
Net purchases of premises and equipment		(580)	
(434)			
Proceeds from sales of foreclosed properties		230	
200			
Acquisition and divestiture of business activities, net		(417)	
81			
-			

Net cash provided by (used in) investing activities		23,186	
(26,540)			
-			

Financing activities			
Net increase (decrease) in deposits		(4,374)	
6,899			
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase		10,428	
(1,665)			
Net increase (decrease) in commercial paper and other short-term borrowings		(19,258)	
7,947			
Proceeds from issuance of long-term debt		10,905	
22,993			
Retirement of long-term debt		(18,239)	
(8,618)			
Proceeds from issuance of common stock		903	
237			
Common stock repurchased		(3,016)	

(2,444)		
Cash dividends paid	(2,695)	
(2,479)		
Other financing activities, net	(18)	
(340)		

Net cash provided by (used in) financing activities	(25,364)	
22,530		

Effect of exchange rate changes on cash and cash equivalents	(20)	
(62)		

Net decrease in cash and cash equivalents	(4,233)	
(2,594)		
Cash and cash equivalents at January 1	27,513	
26,989		

Cash and cash equivalents at September 30	\$ 23,280	\$
24,395		

</TABLE>

Net loans and leases transferred to (from) loans held for sale amounted to \$18,651 and \$(245) for the nine months ended September 30, 2001 and 2000, respectively.

Loans transferred to foreclosed properties amounted to \$398 and \$289 for the nine months ended September 30, 2001 and 2000, respectively.

Loans securitized and retained in the available-for-sale securities portfolio amounted to \$9,237 and \$224 for the nine months ended September 30, 2001 and 2000, respectively.

See accompanying notes to consolidated financial statements.

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Bank of America Corporation and Subsidiaries Notes to Consolidated Financial Statements

Bank of America Corporation (the Corporation) is a Delaware corporation, a bank holding company and a financial holding company. Through its banking and nonbanking subsidiaries, the Corporation provides a diverse range of financial services and products throughout the U.S. and in selected international markets. At September 30, 2001, the Corporation operated its banking activities primarily under two charters: Bank of America, N.A. and Bank of America, N.A. (USA).

Note One - Accounting Policies

The consolidated financial statements include the accounts of the Corporation and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The information contained in the consolidated financial statements is unaudited. In the opinion of management, all normal recurring adjustments necessary for a fair statement of the interim period results have been made. Certain prior period amounts have been reclassified to conform to current period classifications.

Accounting policies followed in the presentation of interim financial results are presented on pages 66 to 72 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000 and on page seven of the Corporation's Form 10-Q for the quarterly period ended June 30, 2001.

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 adopted by the Corporation on January 1, 2001. In accordance with the provisions of SFAS 133, the Corporation recorded certain transition adjustments as required by SFAS 133. The impact of such transition adjustments to net income was a loss of \$52 million (net of related income tax benefits of \$31 million), and a net transition gain of \$9 million (net of related income taxes of \$5 million) included in other comprehensive income on January 1, 2001. Because the transition adjustment was not material to the Corporation's overall results, the

before-tax charge to earnings was included in trading account profits in noninterest income rather than shown separately as the cumulative effect of an accounting change. Further, the initial adoption of SFAS 133 resulted in the Corporation recognizing \$577 million of derivative assets and \$514 million of derivative liabilities on the balance sheet. The Corporation expects that within the first twelve months after adoption of SFAS 133, it will reclassify into earnings substantially all of the transition adjustment originally recorded in other comprehensive income.

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 was 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 included the disclosures required by SFAS 140. The implementation of SFAS 140 did not have a material impact on the Corporation's results of operations or financial condition.

On July 20, 2001, the FASB issued Statement of Financial Accounting Standards No. 141, "Business Combinations" (SFAS 141) and Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 141 was effective for business combinations initiated after June 30, 2001. SFAS 141 requires that all business combinations completed after its adoption be accounted for under the purchase method of accounting and establishes specific criteria for the recognition of intangible assets separately from goodwill. SFAS 142 will be effective for the Corporation on January 1, 2002 and primarily addresses the accounting for goodwill and intangible assets subsequent to their acquisition. Upon adoption of SFAS 142, goodwill will no longer be amortized and will be tested for impairment at least annually at the reporting unit level.

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Based on current levels of amortization expense, the Corporation estimates that the elimination of goodwill amortization expense will positively impact net income by approximately \$600 million, or approximately \$0.37 per common share (diluted), on an annual basis.

Note Two - Exit and Restructuring Charges

Exit Charges

On August 15, 2001, the Corporation announced that it was exiting its auto leasing and subprime real estate lending businesses. As a result of this strategic decision, the Corporation recorded pre-tax exit charges in the third quarter of 2001 of \$1.7 billion (\$1.3 billion after-tax) consisting of provision for credit losses of \$395 million and noninterest expense of \$1.3 billion. Business exit costs within noninterest expense consisted of the write-off of goodwill of \$685 million, auto lease residual charges of \$400 million, real estate servicing asset charges of \$145 million and other transaction costs of \$75 million. See Note Five for additional information on the exit-related provision for credit losses.

Restructuring Charges

As part of its productivity and investment initiatives announced on July 28, 2000, the Corporation recorded a pre-tax charge of \$550 million (\$346 million after-tax) in the third quarter of 2000. Of the \$550 million restructuring charge, approximately \$475 million was used to cover severance and related costs and approximately \$75 million was used for other costs related to process change and channel consolidation. The reserve balance at December 31, 2000 was \$293 million. At September 30, 2001, the restructuring reserve had been substantially utilized.

Note Three - 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 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, does not include the net interest income recognized on interest-earning and interest-bearing trading positions or 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. Trading account profits for the nine months ended September 30, 2001 included an \$83 million transition adjustment net loss recorded as a result of the implementation of SFAS 133.

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<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in millions)	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Trading account profits - as reported	\$433	\$402	\$1,508	\$1,630
Net interest income	397	244	1,136	719
Total trading-related revenue	\$830	\$646	\$2,644	\$2,349
Trading-related revenue by product				
Foreign exchange contracts	\$138	\$114	\$419	\$400
Interest rate contracts	220	115	582	634
Fixed income	249	120	724	372
Equities and equity derivatives	195	290	757	892
Commodities and other	28	7	162	51
Total trading-related revenue	\$830	\$646	\$2,644	\$2,349

</TABLE>

Trading Account Assets and Liabilities

The fair values of the components of trading account assets and liabilities at September 30, 2001 and December 31, 2000 were:

<TABLE>
<CAPTION>

	September 30 2001	December 31 2000
(Dollars in millions)		
<S>	<C>	<C>
Trading account assets		
U.S. Government & Agency securities	\$19,119	\$10,545
Foreign sovereign debt	8,458	10,432
Corporate & other debt securities	11,910	7,841
Equity securities	3,598	6,363
Mortgage-backed securities	2,060	1,713
Other	8,326	6,147
Total	\$53,471	\$43,041
Trading account liabilities		
U.S. Government & Agency securities	\$9,865	\$10,906
Foreign sovereign debt	1,831	1,860
Corporate & other debt securities	1,267	2,215
Equity securities	5,121	5,712
Mortgage-backed securities	22	37
Other	4,469	217
Total	\$22,575	\$20,947

</TABLE>

See Note Four below for additional information on derivative positions, including credit risk.

Note Four - Derivatives

The Corporation designates a derivative as held for trading or hedging purposes when it enters into a derivative contract. 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. 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 derivative 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 arrangements, which reduce risk by permitting the closeout and netting of transactions with the same counterparty upon occurrence of certain events.

A portion of the derivative 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 considered minimal.

The following table presents the notional or contract and credit risk amounts at September 30, 2001 and December 31, 2000 of the Corporation's derivative asset positions held for trading and hedging purposes. These derivative positions are primarily executed in the over-the-counter market. 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 Assets

<TABLE>
<CAPTION>

(Dollars in millions)	September 30, 2001		December 31, 2000/(1)/	
	Contract/ Notional	Credit Risk	Contract/ Notional	Credit Risk
<S>	<C>	<C>	<C>	<C>
Interest rate contracts				
Swaps	\$5,063,450	\$12,406	\$3,256,992	\$ 3,236
Futures and forwards	1,510,891	148	1,227,537	57
Written options	647,298	-	664,108	-
Purchased options	687,363	1,338	601,828	145
Foreign exchange contracts				
Swaps	127,506	1,874	61,035	1,424
Spot, futures and forwards	720,643	2,107	682,665	3,215
Written options	58,329	-	35,161	-
Purchased options	55,621	331	32,639	380
Equity contracts				
Swaps	14,027	1,052	17,482	637
Futures and forwards	49,230	-	61,004	353
Written options	23,535	-	30,976	-
Purchased options	27,499	2,574	36,304	3,670
Commodity and other contracts				
Swaps	7,328	1,196	9,126	1,902
Futures and forwards	2,732	27	2,098	81
Written options	10,180	-	12,603	-
Purchased options	10,129	201	10,515	228
Credit derivatives	39,009	562	40,638	206
Net replacement cost		\$23,816		\$15,534

</TABLE>

(1) The amounts at December 31, 2000 do not reflect derivative positions that were off-balance sheet prior to the adoption of SFAS 133.

The table above includes both long and short derivative positions. The average fair value of derivative assets for the nine months ended September 30, 2001 and 2000 was \$17.9 billion and \$18.6 billion, respectively. The average fair value of derivative liabilities for the nine months ended September 30, 2001 and 2000 was \$17.3 billion and \$19.3 billion, respectively. The fair value of derivative assets at September 30, 2001 and December 31, 2000 was \$23.8 billion and \$15.5 billion, respectively. The fair value of derivative liabilities at September 30, 2001 and December 31, 2000 was \$18.2 billion and \$22.4 billion, respectively.

During the nine months ended September 30, 2001 and 2000, there were no material credit losses associated with derivative contracts. At September 30, 2001 and December 31, 2000, 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 September 30, 2001 and December 31, 2000 consisted of credit default swaps and total return swaps.

Asset and Liability Management (ALM) Activities

Risk management interest rate contracts and foreign exchange contracts are utilized in the Corporation's ALM process. The Corporation maintains an overall interest rate risk management strategy that incorporates the use of interest rate contracts to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The Corporation's goal is to manage interest rate sensitivity so that movements in interest rates do not adversely affect net interest income. As a result of interest rate fluctuations, hedged fixed-rate assets and liabilities appreciate or depreciate in market value. Gains or losses on the derivative instruments that are linked to the hedged fixed-rate assets and liabilities are expected to substantially offset this unrealized appreciation or depreciation. Interest income and interest expense on hedged variable-rate assets and liabilities, respectively, increases or decreases as a result of interest rate fluctuations. Gains and losses on the derivative instruments that are linked to these hedged assets and liabilities are expected to substantially offset this variability in earnings.

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.

Fair Value Hedges

The Corporation uses various types of interest rate and foreign currency exchange rate derivative contracts to protect against changes in the fair value of its fixed rate assets and liabilities due to fluctuations in interest rates and exchange rates. For the nine months ended September 30, 2001, the Corporation recognized in the Consolidated Statement of Income a net loss of \$9 million (included in net interest income), which represented the ineffective portion and excluded component in assessing hedge effectiveness of fair value hedges.

Cash Flow Hedges

The Corporation also uses various types of interest rate and foreign

currency exchange rate derivative contracts to protect against changes in cash flows of its variable rate assets and liabilities. For the nine months ended September 30, 2001, the Corporation recognized in the Consolidated Statement of Income a net loss of \$6 million (included in mortgage banking income), which represented the ineffective portion and excluded component in assessing hedge effectiveness of cash flow hedges. The Corporation has determined that there are no hedging positions where it is probable that certain forecasted transactions may not occur by the end of the originally specified time period or within an additional two months.

For cash flow hedges, gains and losses on derivative contracts reclassified from accumulated other comprehensive income to current period earnings are included in the line item in the Consolidated Statement of Income in which the hedged item is recorded in the same period the forecasted transaction affects earnings. Deferred net gains on derivative instruments of approximately \$99 million included in accumulated other comprehensive income at September 30, 2001 are expected to be reclassified into earnings during the next twelve months. These net gains reclassified into earnings are expected to increase income or reduce expense on the hedged items.

Hedges of Net Investments in Foreign Operations

The Corporation uses forward exchange contracts, currency swaps, and nonderivative hedging instruments to hedge its net investments in foreign operations against adverse movements in exchange rates. For the nine months ended September 30, 2001, net gains of \$136 million related to these derivatives and nonderivative hedging instruments were recorded as a component of the foreign currency translation adjustment in other comprehensive income. These net gains were largely offset by losses in the Corporation's net investments in foreign operations. For the same period, the Corporation had no excluded component of net investment hedges.

Note Five - Loans and Leases

Loans and leases at September 30, 2001 and December 31, 2000 were:

<TABLE>

<CAPTION>

	September 30, 2001		December 31, 2000	
(Dollars in millions)	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Commercial - domestic	\$126,410	37.2 %	\$146,040	37.2 %
Commercial - foreign	25,357	7.5	31,066	7.9
Commercial real estate - domestic	23,607	7.0	26,154	6.7
Commercial real estate - foreign	366	.1	282	.1
Total commercial	175,740	51.8	203,542	51.9
Residential mortgage	76,962	22.7	84,394	21.5
Home equity lines	22,288	6.6	21,598	5.5
Direct/Indirect consumer	38,513	11.4	40,457	10.3
Consumer finance	5,352	1.6	25,800	6.6
Bankcard	18,040	5.3	14,094	3.6
Foreign consumer	2,123	.6	2,308	.6
Total consumer	163,278	48.2	188,651	48.1
Total loans and leases	\$339,018	100.0 %	\$392,193	100.0 %

</TABLE>

As part of the strategic decision to exit the subprime real estate lending business, the Corporation recorded a provision for credit losses of \$395 million which, combined with an existing allowance for credit losses of \$240 million, was used to write the loan portfolio down to estimated market value. As a result, charge-offs of \$635 million were recorded in the subprime real estate loan portfolio. The entire subprime real estate loan portfolio of approximately \$21.4 billion, which was included in consumer finance loans, was transferred from the loans and leases portfolio to loans held for sale included in other assets and is carried at the lower of cost or market value.

The Corporation securitizes, sells and services interests in certain types of loans. During 2001, \$9.2 billion of residential mortgage loans were securitized, of which \$8.5 billion occurred in the third quarter of 2001.

The table below summarizes the changes in the allowance for credit losses for the three months and nine months ended September 30, 2001 and 2000:

<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
(Dollars in millions)				
<S>	<C>	<C>	<C>	<C>
Balance, beginning of period 6,828	\$ 6,911	\$ 6,815	\$ 6,838	\$
Loans and leases charged off (1,776)	(1,654)	(586)	(3,523)	
Recoveries of loans and leases previously charged off 451	163	151	473	
Net charge-offs (1,325)	(1,491)	(435)	(3,050)	
Provision for credit losses 1,325	1,251	435	2,886	
Other, net (89)	(6)	(76)	(9)	
Balance, September 30 6,739	\$ 6,665	\$ 6,739	\$ 6,665	\$

The allowance on certain homogeneous loan portfolios, which generally consist of consumer loans, is based on aggregated portfolio segment evaluations generally by loan type. The remaining portfolios are reviewed on an individual loan basis.

The following table presents the recorded investment in specific loans that were considered individually impaired in accordance with Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan," (SFAS 114) at September 30, 2001 and December 31, 2000:

	September 30 2001	December 31 2000
(Dollars in millions)		
Commercial - domestic	\$2,630	\$2,891
Commercial - foreign	582	521
Commercial real estate - domestic	391	412
Commercial real estate - foreign	-	2
Total impaired loans	\$3,603	\$3,826

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.

At September 30, 2001 and December 31, 2000, nonperforming loans, including certain loans which were considered impaired, totaled \$4.1 billion and \$5.2 billion, respectively. Included in other assets was \$1.3 billion and \$124 million of loans held for sale which would have been classified as nonperforming had they been included in loans at September 30, 2001 and December 31, 2000, respectively. The decrease in nonperforming loans was primarily due to the transfer of approximately \$1.2 billion of nonperforming subprime real estate loans to loans held for sale in the third quarter of 2001 as a result of the decision to exit the subprime real estate lending business and due to sales of nonperforming commercial - domestic and residential mortgage loans in 2001.

Foreclosed properties amounted to \$404 million and \$249 million at September 30, 2001 and December 31, 2000, respectively.

Note Six - Short-Term Borrowings and Long-Term Debt

During 2001, Bank of America Corporation issued \$7.0 billion of senior and subordinated long-term debt, domestically and internationally, with maturities ranging from 2002 to 2031. Of the \$7.0 billion issued, \$5.9 billion was converted from fixed rates ranging from 5.65 percent to 7.54 percent to floating rates through interest rate swaps at spreads ranging from 6 basis points below to 139 basis points over three-month London InterBank Offered Rate (LIBOR). The remaining \$1.1 billion bears interest at floating rates ranging primarily from 25 to 83 basis points over three-month LIBOR and 28 basis points over one-month LIBOR.

At September 30, 2001, Bank of America Corporation had the authority to issue approximately \$14.6 billion of additional corporate debt and other securities under its existing shelf registration statements. During the third quarter of 2001, Bank of America Corporation filed a \$3.4 billion shelf registration statement to be used exclusively for "retail targeted" offerings of InterNotesSM in the United States.

At September 30, 2001, 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 a joint Euro medium-term note program to be used exclusively for secondary offerings to non-United States residents for a shelf registration statement filed in Japan. The Corporation had \$420 million outstanding under these programs at September 30, 2001. At December 31, 2000, the Corporation had no notes outstanding under these programs.

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 \$2.6 billion at September 30, 2001 compared to \$14.5 billion at December 31, 2000. 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 \$5.7 billion at September 30, 2001 compared to \$17.6 billion at December 31, 2000. During 2001, Bank of America, N.A. issued \$428 million in senior long-term bank notes maturing in 2002 through 2006. Of the \$428 million, \$388 million bears interest at fixed rates ranging from 3.75 percent to 4.88 percent. The remaining \$40 million bears interest at 20 basis points over three-month LIBOR.

Bank of America Corporation and Bank of America, N.A. maintain a joint Euro medium-term note program to offer up to \$25.0 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 \$6.1 billion at September 30, 2001 compared to \$5.2 billion at December 31, 2000. Bank of America, N.A.'s notes outstanding under this program totaled \$1.4 billion at September 30, 2001 and December 31, 2000. Of the \$25.0 billion authorized at September 30, 2001, Bank of America Corporation and Bank of America, N.A. had remaining authority to issue approximately \$8.9 billion and \$8.5 billion, respectively. At September 30, 2001 and December 31, 2000, \$1.7 billion and \$2.7 billion, respectively, was outstanding under the former BankAmerica Corporation (BankAmerica) Euro medium-term note program. No additional debt securities will be offered under that program.

At September 30, 2001, Bank of America Oregon, N.A. maintained approximately \$6.0 billion in Federal Home Loan borrowings from the Home Loan Bank in Seattle, Washington. During 2001, Bank of America Oregon, N.A. accepted \$463 million in Federal Home Loan Bank, Seattle advances with maturities ranging from 2004 to 2031. Of the \$463 million accepted, \$450 million was converted from fixed rates ranging from 5.72 percent to 5.89 percent to floating rates through interest rate swaps at a spread of 11 basis points below three-month LIBOR. The remaining \$13 million bears interest at fixed rates ranging from 5.44 percent to 6.44 percent.

During the third quarter of 2001, Bank of America Georgia, N.A. accepted \$2.3 billion in advances from the Federal Home Loan Bank in Atlanta, Georgia. All of the \$2.3 billion matures in 2006 and bears interest at floating rates ranging from 33 basis points below to 8 basis points below three-month LIBOR.

Subsequent to September 30, 2001, Bank of America Corporation issued \$3.0 billion of long-term senior and subordinated debt with maturities ranging from

2004 to 2026. During the same time period, Bank of America, N.A. issued \$2.7 billion of bank notes with maturities ranging from 2001 to 2007.

Note Seven - Commitments and Contingencies

Credit Extension Commitments

The Corporation enters into commitments to extend credit, standby letters of credit 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 September 30, 2001 and December 31, 2000:

	September 30 2001	December 31 2000
(Dollars in millions)		
Credit card commitments	\$77,970	\$72,058
Other loan commitments	228,387	243,124
Standby letters of credit and financial guarantees	42,469	33,420
Commercial letters of credit	8,071	3,327

When-Issued Securities

At September 30, 2001, the Corporation had commitments to purchase and sell when-issued securities of \$50.8 billion and \$34.1 billion, respectively. 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 between NationsBank Corporation (NationsBank) and BankAmerica 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. Discovery, for the most part, has been completed. Pretrial proceedings are scheduled to conclude by December 2001, and the court has ordered the parties to be ready for trial in March 2002. A former NationsBank stockholder who opted out of the federal class action has commenced an action asserting claims substantially similar to the claims related to D.E. Shaw set forth in the consolidated action. This action is now proceeding with the federal class action in the Missouri federal court, although that stockholder has requested that its case be tried separately. Similar class actions have been filed in California. Plaintiffs in one such class action, brought on behalf of California residents who owned BankAmerica stock, claim that the proxy statement-prospectus of August 4, 1998, falsely

stated that the merger would be one of equals. Plaintiffs in this matter have recently agreed to become included in the federal action rather than proceed in California state court. Other California state court class actions were consolidated, but not yet certified as class actions. The Missouri federal court has enjoined prosecution of those consolidated cases as a class action. The plaintiffs who were enjoined appealed to the United States Court of Appeals for the Eighth Circuit, which upheld the district court's injunction. Those plaintiffs are currently pursuing further relief with the United States Court of

Appeals. The Corporation believes that the actions lack merit and will defend them vigorously. The amount of ultimate liability cannot be determined at this time.

On July 30, 2001, the Securities and Exchange Commission issued a cease-and-desist order finding violations of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1, 13a-11, 13a-13 and 12b-20 promulgated thereunder, with respect to BankAmerica's accounting for, and the disclosures relating to, the D.E. Shaw relationship. The Corporation consented to the order without admitting or denying the findings. In the Matter of BankAmerica Corp.,

Exch. Act Rel. No. 44613, Acctg & Audit. Enf. Rel. No. 1249, Admin. Proc. No. 3-10541.

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.

Terrorist Attacks of September 11, 2001

The Corporation incurred certain costs and losses associated with the terrorist attacks of September 11, 2001, such as property losses and costs to re-establish business operations. Management believes that these costs and losses will not be material to the Corporation's financial position or results of operations.

Note Eight - Shareholders' Equity and Earnings Per Common Share

During 2000, the Corporation completed its 1999 stock repurchase plan. 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. At September 30, 2001, the remaining buyback authority for common stock under the 2000 program totaled \$3.8 billion, or 31 million shares. During the nine months ended September 30, 2001, the Corporation repurchased approximately 54 million shares of its common stock in open market repurchases at an average per-share price of \$56.06, which reduced shareholders' equity by \$3.0 billion. During the nine months ended September 30, 2000, the Corporation repurchased approximately 50 million shares of its common stock in open market repurchases at an average per-share price of \$49.18, which reduced shareholders' equity by \$2.4 billion.

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 September 30, 2001, there were three million put options outstanding with exercise prices ranging from \$56.36 per share to \$61.84 per share which expire from October 2001 to September 2002. At December 31, 2000, there were three million put options outstanding with exercise prices ranging from \$45.22 per share to \$50.37 per share which expired from January 2001 to April 2001.

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.

The calculation of earnings per common share and diluted earnings per common share for the three months and nine months ended September 30, 2001 and 2000 is presented below:

<TABLE>
<CAPTION>

Months Ended	Three Months Ended
(Dollars in millions, except per share information;	September 30
September 30	Nine

----- shares in thousands) 2000 -----	2001	2000	2001
<S> <C> Earnings per common share Net income \$6,132 Preferred stock dividends (4)	<C> \$841 (2)	<C> \$1,829 (1)	<C> \$4,734 (4)
----- Net income available to common shareholders \$6,128 -----	\$839	\$1,828	\$4,730
----- Average common shares issued and outstanding 1,654,013 -----	1,599,692	1,639,392	1,603,340
----- Earnings per common share \$ 3.70 =====	\$.52	\$ 1.11	\$ 2.95
Diluted earnings per common share Net income available to common shareholders \$6,128 Preferred stock dividends 4	\$839 2	\$1,828 1	\$4,730 4
----- Net income available to common shareholders and assumed conversions \$6,132 -----	\$841	\$1,829	\$4,734
----- Average common shares issued and outstanding 1,654,013 -----	1,599,692	1,639,392	1,603,340
----- Incremental shares from assumed conversions: Convertible preferred stock 2,944 Stock options 17,791 -----	2,633 31,738	2,914 18,725	2,705 26,883
----- Dilutive potential common shares 20,735 -----	34,371	21,639	29,588
----- Total diluted average common shares issued and outstanding 1,674,748 -----	1,634,063	1,661,031	1,632,928
----- Diluted earnings per common share \$ 3.66 =====	\$.51	\$ 1.10	\$ 2.90

Note Nine - Business Segment Information

The Corporation reports the results of its operations through four business segments: Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking, and Equity Investments. Certain operating segments have been aggregated into a single business segment.

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 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. Corporate Other consists primarily of the functions associated with managing the interest rate risk of the Corporation and Consumer Special Assets which includes certain consumer finance businesses being liquidated and certain residential mortgages originated by the mortgage group (not from retail branch originations).

In the first quarter of 2001, the thirty-year mortgage portfolio was moved from Consumer and Commercial Banking to Corporate Other. In the third quarter of 2001, certain consumer finance businesses being liquidated were transferred from Consumer and Commercial Banking to Corporate Other.

Effective January 2, 2001, the Corporation acquired the remaining 50 percent of Marsico Capital Management LLC (Marsico), which is part of the Asset Management segment, 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.

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The following tables include total revenue, net income and average total assets for the three months and nine months ended September 30, 2001 and 2000 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 three months ended September 30

Management / (1) / (Dollars in millions) 2000	Total Corporation		Consumer and Commercial Banking / (1) /		Asset
	2001	2000	2001	2000	2001
<S> <C>	<C>	<C>	<C>	<C>	<C>
Net interest income / (2) / \$ 158	\$ 5,290	\$ 4,642	\$ 3,347	\$ 3,124	\$ 185
Noninterest income 445	3,429	3,675	2,022	1,954	424
Total revenue 603	8,719	8,317	5,369	5,078	609
Provision for credit losses -	1,251	435	433	211	16
Gains (losses) on sales of securities -	97	11	2	-	-
Amortization of intangibles 8	219	215	161	161	15
Other noninterest expense 343	5,692	4,745	2,726	2,630	348
Income before income taxes 252	1,654	2,933	2,051	2,076	230
Income tax expense 97	813	1,104	798	815	82
Net income \$ 155	\$ 841	\$ 1,829	\$ 1,253	\$ 1,261	\$ 148
Average total assets \$25,224	\$642,184	\$685,017	\$291,078	\$281,431	\$27,070

<CAPTION>

For the three months ended September 30

Global Corporate and

Other	Investment Banking /(1)/	Equity Investments /(1)/	Corporate
(Dollars in millions) 2000	2001	2000	2001
<S>	<C>	<C>	<C>
<C>			
Net interest income /(2)/ \$ 497	\$ 1,140	\$ 900	\$ (36)
Noninterest income (182)	1,068	1,075	(18)
			383
			(67)
Total revenue 315	2,208	1,975	(54)
Provision for credit losses /(3)/ 106	285	118	-
Gains (losses) on sales of securities 19	(9)	(8)	-
Amortization of intangibles 9	36	34	2
Other noninterest expense /(3)/ 689	1,149	1,061	39
			22
			1,430
Income before income taxes (470)	729	754	(95)
Income tax expense (170)	253	238	(37)
			124
			(283)
Net income \$ (300)	\$ 476	\$ 516	\$ (58)
			\$ 197
			\$ (978)
Average total assets \$138,638	\$227,300	\$234,202	\$ 6,435
			\$ 5,522
			\$90,301

</TABLE>

- (1) There were no material intersegment revenues among the segments.
(2) Net interest income is presented on a taxable-equivalent basis.
(3) Corporate Other includes exit charges consisting of provision for credit losses of \$395 million and noninterest expense of \$1,305 million related to the exit of certain consumer finance businesses in the third quarter of 2001 and restructuring charges of \$550 million in the third quarter of 2000.

Business Segments

<TABLE> <CAPTION>	Total Corporation	Consumer and Commercial Banking/(1)/	Asset
Management/(1)/			
(Dollars in millions) 2000	2001	2000	2001
<S>	<C>	<C>	<C>
<C>			
Net interest income/(2)/ \$ 477	\$ 15,128	\$ 13,913	\$ 9,702
Noninterest income/(3)/ 1,355	10,950	11,254	5,973
			5,452
			1,317
Total revenue 1,832	26,078	25,167	15,675
Provision for credit losses 9	2,886	1,325	1,230
			786
			87

Gains (losses) on sales of securities	82	23	3	-	-
-					
Amortization of intangibles	665	650	483	488	43
23					
Other noninterest expense	14,721	13,346	8,055	7,860	1,101
1,043					
-					
Income before income taxes	7,888	9,869	5,910	5,582	611
757					
Income tax expense	3,154	3,737	2,309	2,188	222
290					
-					
Net income	\$ 4,734	\$ 6,132	\$ 3,601	\$ 3,394	\$ 389
\$ 467					
=====					
Average total assets	\$648,789	\$669,598	\$288,174	\$281,840	\$26,839
\$24,245					
=====					

<CAPTION>

For the nine months ended September 30

	Global Corporate and Investment Banking/(1)/		Equity Investments/(1)/		Corporate	
Other						
	-----		-----		-----	
(Dollars in millions)	2001	2000	2001	2000	2001	
2000						
-						
<S>	<C>	<C>	<C>	<C>	<C>	
<C>						
Net interest income/(2)/	\$ 3,257	\$ 2,694	\$ (112)	\$ (98)	\$ 1,756	\$
1,576						
Noninterest income/(3)/	3,659	3,593	239	1,053	(238)	
(199)						
-						
Total revenue	6,916	6,287	127	955	1,518	
1,377						
Provision for credit losses/(4)/	780	270	-	3	789	
257						
Gains (losses) on sales of securities	(30)	(6)	-	-	109	
29						
Amortization of intangibles	109	104	8	8	22	
27						
Other noninterest expense/(4)/	3,730	3,387	128	73	1,707	
983						
-						
Income before income taxes	2,267	2,520	(9)	871	(891)	
139						
Income tax expense	800	850	(7)	337	(170)	
72						
-						
Net income	\$ 1,467	\$ 1,670	\$ (2)	\$ 534	\$ (721)	\$
67						
=====						
Average total assets	\$231,364	\$226,436	\$ 6,562	\$ 5,129	\$95,850	
\$131,948						
=====						

</TABLE>

- (1) There were no material intersegment revenues among the segments.
- (2) Net interest income is presented on a taxable-equivalent basis.
- (3) Noninterest income included the \$83 million SFAS 133 transition adjustment net loss which was recorded in trading account profits. The components of the transition adjustment by segment were a gain of \$4 million for Consumer and Commercial Banking, a gain of \$19 million for Global Corporate and Investment Banking and a loss of \$106 million for Corporate Other.
- (4) Corporate Other includes exit charges consisting of provision for credit losses of \$395 million and noninterest expense of \$1,305 million related to the exit of certain consumer finance businesses in the third quarter of 2001 and restructuring charges of \$550 million in the third quarter of 2000.

A reconciliation of the segments' net income (excluding Corporate Other) to consolidated net income follows:

<TABLE>
<CAPTION>

(Dollars in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Segments' net income	\$1,819	\$2,129	\$5,455	\$6,065
Adjustments, net of taxes:				
Earnings associated with unassigned capital	56	63	212	167
Consumer Special Assets activity	156	(33)	375	246
SFAS 133 transition adjustment loss	-	-	(68)	-
Provision for credit losses in excess of net charge-offs	-	-	(49)	-
Gains on sales of securities	67	12	71	18
Exit charges	(1,250)	-	(1,250)	-
Restructuring charges	-	(346)	-	(346)
Other	(7)	4	(12)	(18)
Consolidated net income	\$841	\$1,829	\$4,734	\$6,132

</TABLE>

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

This report on Form 10-Q 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 Bank of America Corporation (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 Corporation's Form 10-Q should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed throughout this report, as well as those discussed in the Corporation's 2000 Annual Report on Form 10-K. 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 general 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, including the impact of the events of September 11, 2001 and the energy crisis, 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, including the impact of the events of September 11, 2001 and the energy crisis; 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.

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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 38 countries. The Corporation provides a diversified range of banking and certain nonbanking financial services and products both domestically and internationally through four business segments: Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking and Equity Investments. At September 30, 2001, the Corporation had \$640 billion in assets and approximately 144,000 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 6 through 19.

Refer to Table One for selected financial data for the three months and nine months ended September 30, 2001 and 2000 and Table Seventeen for the three most recent quarters.

Key performance highlights for the nine months ended September 30, 2001 compared to the same period in 2000:

- . Net income totaled \$4.7 billion, or \$2.90 per common share (diluted), compared to \$6.1 billion, or \$3.66 per common share (diluted). The return on average common shareholders' equity was 13.03 percent.
- . Operating earnings, which excluded charges related to the Corporation's strategic decision to exit certain consumer finance businesses in the third quarter of 2001 and related to restructuring in the third quarter of 2000, totaled \$6.0 billion, or \$3.66 per common share (diluted), compared to \$6.5 billion, or \$3.87 per common share (diluted). Excluding exit charges, the return on average common shareholders' equity was 16.48 percent. Shareholder value added (SVA), excluding exit and restructuring charges, declined \$623 million to \$2.3 billion.
- . Total revenue includes net interest income on a taxable-equivalent basis and noninterest income. Total revenue was \$26.1 billion, an increase of \$911 million.
- Net interest income increased \$1.2 billion to \$15.1 billion. The increase was primarily due to changes in interest rates and investment portfolio repositioning, an increased trading-related contribution, higher deposit and equity levels and a favorable shift in loan mix. These factors were partially offset by the impact of the money market deposit pricing initiative and deterioration in auto lease residual values. Average managed loans and leases were \$396.4 billion, a \$3.5 billion increase, primarily due to a seven percent increase in consumer loans and leases, partially offset by a five percent decrease in commercial loans and leases. Average customer-based deposits grew to \$303.3 billion, a \$12.0 billion increase. The net interest yield was 3.59 percent, a 39 basis point increase. The increase in the net interest yield was primarily due to the effect of changes in interest rates and investment portfolio repositioning.

- Noninterest income was \$11.0 billion, a \$304 million decrease. Increases in service charges, card income, investment and brokerage services and mortgage banking income were offset by a sharp decline in equity investment gains as well as declines in trading account profits and investment banking income. Consumer and Commercial Banking experienced a \$241 million, or nine percent, increase in service charges driven by higher business volumes. A \$158 million, or 10 percent, increase in card income was primarily due to new account growth in both credit and debit card and increased purchase volume on existing accounts. Revenue in the mortgage banking business increased 45 percent primarily reflecting higher origination activity and servicing levels, increased gains from higher loan sales to the secondary market and favorable mortgage banking asset hedge results, partially offset by increased paydowns as a result of the declining rate environment. Income from investment and brokerage services increased in the Asset Management segment largely due to new asset management business and the completed acquisition of Marsico Capital Management LLC (Marsico), partially offset by lower broker activity due to decreased trade volume as a result of significant market decline. The noninterest income component of trading-related revenue within Global Corporate and Investment Banking increased \$52 million, as increased revenues from trading-

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related activities in fixed income, interest rate contracts and commodities offset a decrease in equities and equity derivatives trading. Investment banking income decreased \$40 million, as strong growth in fixed income origination was offset by weaker demand for syndications, equity underwriting and advisory services. Equity Investments had equity investment gains of \$283 million, reflecting a decrease of \$756 million.

- . On August 15, 2001, the Corporation announced that it was exiting its auto leasing and subprime real estate lending businesses. As a result of exiting these consumer finance businesses, the Corporation recorded pre-tax charges of \$1.7 billion (\$1.3 billion after-tax), consisting of provision for credit losses of \$395 million and business exit costs, the noninterest expense component, of \$1.3 billion.
- . Including the exit charge, the provision for credit losses was \$2.9 billion. Excluding the exit charge, the provision for credit losses was \$2.5 billion, an increase of \$1.2 billion from the same period in 2000. Excluding exit-related charge-offs of \$635 million, net charge-offs were \$2.4 billion, or 0.86 percent of average loans and leases, an increase of 41 basis points from the same period in 2000. This increase in net charge-offs of \$1.1 billion from the comparable period in 2000 was primarily due to credit quality deterioration in the commercial - domestic portfolio and an increase in bankcard charge-offs.
- . Nonperforming assets were \$4.5 billion, or 1.33 percent of loans, leases and foreclosed properties at September 30, 2001, a \$934 million, or six basis point decrease from December 31, 2000. The decrease was primarily a result of the transfer of \$1.2 billion in nonperforming subprime real estate loans to loans held for sale as well as loan sales, partially offset by increases in the commercial - domestic loan portfolio that resulted from credit deterioration as companies were affected by the weakening economic environment. The allowance for credit losses totaled \$6.7 billion or 1.97 percent of total loans and leases at September 30, 2001, a 23 basis point improvement from 1.74 percent of total loans and leases at December 31, 2000.
- . Noninterest expense excluding business exit costs and restructuring charges was \$14.1 billion, a \$635 million increase, primarily driven by higher marketing, professional fees and personnel expenses as well as costs associated with various international activities. The Corporation incurred certain costs and losses associated with the terrorist attacks of September 11, 2001, such as property losses and costs to re-establish business operations. Management believes that these costs and losses will not be material to the Corporation's financial position or results of operations.

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Table One
Selected Financial Data

<TABLE>
<CAPTION>

- - - - -

----- Ended September 30	Three Months Ended September 30		Nine Months	
----- (Dollars in millions, except per share information) 2000	2001	2000	2001	
----- <S> <C>	<C>	<C>	<C>	
Operating Basis /(1)/				

Income statement				
Net interest income	\$ 5,204	\$ 4,563	\$ 14,873	
\$ 13,685				
Net interest income (taxable-equivalent basis)	5,290	4,642	15,128	
13,913				
Noninterest income	3,429	3,675	10,950	
11,254				
Total revenue	8,633	8,238	25,823	
24,939				
Total revenue (taxable-equivalent basis)	8,719	8,317	26,078	
25,167				
Provision for credit losses	856	435	2,491	
1,325				
Gains on sales of securities	97	11	82	
23				
Other noninterest expense	4,606	4,410	14,081	
13,446				
Income before income taxes	3,268	3,404	9,333	
10,191				
Income tax expense	1,177	1,229	3,349	
3,713				
Net income	2,091	2,175	5,984	
6,478				
Average diluted common shares issued and outstanding (in thousands)	1,634,063	1,661,031	1,632,928	
1,674,748				

Performance ratios				
Return on average assets	1.29 %	1.26 %	1.23 %	
1.29 %				
Return on average common shareholders' equity	16.87	18.15	16.48	
18.45				
Efficiency ratio	52.82	53.01	53.99	
53.42				
Net interest yield	3.78	3.10	3.59	
3.20				
Shareholder value added	\$ 824	\$ 953	\$ 2,293	
\$ 2,916				

Per common share data				
Earnings	\$ 1.31	\$ 1.33	\$ 3.73	
\$ 3.91				
Diluted earnings	1.28	1.31	3.66	
3.87				

Cash basis financial data /(2)/				
Earnings	\$ 2,310	\$ 2,390	\$ 6,649	
\$ 7,128				
Earnings per common share	1.44	1.46	4.14	
4.31				
Diluted earnings per common share	1.41	1.44	4.07	
4.26				
Return on average assets	1.43 %	1.39 %	1.37 %	
1.42 %				
Return on average common shareholders' equity	18.64	19.94	18.31	
20.30				
Efficiency ratio	50.32	50.43	51.44	
50.84				
=====				
=====				
As Reported				

Income statement				
Net interest income	\$ 5,204	\$ 4,563	\$ 14,873	
\$ 13,685				

Noninterest income	3,429	3,675	10,950
11,254			
Total revenue	8,633	8,238	25,823
24,939			
Provision for credit losses	1,251	435	2,886
1,325			
Gains on sales of securities	97	11	82
23			
Business exit costs	1,305	-	1,305
-			
Restructuring charges	-	550	-
550			
Other noninterest expense	4,606	4,410	14,081
13,446			
Income before income taxes	1,568	2,854	7,633
9,641			
Income tax expense	727	1,025	2,899
3,509			
Net income	841	1,829	4,734
6,132			
-			

Performance ratios			
Return on average assets	.52 %	1.06 %	.98 %
1.22 %			
Return on average common shareholders' equity	6.78	15.25	13.03
17.46			
Total equity to total assets (period-end)	7.83	6.98	7.83
6.98			
Total average equity to total average assets	7.66	6.97	7.49
7.01			
Dividend payout ratio	106.49	44.83	56.88
40.38			
-			

Per common share data			
Earnings	\$.52	\$ 1.11	\$ 2.95
\$ 3.70			
Diluted earnings	.51	1.10	2.90
3.66			
Cash dividends paid	.56	.50	1.68
1.50			
Book value	31.66	28.69	31.66
28.69			
-			

Cash basis financial data /(2)/			
Earnings	\$ 1,060	\$ 2,044	\$ 5,399
\$ 6,782			
Earnings per common share	.66	1.25	3.37
4.10			
Diluted earnings per common share	.65	1.23	3.31
4.05			
Return on average assets	.65 %	1.18 %	1.11 %
1.35 %			
Return on average common shareholders' equity	8.55	17.01	14.87
19.31			
=====			
=====			
Balance sheet (period-end)			
Total loans and leases	\$ 339,018	\$ 402,592	\$ 339,018
402,592			\$
Total assets	640,105	671,725	640,105
671,725			
Total deposits	359,870	353,988	359,870
353,988			
Long-term debt	61,213	69,412	61,213
69,412			
Trust preferred securities	4,955	4,955	4,955
4,955			
Common shareholders' equity	50,084	46,785	50,084
46,785			
Total shareholders' equity	50,151	46,859	50,151
46,859			
-			

Risk-based capital ratios (period-end)			
Tier 1 capital	7.95 %	7.32 %	7.95 %
7.32 %			
Total capital	12.12	10.80	12.12
10.80			
Leverage ratio	6.59	6.06	6.59
6.06			
-			

Market price per share of common stock				
Closing	\$	58.40	\$	52.38
\$ 52.38			\$	58.40
High		65.54		65.54
61.00				
Low		50.25		45.00
42.31				
=====				
</TABLE>				

- (1) Operating basis excludes provision for credit losses of \$395 million and noninterest expense of \$1,305 million related to the exit of certain consumer finance businesses in the third quarter of 2001 and restructuring charges of \$550 million in the third quarter of 2000.
- (2) Cash basis calculations exclude goodwill and other intangible amortization expense.

Business Segment Operations

The Corporation provides a diversified range of banking and nonbanking financial services and products through its various subsidiaries. The Corporation reports the results of its operations through four business segments: Consumer and Commercial Banking, Asset Management, Global Corporate and Investment Banking and Equity Investments. Certain operating segments have been aggregated into a single business segment. In the first quarter of 2001, the thirty-year mortgage portfolio was moved from Consumer and Commercial Banking to the Corporate Other segment. In the third quarter of 2001, certain consumer finance businesses being liquidated were transferred from Consumer and Commercial Banking to Corporate Other.

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 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 performance measure that is 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 Nine of the consolidated financial statements for additional business segment information and a reconciliation to consolidated amounts. Additional information on noninterest income can be found in the "Noninterest Income" section beginning on page 40. Certain prior period amounts have been reclassified between segments and their components (presented after Table Two) to conform to the current period presentation.

<TABLE>
<CAPTION>

Table Two
Business Segment Summary

For the three months ended September 30							
	Consumer and Commercial Banking (1)		Asset Management (1)		Global Corporate and Investment Banking (1)		Equity
Investments (1)	-----						

(Dollars in millions)	2001	2000	2001	2000	2001	2000	2001
2000							

<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (2) (36) \$ (37)	\$ 3,347	\$ 3,124	\$ 185	\$ 158	\$ 1,140	\$ 900	\$
Noninterest income (18) 383	2,022	1,954	424	445	1,068	1,075	
Total revenue (54) 346	5,369	5,078	609	603	2,208	1,975	
Net income (58) 197	1,253	1,261	148	155	476	516	
Cash basis earnings (56) 200	1,414	1,422	163	163	512	550	
Shareholder value added (128) 141	828	831	96	113	169	151	
Net interest yield n/m n/m	6.61 %	6.43 %	2.85 %	2.58 %	2.38 %	1.82 %	
Return on average equity (9.4) % 40.1 %	25.7	25.6	26.8	37.4	16.6	15.5	
Cash basis return on equity (8.9) 40.6	29.0	28.9	29.4	39.2	17.9	16.5	
Efficiency ratio n/m 7.0	53.8	55.0	59.5	58.2	53.7	55.4	
Cash basis efficiency ratio n/m 6.3	50.8	51.8	57.2	57.0	52.0	53.7	
Average:							
Total loans and leases 468 \$ 450	\$ 182,792	\$ 175,608	\$ 24,631	\$ 23,221	\$ 76,643	\$ 97,298	\$
Total deposits - 18	266,351	256,725	11,837	11,444	68,472	71,861	
Total assets 6,435 5,522	291,078	281,431	27,070	25,224	227,300	234,202	

For the nine months ended September 30

<TABLE>
<CAPTION>

Investments (1)	Consumer and Commercial Banking (1)		Asset Management (1)		Global Corporate and Investment Banking (1)		Equity
	2001	2000	2001	2000	2001	2000	2001
(Dollars in millions) 2000							
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (2) \$ (98)	\$ 9,702	\$ 9,264	\$ 525	\$ 477	\$ 3,257	\$ 2,694	\$ (112)
Noninterest income (3) 1,053	5,973	5,452	1,317	1,355	3,659	3,593	239
Total revenue 955	15,675	14,716	1,842	1,832	6,916	6,287	127
Net income 534	3,601	3,394	389	467	1,467	1,670	(2)
Cash basis earnings 542	4,084	3,882	432	490	1,576	1,774	6
Shareholder value added 377	2,348	2,099	234	341	521	595	(206)
Net interest yield n/m	6.45 %	6.55 %	2.75 %	2.73 %	2.25 %	1.91 %	n/m
Return on average equity 38.8 %	24.9	22.8	23.5	37.7	16.7	17.0	(0.1) %
Cash basis return on equity 39.4	28.2	26.1	26.1	39.6	17.9	18.1	0.4
Efficiency ratio 8.5	54.5	56.7	62.1	58.2	55.5	55.5	106.7
Cash basis efficiency ratio 7.7	51.4	53.4	59.8	57.0	53.9	53.9	100.5
Average:							
Total loans and leases \$ 428	\$ 181,567	\$ 172,737	\$ 24,328	\$ 22,302	\$ 84,336	\$ 94,260	\$ 487
Total deposits	263,618	256,456	11,883	11,343	67,288	68,390	17

13	Total assets	288,174	281,840	26,839	24,245	231,364	226,436	6,562
5,129								

</TABLE>

n/m = not meaningful

- (1) There were no material intersegment revenues among the segments.
- (2) Net interest income is presented on a taxable-equivalent basis.
- (3) Noninterest income included the \$83 million SFAS 133 transition adjustment net loss which was included in trading account profits. The components of the transition adjustment by business segment were a gain of \$4 million for Consumer and Commercial Banking, a gain of \$19 million for Global Corporate and Investment Banking and a loss of \$106 million for Corporate Other (not included in the table above).

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 results for the nine months ended September 30, 2001 reflect the Corporation's continued focus on Card Services as a growth area as end of period managed consumer card outstandings increased 21 percent, merchant processing volume increased 15 percent and total card services purchase volume increased 10 percent compared to the same period in 2000.

The Corporation's mortgage banking results, which include mortgage banking income and the mark-to-market adjustments on mortgage banking assets and the related instruments used to economically hedge the mortgage banking assets, is included within the discussion of the results of operations in the Consumer and Commercial Banking segment. The mark-to-market adjustments are included in trading account profits in the Consumer and Commercial Banking segment.

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In the second quarter of 2001, the Corporation's commercial real estate banking business was moved from Global Corporate and Investment Banking to Consumer and Commercial Banking. The credit and client management process and customer base of the business are better aligned with those of Consumer and Commercial Banking.

<TABLE>
<CAPTION>

<S> (Dollars in millions)	Consumer and Commercial Banking			
	Three Months Ended September 30		Nine Months Ended September 30	
	<C> 2001	<C> 2000	<C> 2001	<C> 2000
Net interest income	\$ 3,347	\$ 3,124	\$ 9,702	\$ 9,264
Noninterest income	2,022	1,954	5,973	5,452
Total revenue	5,369	5,078	15,675	14,716
Cash basis earnings	1,414	1,422	4,084	3,882
Shareholder value added	828	831	2,348	2,099
Cash basis efficiency ratio	50.8 %	51.8 %	51.4 %	53.4 %

</TABLE>

- . Total revenue increased \$959 million, or seven percent, for the nine months ended September 30, 2001 compared to the same period in 2000.
- Net interest income increased \$438 million, or five percent, as a favorable shift in loan mix and overall loan and deposit growth were partially offset by the impact of the money market deposit pricing initiative as the Corporation offered more competitive money market savings rates.
- Noninterest income increased \$521 million, or 10 percent, driven by a 10 percent increase in card income, a nine percent increase in service charges and improved mortgage banking results.
- . Cash basis earnings for the nine months ended September 30, 2001 rose \$202 million, or five percent, due to the increases in net interest income and noninterest income discussed above, partially offset by an increase in the

provision for credit losses and a two percent increase in noninterest expense.

- The provision for credit losses increased \$444 million, or 56 percent, reflecting higher charge-offs in the commercial - domestic and bankcard loan portfolios.

- . Shareholder value added increased \$249 million over the prior year as a result of the increase in cash basis earnings, driven by higher net interest income and fee revenue.

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 network of approximately 4,300 banking centers, 13,000 ATMs, telephone and Internet channels on 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, debit card products and credit products such as home equity, mortgage and personal auto loans. Banking Regions also includes small business banking providing treasury management, credit services, community investment, check card, e-commerce and brokerage services to over two million small business relationships across the franchise.

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<TABLE>
<CAPTION>

(Dollars in millions)	Banking Regions			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 2,149	\$ 2,140	\$ 6,266	\$ 6,297
Noninterest income	1,009	913	2,908	2,615
Total revenue	3,158	3,053	9,174	8,912
Cash basis earnings	827	811	2,338	2,251
Shareholder value added	489	472	1,333	1,225
Cash basis efficiency ratio	56.9 %	56.3 %	58.0 %	58.3%

</TABLE>

- . Total revenue for the nine months ended September 30, 2001 increased \$262 million, or three percent, as a rise in noninterest income was partially offset by a slight decrease in net interest income.
- Loan growth, primarily in residential mortgages and home equity lending, and deposit growth had a positive effect on net interest income but were offset by the impact of the money market deposit pricing initiative.
- Noninterest income increased \$293 million, or 11 percent, primarily due to an increase in consumer service charges of \$148 million, or eight percent, (throughout all Banking Regions) and an \$89 million, or 24 percent, increase in debit card income, driven by a higher number of active debit cards and increases in transactions and purchase volume.
- . Cash basis earnings increased \$87 million, or four percent, for the nine months ended September 30, 2001, primarily attributable to the increase in revenue discussed above offset by a slight increase in noninterest expense.
- . Shareholder value added rose \$108 million as a result of the increase in cash basis earnings.

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, lending and investing to develop low- and moderate-income communities, student lending and certain insurance services. Consumer Products also provides retail finance and floorplan programs to marine,

RV and auto dealerships.

<TABLE>
<CAPTION>

(Dollars in millions)	Consumer Products			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 560	\$ 348	\$ 1,512	\$ 986
Noninterest income	758	773	2,311	2,092
Total revenue	1,318	1,121	3,823	3,078
Cash basis earnings	344	328	1,036	780
Shareholder value added	234	222	712	457
Cash basis efficiency ratio	40.1 %	43.4 %	40.9 %	47.1 %

</TABLE>

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- . Total revenue increased \$745 million, or 24 percent, due to increases in both net interest income and noninterest income.
- Net interest income increased \$526 million, or 53 percent, due primarily to an increase in bankcard receivables.
- Noninterest income increased \$219 million, or 10 percent, primarily due to improved mortgage banking results and increased credit card income. Mortgage banking results have increased due to higher origination activity and servicing levels, increased gains from higher loan sales to the secondary market and the net mark-to-market adjustments related to the mortgage banking assets and related hedging instruments. These increases were partially offset by increased paydowns as a result of the declining rate environment. Credit card income grew \$64 million, or five percent, due to new consumer card account growth and an increase in purchase volume.
- . The \$256 million, or 33 percent, increase in cash basis earnings for the nine months ended September 30, 2001 was due to the increases in net interest income and noninterest income discussed above. These increases were partially offset by a rise in the provision for credit losses and higher expenses, primarily driven by higher card marketing.
- The provision for credit losses increased 47 percent to \$633 million primarily due to higher net charge-offs in the bankcard loan portfolio. The increase in bankcard charge-offs was driven by portfolio growth and an increase in personal bankruptcy filings.
- . Shareholder value added increased \$255 million due to the increase in cash basis earnings.

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.

<TABLE>
<CAPTION>

(Dollars in millions)	Commercial Banking			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 638	\$ 636	\$ 1,924	\$ 1,981
Noninterest income	255	268	754	745
Total revenue	893	904	2,678	2,726
Cash basis earnings	243	283	710	851

Shareholder value added	105	137	303	417
Cash basis efficiency ratio	44.9 %	47.0 %	43.7 %	44.4 %
=====				

</TABLE>

- Noninterest income increased one percent and was offset by a three percent decrease in net interest income. Total revenue for the nine months ended September 30, 2001 decreased two percent.

- The \$9 million increase in noninterest income was primarily attributable to higher corporate service charges as customers opted to pay service charges rather than carry excess deposit balances in the lower rate environment, offset by the liquidation of certain commercial finance businesses.

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- Net interest income decreased \$57 million, primarily due to a reduction in commercial loans and the liquidation of certain commercial finance businesses.

- Lower noninterest expense was more than offset by lower revenue and an increase in the provision for credit losses resulting in a \$141 million, or 17 percent, decline in cash basis earnings for the nine months ended September 30, 2001.

- Noninterest expense decreased \$41 million, or three percent, to \$1.2 billion, primarily due to lower personnel expense and the liquidation of certain commercial finance businesses.
- The provision for credit losses increased \$226 million to \$392 million as a result of credit deterioration in the commercial loan portfolio.

- Shareholder value added decreased \$114 million as the decline in cash basis earnings was partially offset by a lower charge for the use of capital.

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 is to focus on and grow the asset management business. Recent initiatives include the addition of two new investment platforms which broaden the Corporation's capabilities to maximize market opportunity for its clients. The Corporation continues to enhance the financial planning tools used to assist clients with their financial goals. Assets under management rose \$5 billion to \$280 billion at September 30, 2001 compared to September 30, 2000. Assets of the Nations Funds family of mutual funds reached \$125 billion at September 30, 2001 compared to \$98 billion one year ago.

Effective January 2, 2001, the Corporation acquired the remaining 50 percent of 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.

<TABLE>
<CAPTION>

(Dollars in millions)	Asset Management			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 185	\$ 158	\$ 525	\$ 477

Noninterest income	424	445	1,317	1,355

Total revenue	609	603	1,842	1,832
Cash basis earnings	163	163	432	490
Shareholder value added	96	113	234	341
Cash basis efficiency ratio	57.2 %	57.0 %	59.8 %	57.0 %
=====				

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- . Total revenue increased \$10 million, or one percent, for the nine months ended September 30, 2001, due largely to an increase in net interest income, partially offset by a decline in noninterest income.
- Net interest income increased \$48 million, or 10 percent, due to growth in the commercial and residential mortgage loan portfolios.
- Noninterest income decreased \$38 million, or three percent, as an increase in investment and brokerage services income was offset by a decline in trading account profits. The increase in investment and brokerage services income was due to new asset management business and the completed acquisition of Marsico, partially offset by lower broker activity due to decreased trade volume as the result of significant market decline.
- . Cash basis earnings decreased \$58 million, or 12 percent, for the nine months ended September 30, 2001, as modest revenue growth was offset by a \$78 million increase in provision expense largely related to one loan that was charged off in the second quarter of 2001 and increased noninterest expense.
- Noninterest expense increased \$78 million, or seven percent, reflecting investments in new private banking offices, the acquisition of Marsico, and in personnel supporting the revenue growth initiatives, partially offset by one-time business divestiture expenditures in 2000.
- . Shareholder value added declined \$107 million due to the decline in cash basis earnings and the increased capital associated with building the business.

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, lending, capital markets, leasing and financial advisory services to domestic and international corporations, financial institutions and government entities. Clients are supported through offices in 38 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, senior bank debt, structured finance and trade services.

<TABLE>
<CAPTION>

(Dollars in millions)	Global Corporate and Investment Banking			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000

<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 1,140	\$ 900	\$ 3,257	\$ 2,694
Noninterest income	1,068	1,075	3,659	3,593

Total revenue	2,208	1,975	6,916	6,287
Cash basis earnings	512	550	1,576	1,774
Shareholder value added	169	151	521	595
Cash basis efficiency ratio	52.0 %	53.7 %	53.9 %	53.9 %
=====				

</TABLE>

- . For the nine months ended September 30, 2001, total revenue increased \$629 million, or 10 percent, primarily due to 21 percent, or \$469 million, growth in trading-related revenue.

- Net interest income increased \$563 million, or 21 percent, as a result of higher trading-related activities and lower funding costs, partially offset by lower commercial loan levels.

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- Noninterest income increased \$66 million, or two percent, as increases in investment and brokerage services, corporate service charges and trading account profits were partially offset by declines in other income, equity investment gains and investment banking income.
- . Cash basis earnings decreased \$198 million, or 11 percent, for the nine months ended September 30, 2001 as revenue growth was more than offset by higher credit-related costs and noninterest expense.
- The provision for credit losses increased \$510 million to \$780 million due to credit quality deterioration in the commercial - domestic loan portfolio of Global Credit Products.
- A \$348 million, or 10 percent, increase in noninterest expense was primarily due to higher personnel expense, costs associated with various international activities and the build-out of the investment banking platform.
- . Shareholder value added declined \$74 million as a result of higher credit costs, partially offset by lower capital due to reductions in loan levels.

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

Global Investment Banking

Global Investment Banking includes the Corporation's investment banking activities and risk management products. Through a separate subsidiary, Banc of America Securities LLC, Global Investment Banking 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.

In addition, Global Investment Banking provides risk management solutions for our global customer base using interest rate, credit and commodity derivatives, foreign exchange, fixed income 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 Investment Banking 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.

<TABLE>
<CAPTION>

(Dollars in millions)	Global Investment Banking			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 420	\$ 261	\$ 1,177	\$ 758
Noninterest income	642	714	2,533	2,501
Total revenue	1,062	975	3,710	3,259
Cash basis earnings	209	215	766	731
Shareholder value added	98	110	450	424
Cash basis efficiency ratio	69.7 %	67.8 %	67.8 %	66.7 %

</TABLE>

- . Total revenue grew \$451 million, or 14 percent, for the nine months ended September 30, 2001 primarily due to higher trading-related revenue.
- Net interest income grew \$419 million, or 55 percent, as a result of

higher trading-related activities.

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- Higher investment and brokerage services income, trading account profits and service charges offset declines in equity investment gains and investment banking income, resulting in noninterest income growth of one percent. Three percent, or \$52 million, growth in trading account profits was driven by increases in commodities and other contracts, foreign exchange, fixed income and interest rate contract categories, offset by a decline in equities and equity derivatives contracts. Investment banking income decreased \$40 million as strong fixed income originations were offset by weaker demand in syndications, equity underwriting and advisory services.
- . Cash basis earnings increased \$35 million, or five percent, for the nine months ended September 30, 2001, as revenue growth was partially offset by an increase in noninterest expense.
- The \$346 million, or 16 percent, increase in noninterest expense was primarily due to higher personnel expense, costs associated with international activities and the build-out of the investment banking platform.
- . Shareholder value added increased six percent, or \$26 million, due to higher cash basis earnings.

Global Credit Products

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

<TABLE>
<CAPTION>

(Dollars in millions)	Global Credit Products			
	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 537	\$ 485	\$ 1,576	\$ 1,495
Noninterest income	209	172	509	519
Total revenue	746	657	2,085	2,014
Cash basis earnings	208	268	580	855
Shareholder value added	(8)	(11)	(109)	29
Cash basis efficiency ratio	20.6 %	21.2 %	21.5 %	22.1 %

</TABLE>

- . Total revenue increased three percent for the nine months ended September 30, 2001.
- Net interest income increased \$81 million, or five percent, compared to the prior year as lower funding costs offset the impact of lower commercial loan levels.
- Noninterest income declined \$10 million, or two percent, primarily due to lower gains in the leasing portfolio.
- . Cash basis earnings declined \$275 million, or 32 percent, primarily due to a \$497 million increase in the provision for credit losses driven by credit quality deterioration in the commercial - domestic loan portfolio.
- . Shareholder value added decreased \$138 million as a result of the increase in the provision for credit losses which was partially offset by lower capital, reflecting the continued efforts to reduce corporate loan levels and exit less profitable relationships.

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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.

<TABLE>
<CAPTION>

Global Treasury Services				
(Dollars in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ 183	\$ 154	\$ 504	\$ 441
Noninterest income	217	189	617	573
Total revenue	400	343	1,121	1,014
Cash basis earnings	95	67	230	188
Shareholder value added	79	52	180	142
Cash basis efficiency ratio	63.8 %	75.8 %	68.2 %	76.0 %

</TABLE>

- . Revenue increased \$107 million, or 11 percent, with increases in both net interest income and noninterest income for the nine months ended September 30, 2001.
- Net interest income increased \$63 million, or 14 percent, primarily due to lower funding costs.
- Noninterest income increased \$44 million, or eight percent, due to an increase in corporate service charges as customers chose to pay service charges rather than maintain excess deposit balances in the lower rate environment.
- . Cash basis earnings increased \$42 million, or 22 percent, for the nine months ended September 30, 2001, driven primarily by the growth in revenue.
- . Shareholder value added increased \$38 million due to the increase in cash basis earnings.

Equity Investments

Equity Investments includes Principal Investing, which is comprised of a diversified portfolio of investments in 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.

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<TABLE>
<CAPTION>

Equity Investments				
(Dollars in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net interest income	\$ (36)	\$ (37)	\$ (112)	\$ (98)
Noninterest income	(18)	383	239	1,053
Total revenue	(54)	346	127	955
Cash basis earnings	(56)	200	6	542
Shareholder value added	(128)	141	(206)	377
Cash basis efficiency ratio	n/m %	6.3 %	100.5 %	7.7 %

</TABLE>

- . For the nine months ended September 30, 2001, both revenue and cash basis earnings decreased substantially primarily due to lower equity investment

gains.

- Equity investment gains decreased \$756 million to \$283 million, with \$108 million in Principal Investing and \$175 million in the strategic investments portfolio. Equity investment gains in the strategic investments portfolio included \$140 million in the first quarter of 2001 related to the sale of an interest in the Star Systems ATM network.
- Net interest income consists primarily of the funding cost associated with the carrying value of investments.

. Shareholder value added declined \$583 million reflecting the decline in cash basis earnings.

Corporate Other

Corporate Other consists primarily of the functions associated with managing the interest rate risk of the Corporation and Consumer Special Assets, which includes certain consumer finance businesses being liquidated and certain residential mortgages originated by the mortgage group (not from retail branch originations). Corporate Other also includes the earnings associated with unassigned capital, certain expenses that have not been allocated to any particular business segment and other corporate transactions.

Corporate Other results for the nine months ended September 30, 2001 included charges of \$1.7 billion (\$1.3 billion after-tax) related to the exit of the auto leasing and subprime real estate lending businesses in the third quarter of 2001 and a pre-tax \$106 million transition adjustment loss related to the implementation of SFAS 133 in the first quarter of 2001. Corporate Other results for the nine months ended September 30, 2000 included restructuring charges of \$550 million (\$346 million after-tax) resulting from the Corporation's productivity and investment initiatives. See Note Two of the consolidated financial statements for additional information on exit and restructuring charges. See Note Nine of the consolidated financial statements for additional information on Corporate Other.

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 most recent five quarters and for the nine months ended September 30, 2001 and 2000 are presented in Tables Four and Five, respectively.

As reported, net interest income on a taxable-equivalent basis increased \$648 million to \$5.3 billion for the three months ended September 30, 2001 compared to the same period in 2000. Net interest income on a taxable-

equivalent basis increased \$1.2 billion to \$15.1 billion for the nine months ended September 30, 2001, compared to the same period in 2000. 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, excluding balance sheet portfolios used to manage interest rate risk. 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 40, 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 commercial loans) and divestitures. Noninterest income, rather than net interest income, is recorded for assets that have been securitized 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 of net interest income on a taxable-equivalent basis presented in Tables Four and Five to core net interest income for the three months and nine months ended September 30, 2001 and 2000, respectively:

Table Three
Net Interest Income

<TABLE>
<CAPTION>

	Three Months Ended September 30	Nine Months Ended September 30
-		

Increase/ (Dollars in millions) (Decrease)	2001	2000	Increase/ (Decrease)	2001	2000
<S> <C>	<C>	<C>	<C>	<C>	<C>
Net interest income As reported/(1)/ 8.7 %	\$ 5,290	\$ 4,642	14.0 %	\$ 15,128	\$ 13,913
Less: Trading-related net interest income	(397)	(244)		(1,136)	(719)
Add: Impact of securitizations, asset sales and divestitures	17	11		60	12
Core net interest income 6.4 %	\$ 4,910	\$ 4,409	11.4 %	\$ 14,052	\$ 13,206
Average earning assets As reported (3.3)%	\$ 557,108	\$597,248	(6.7)%	\$ 562,038	\$581,029
Less: Trading-related earning assets	(128,672)	(119,770)		(123,455)	(113,447)
Add: Earning assets securitized, sold and divested	4,009	659		3,169	427
Core average earning assets (5.6)%	\$ 432,445	\$478,137	(9.6)%	\$ 441,752	\$468,009
Net interest yield on earning assets/(1,2)/ As reported % 39 bp	3.78 %	3.10 %	68 bp	3.59 %	3.20
Add: Impact of trading-related activities	0.75	0.58	17	0.66	0.57
Impact of securitizations, asset sales and divestitures	(0.01)	-	(1)	(0.01)	-
Core net interest yield on earning assets 47 bp	4.52 %	3.68 %	84 bp	4.24 %	3.77 %

</TABLE>

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

(2) bp denotes basis points; 100 bp equals 1%.

Core net interest income on a taxable-equivalent basis was \$4.9 billion and \$14.1 billion for the three months and nine months ended September 30, 2001, respectively, an increase of \$501 million and \$846 million over the corresponding periods in 2000. The increase in core net interest income for the nine months ended September 30, 2001, was driven by changes in interest rates and the effect of portfolio repositioning, higher levels of core funding and a favorable change in loan mix, partially offset by the impact of money market deposit pricing initiative and the deterioration in auto lease residual values. The higher levels of core funding reflected a \$12.0 billion increase in average customer-based deposits and a \$1.6 billion increase in average shareholders' equity.

Core average earning assets were \$432.4 billion and \$441.8 billion for the three months and nine months ended September 30, 2001, respectively, a decrease of \$45.7 billion and \$26.3 billion over the same periods in 2000, primarily reflecting reduced securities levels and managed commercial loan balances partially offset by growth in managed consumer loan levels. Falling interest rates in 2001 allowed the Corporation to shed lower yielding assets and reposition its balance sheet to take advantage of a steepened yield curve. Managed consumer loans increased seven percent for the three months and nine months ended September 30, 2001, led by growth in bankcard receivables, residential mortgages and home equity lines. Managed commercial loans decreased 12 percent and five percent for the three months and nine months ended September 30, 2001, reflecting continuing efforts to reduce corporate loan levels and exit less profitable relationships. Loan growth is dependent on economic conditions, as

product and geographic concentrations.

The core net interest yield increased 84 basis points to 4.52 percent and 47 basis points to 4.24 percent for the three months and nine months ended September 30, 2001, respectively, mainly due to the effects of changes in interest rates and portfolio repositioning.

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

<TABLE>

<CAPTION>

(Dollars in millions)	Third Quarter 2001		
	Average Balance	Interest Income/ Expense	Yield/ Rate
<S>	<C>	<C>	<C>
Earning assets			
Time deposits placed and other short-term investments	\$5,881	\$ 71	4.84 %
Federal funds sold and securities purchased under agreements to resell	36,133	321	3.54
Trading account assets	68,258	937	5.46
Securities/(1)/	58,930	902	6.12
Loans and leases/(2)/:			
Commercial - domestic	129,673	2,343	7.17
Commercial - foreign	25,267	353	5.54
Commercial real estate - domestic	24,132	395	6.50
Commercial real estate - foreign	366	5	5.78
Total commercial	179,438	3,096	6.85
Residential mortgage	80,526	1,457	7.22
Home equity lines	22,115	394	7.06
Direct/Indirect consumer	39,481	753	7.56
Consumer finance	16,358	359	8.77
Bankcard	17,632	493	11.11
Foreign consumer	2,176	28	5.28
Total consumer	178,288	3,484	7.78
Total loans and leases	357,726	6,580	7.31
Other earning assets	30,180	597	7.89
Total earning assets/(3)/	557,108	9,408	6.72
Cash and cash equivalents	20,753		
Other assets, less allowance for credit losses	64,323		
Total assets	\$642,184		
=====			
Interest-bearing liabilities			
Domestic interest-bearing deposits:			
Savings	\$20,076	53	1.04
NOW and money market deposit accounts	116,638	588	2.00
Consumer CDs and IRAs	73,465	918	4.95
Negotiable CDs, public funds and other time deposits	5,085	57	4.44
Total domestic interest-bearing deposits	215,264	1,616	2.98
Foreign interest-bearing deposits/(4)/:			
Banks located in foreign countries	24,097	257	4.22
Governments and official institutions	3,533	35	3.90
Time, savings and other	23,847	189	3.16
Total foreign interest-bearing deposits	51,477	481	3.71
Total interest-bearing deposits	266,741	2,097	3.12
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	89,042	869	3.87
Trading account liabilities	30,913	285	3.66
Long-term debt/(5)/	67,267	867	5.15
Total interest-bearing liabilities/(6)/	453,963	4,118	3.61
Noninterest-bearing sources:			

Noninterest-bearing deposits	96,587	
Other liabilities	42,432	
Shareholders' equity	49,202	
<hr/>		
Total liabilities and shareholders' equity	\$642,184	
<hr/>		
Net interest spread		3.11
Impact of noninterest-bearing sources		.67
<hr/>		
Net interest income/yield on earning assets	\$5,290	3.78 %
<hr/>		

<CAPTION>

(Dollars in millions)	Second Quarter 2001		
	Average Balance	Interest Income/ Expense	Yield/ Rate
<S>	<C>	<C>	<C>
<hr/>			
Earning assets			
Time deposits placed and other short-term investments	\$7,085	\$ 81	4.58 %
Federal funds sold and securities purchased under agreements to resell	33,859	405	4.79
Trading account assets	67,311	944	5.62
Securities/(1)/	55,719	909	6.53
Loans and leases/(2)/:			
Commercial - domestic	139,096	2,585	7.45
Commercial - foreign	27,449	421	6.14
Commercial real estate - domestic	25,293	459	7.28
Commercial real estate - foreign	352	5	6.64
<hr/>			
Total commercial	192,190	3,470	7.24
<hr/>			
Residential mortgage	84,346	1,546	7.34
Home equity lines	21,958	424	7.75
Direct/Indirect consumer	40,117	736	7.35
Consumer finance	26,843	608	9.06
Bankcard	15,755	445	11.32
Foreign consumer	2,291	35	6.20
<hr/>			
Total consumer	191,310	3,794	7.94
<hr/>			
Total loans and leases	383,500	7,264	7.59
<hr/>			
Other earning assets	20,154	409	8.11
<hr/>			
Total earning assets/(3)/	567,628	10,012	7.07
<hr/>			
Cash and cash equivalents	23,232		
Other assets, less allowance for credit losses	64,697		
<hr/>			
Total assets	\$655,557		
<hr/>			
Interest-bearing liabilities			
Domestic interest-bearing deposits:			
Savings	\$20,222	57	1.14
NOW and money market deposit accounts	113,031	676	2.40
Consumer CDs and IRAs	74,777	969	5.20
Negotiable CDs, public funds and other time deposits	6,005	81	5.37
<hr/>			
Total domestic interest-bearing deposits	214,035	1,783	3.34
<hr/>			
Foreign interest-bearing deposits/(4)/:			
Banks located in foreign countries	24,395	294	4.82
Governments and official institutions	3,983	45	4.53
Time, savings and other	23,545	241	4.13
<hr/>			
Total foreign interest-bearing deposits	51,923	580	4.49
<hr/>			
Total interest-bearing deposits	265,958	2,363	3.57
<hr/>			
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	98,898	1,221	4.95
Trading account liabilities	30,710	312	4.07
Long-term debt/(5)/	69,416	999	5.76
<hr/>			
Total interest-bearing liabilities/(6)/	464,982	4,895	4.22
<hr/>			
Noninterest-bearing sources:			

Noninterest-bearing deposits	97,390	
Other liabilities	44,476	
Shareholders' equity	48,709	
<hr/>		
Total liabilities and shareholders' equity	\$655,557	
<hr/>		
Net interest spread		2.85
Impact of noninterest-bearing sources		.76
<hr/>		
Net interest income/yield on earning assets	\$5,117	3.61 %
<hr/>		

</TABLE>

- (1) The average balance and yield on securities are based on the average of historical amortized cost balances.
- (2) Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
- (3) Interest income includes taxable-equivalent basis adjustments of \$86, \$87 and \$82 in the third, second and first quarters of 2001 and \$94 and \$79 in the fourth and third quarters of 2000, respectively. Interest income also includes the impact of risk management interest rate contracts, which increased (decreased) interest income on the underlying assets \$284, \$194 and \$27 in the third, second and first quarters of 2001 and \$(31) and \$(13) in the fourth and third quarters of 2000, 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 \$31, \$49 and \$23 in the third, second and first quarters of 2001 and \$(7) and \$(16) in the fourth and third quarters of 2000, respectively.

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<TABLE>
<CAPTION>

First Quarter 2001			Fourth Quarter 2000			Third Quarter 2000	
Average Yield/ Balance Rate	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense
<hr/>							
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$6,675	\$ 102	6.17 %	\$ 5,663	\$ 99	6.96 %	\$ 4,700	\$ 83
6.97 %							
31,903	435	5.48	37,936	551	5.79	40,763	633
6.20							
62,491	852	5.49	53,251	758	5.68	53,793	749
5.55							
55,221	860	6.26	79,501	1,205	6.05	83,728	1,276
6.08							
144,404	2,813	7.90	147,336	3,034	8.19	151,903	3,151
8.26							
29,540	515	7.06	30,408	560	7.32	29,845	555
7.39							
25,989	530	8.27	27,220	622	9.09	26,113	597
9.09							
300	6	7.82	264	6	8.44	235	5
8.30							
<hr/>							
200,233	3,864	7.82	205,228	4,222	8.18	208,096	4,308
8.24							
<hr/>							
82,710	1,532	7.43	92,679	1,733	7.47	94,380	1,759
7.45							
21,744	467	8.71	21,117	483	9.11	20,185	466
9.18							
40,461	784	7.86	40,390	843	8.30	41,905	848
8.06							
25,947	589	9.08	25,592	570	8.91	25,049	559
8.93							
14,464	443	12.41	12,295	384	12.43	10,958	344
12.49							
2,330	43	7.54	2,248	48	8.49	2,190	48
8.79							

187,656	3,858	8.29	194,321	4,061	8.34	194,667	4,024
8.25							
387,889	7,722	8.05	399,549	8,283	8.26	402,763	8,332
8.24							
17,248	352	8.28	14,828	335	9.00	11,501	241
8.39							
561,427	10,323	7.42	590,728	11,231	7.58	597,248	11,314
7.55							
23,020			23,458			24,191	
64,251			63,272			63,578	
\$648,698			\$677,458			\$685,017	
\$20,406	61	1.21	\$ 22,454	80	1.42	\$ 23,195	78
1.33							
107,015	808	3.06	101,376	788	3.09	99,710	740
2.96							
77,772	1,068	5.57	78,298	1,105	5.62	77,864	1,083
5.53							
7,137	108	6.16	7,570	127	6.68	8,598	140
6.46							
212,330	2,045	3.91	209,698	2,100	3.98	209,367	2,041
3.88							
24,358	332	5.53	26,223	424	6.43	18,845	286
6.03							
3,993	52	5.27	5,884	61	4.14	11,182	177
6.30							
22,506	284	5.11	24,064	339	5.62	25,972	364
5.58							
50,857	668	5.32	56,171	824	5.84	55,999	827
5.87							
263,187	2,713	4.18	265,869	2,924	4.38	265,366	2,868
4.30							
94,792	1,377	5.89	122,680	1,942	6.30	136,007	2,223
6.51							
28,407	290	4.14	27,548	285	4.13	24,233	237
3.88							
73,752	1,222	6.63	73,041	1,322	7.24	74,022	1,344
7.26							
460,138	5,602	4.92	489,138	6,473	5.27	499,628	6,672
5.32							
92,431			91,685			91,368	
48,263			48,996			46,286	
47,866			47,639			47,735	
\$648,698			\$677,458			\$685,017	
		2.50			2.31		
2.23							
		.89			.90		
.87							
	\$4,721	3.39 %		\$4,758	3.21 %		\$4,642
3.10 %							

</TABLE>

Table Five
Average Balances and Interest Rates - Taxable-Equivalent Basis

<TABLE>
<CAPTION>

Nine Months Ended September 30			
2001			
(Dollars in millions)	Average Balance	Interest Income/ Expense	Yield/ Rate
<S>	<C>	<C>	<C>
Earning assets			
Time deposits placed and other short-term investments	\$ 6,544	\$254	5.20 %
Federal funds sold and securities purchased under agreements to resell	33,980	1,161	4.56
Trading account assets	66,041	2,733	5.52
Securities/(1)/	56,637	2,671	6.29
Loans and leases /(2)/:			
Commercial - domestic	137,670	7,741	7.52
Commercial - foreign	27,403	1,287	6.28
Commercial real estate - domestic	25,131	1,384	7.36
Commercial real estate - foreign	339	17	6.67
Total commercial	190,543	10,429	7.32
Residential mortgage	82,519	4,535	7.33
Home equity lines	21,940	1,285	7.83
Direct/Indirect consumer	40,017	2,272	7.59
Consumer finance	23,014	1,556	9.01
Bankcard	15,962	1,381	11.57
Foreign consumer	2,266	108	6.36
Total consumer	185,718	11,137	8.01
Total loans and leases	376,261	21,566	7.66
Other earning assets	22,575	1,358	8.04
Total earning assets /(3)/	562,038	29,743	7.07
Cash and cash equivalents	22,327		
Other assets, less allowance for credit losses	64,424		
Total assets	\$648,789		
Interest-bearing liabilities			
Domestic interest-bearing deposits:			
Savings	\$20,233	171	1.13
NOW and money market deposit accounts	112,263	2,072	2.47
Consumer CDs and IRAs	75,322	2,955	5.24
Negotiated CDs, public funds and other time deposits	6,068	246	5.42
Total domestic interest-bearing deposits	213,886	5,444	3.40
Foreign interest-bearing deposits /(4)/:			
Banks located in foreign countries	24,283	882	4.86
Governments and official institutions	3,835	132	4.59
Time, savings and other	23,304	715	4.11
Total foreign interest-bearing deposits	51,422	1,729	4.50
Total interest-bearing deposits	265,308	7,173	3.61
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	94,223	3,467	4.92
Trading account liabilities	30,019	887	3.95
Long-term debt /(5)/	70,121	3,088	5.87

Total interest-bearing liabilities /(6)/	459,671	14,615	4.25
Noninterest-bearing sources:			
Noninterest-bearing deposits	95,485		
Other liabilities	45,036		
Shareholders' equity	48,597		
Total liabilities and shareholders' equity	\$648,789		
Net interest spread			2.82
Impact of noninterest-bearing sources			.77
Net interest income/yield on earning assets		\$15,128	3.59 %

</TABLE>

<TABLE>
<CAPTION>

	Nine Months Ended September 30		
	2000		
(Dollars in millions)	Average Balance	Interest Income/ Expense	Yield/ Rate
<S>	<C>	<C>	<C>
Earning assets			
Time deposits placed and other short-term investments	\$ 4,594	\$237	6.88 %
Federal funds sold and securities purchased under agreements to resell	43,392	1,803	5.54
Trading account assets	47,490	1,993	5.60
Securities/(1)/	85,792	3,906	6.07
Loans and leases /(2)/:			
Commercial - domestic	148,446	8,991	8.09
Commercial - foreign	28,950	1,556	7.17
Commercial real estate - domestic	25,427	1,677	8.81
Commercial real estate - foreign	318	21	8.99
Total commercial	203,141	12,245	8.05
Residential mortgage	90,558	5,021	7.40
Home equity lines	18,946	1,265	8.92
Direct/Indirect consumer	41,840	2,602	8.31
Consumer finance	23,994	1,590	8.84
Bankcard	9,602	857	11.92
Foreign consumer	2,215	146	8.86
Total consumer	187,155	11,481	8.19
Total loans and leases	390,296	23,726	8.12
Other earning assets	9,465	591	8.34
Total earning assets /(3)/	581,029	32,256	7.41
Cash and cash equivalents	25,205		
Other assets, less allowance for credit losses	63,364		
Total assets	\$669,598		
Interest-bearing liabilities			
Domestic interest-bearing deposits:			
Savings	\$23,787	234	1.31
NOW and money market deposit accounts	99,442	2,153	2.89
Consumer CDs and IRAs	77,110	3,100	5.37
Negotiated CDs, public funds and other time deposits	7,645	354	6.18
Total domestic interest-bearing deposits	207,984	5,841	3.75
Foreign interest-bearing deposits /(4)/:			
Banks located in foreign countries	16,292	706	5.79
Governments and official institutions	9,942	452	6.07
Time, savings and other	26,681	1,084	5.42
Total foreign interest-bearing deposits	52,915	2,242	5.66

Total interest-bearing deposits	260,899	8,083	4.14
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	134,451	6,015	5.98
Trading account liabilities	22,599	607	3.59
Long-term debt /(5)/	69,370	3,638	6.99
Total interest-bearing liabilities /(6)/	487,319	18,343	5.03
Noninterest-bearing sources:			
Noninterest-bearing deposits	90,964		
Other liabilities	44,353		
Shareholders' equity	46,962		
Total liabilities and shareholders' equity	\$669,598		
Net interest spread			2.38
Impact of noninterest-bearing sources			.82
Net interest income/yield on earning assets		\$13,913	3.20 %

</TABLE>

- (1) The average balance and yield on securities are based on the average of historical amortized cost balances.
- (2) Nonperforming loans are included in the respective average loan balances. Income on such nonperforming loans is recognized on a cash basis.
- (3) Interest income includes taxable-equivalent basis adjustments of \$255 and \$228 for the nine months ended September 30, 2001 and 2000, respectively. Interest income also includes the impact of risk management interest rate contracts, which increased (decreased) interest income on the underlying assets \$505 and \$(17) for the nine months ended September 30, 2001 and 2000, 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 \$103 and \$(29) in the nine months ended September 30, 2001 and 2000, respectively.

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Noninterest Income

As presented in Table Six, noninterest income decreased \$246 million to \$3.4 billion and decreased \$304 million to \$11.0 billion for the three months and nine months ended September 30, 2001, respectively, from the comparable 2000 periods. The decrease in noninterest income for the three months ended September 30, 2001 reflects the increases in service charges, investment and brokerage services, other income, trading account profits and card income being offset by a sharp decline in equity investment gains as well as declines in investment banking income and mortgage banking income. The decrease in noninterest income for the nine months ended September 30, 2001 reflects the increases in service charges, card income, investment and brokerage services and mortgage banking income being offset by a sharp decline in equity investment gains as well as declines in trading account profits and investment banking income.

Table Six
Noninterest Income
<TABLE>
<CAPTION>

Increase/(Decrease)		Three Months Ended September 30		Increase/(Decrease)		Nine Months Ended September 30	
		2001	2000	Amount	Percent	2001	2000
(Dollars in millions)							
Amount	Percent						
<S>		<C>	<C>	<C>	<C>	<C>	<C>
<C>		<C>					
Consumer service charges		\$ 712	\$ 684	\$ 28	4.1 %	\$ 2,120	\$ 1,948
172	8.8 %						
Corporate service charges		528	474	54	11.4	1,538	1,413
125	8.8						
Total service charges		1,240	1,158	82	7.2	3,658	3,361

297	8.8						

Consumer investment and brokerage services		386	357	29	8.1	1,164	1,108
56	5.1						
Corporate investment and brokerage services		142	114	28	24.6	415	340
75	22.1						

Total investment and brokerage services		528	471	57	12.1	1,579	1,448
131	9.0						

Mortgage banking income		109	121	(12)	(9.9)	426	366
60	16.4						
Investment banking income		305	376	(71)	(18.9)	1,106	1,146
(40)	(3.5)						
Equity investment gains		22	422	(400)	(94.8)	340	1,119
(779)	(69.6)						
Card income		618	594	24	4.1	1,792	1,634
158	9.7						
Trading account profits/(1)/		433	402	31	7.7	1,508	1,630
(122)	(7.5)						
Other income		174	131	43	32.8	541	550
(9)	(1.6)						

Total		\$3,429	\$3,675	\$ (246)	(6.7)%	\$10,950	\$11,254
\$(304)	(2.7)%						
=====							
=====							

</TABLE>

- (1) Trading account profits for the nine months ended September 30, 2001 included the \$83 million SFAS 133 transition adjustment net loss. The components of the transition adjustment by segment were a gain of \$4 million for Consumer and Commercial Banking, a gain of \$19 million for Global Corporate and Investment Banking and a loss of \$106 million for Corporate Other.

The following section discusses the noninterest income results of the Corporation's four business segments. For additional business segment information, see "Business Segment Operations" beginning on page 24.

Consumer and Commercial Banking

- . Noninterest income for Consumer and Commercial Banking increased \$521 million to \$6.0 billion for the nine months ended September 30, 2001 from the comparable 2000 period, driven by higher service charges, strong card income and improved mortgage banking results.
- Service charges include deposit account service charges, non-deposit service charges and fees and bankers' acceptances and letters of credit fees. Service charges increased \$241 million to \$2.8 billion for the nine months ended September 30, 2001 due to an increase in both consumer and corporate service charges. Consumer service charges increased \$168 million primarily due to higher business volumes. Corporate service charges increased \$73 million as corporate customers chose to pay higher fees rather than maintain excess deposit balances in the lower rate environment.
- Card income includes interchange income, credit and debit card fees and merchant discount fees. Card income increased \$158 million to \$1.8 billion primarily due to new account growth in both credit and debit card and increased purchase volume on existing accounts. Growth in income for the core portfolio is being generated through traditional marketing channels, expanding relationships with existing customers and leveraging the franchise network. Card income includes activity from the securitized portfolio of \$139

million and \$158 million for the nine months ended September 30, 2001 and 2000, respectively. This amount represents excess servicing income which consists of revenues from the securitized credit card portfolio offset by charge-offs and interest expense paid to the bondholders.

- Mortgage banking results improved for the nine months ended September 30, 2001, primarily reflecting higher origination activity and servicing levels, increased gains from higher loan sales to the secondary market and the net mark-to-market adjustments on mortgage banking assets and the related instruments used to economically hedge

mortgage banking assets. These increases were partially offset by increased paydowns as a result of the declining rate environment. The mark-to-market adjustments are included in trading account profits. The average managed portfolio of mortgage loans serviced increased \$11.0 billion to \$337.5 billion for the nine months ended September 30, 2001 compared to the same period in 2000. Total production of first mortgage loans originated through the Corporation increased \$18.5 billion to \$59.0 billion for the nine months ended September 30, 2001, reflecting a significant increase in refinancings as a result of declining interest rates. First mortgage loan origination volume was composed of approximately \$31.6 billion of retail loans and \$27.4 billion of correspondent and wholesale loans for the nine months ended September 30, 2001. Retail first mortgage origination volume increased to 53 percent of total volume for the nine months ended September 30, 2001 from 40 percent in the comparable 2000 period. The Corporation made a strategic decision to exit the correspondent loan origination channel during the second quarter of 2001. The Corporation's decision to exit the correspondent business is based upon its overall strategy to focus on businesses with higher returns and potential to deepen and expand customer relationships.

Asset Management

- . Noninterest income for Asset Management decreased \$38 million to \$1.3 billion for the nine months ended September 30, 2001 compared to the same period in 2000. The decrease was primarily attributable to increased income from investment and brokerage services, offset by a decline in trading account profits.
- Income from investment and brokerage services includes personal and institutional asset management fees and consumer brokerage income. Income from investment and brokerage services increased \$25 million to \$1.2 billion for the nine months ended September 30, 2001 compared to the same period in 2000. This increase was largely due to new asset management business and the completed acquisition of Marsico being offset by lower broker activity due to decreased trade volume as a result of significant market decline. Assets under management were \$280 billion at September 30, 2001 compared to \$275 billion one year ago.

Global Corporate and Investment Banking

- . Noninterest income for Global Corporate and Investment Banking increased \$66 million to \$3.7 billion for the nine months ended September 30, 2001 compared to the same period in 2000. The increase was primarily due to increases in investment and brokerage services, corporate service charges and trading account profits, partially offset by declines in other income, equity investment gains and investment banking income.
- 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 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, does not include the net interest income recognized on interest-earning and interest-bearing trading positions or the related funding charge or benefit. Trading account profits as well as trading-related net interest income ("trading-related revenue") are presented in the following table as they are both considered in evaluating the overall profitability of the Corporation's trading positions.

Trading-related revenue increased \$469 million to \$2.7 billion for the nine months ended September 30, 2001, due to a \$417 million increase in the net interest margin and a \$52 million increase in trading account profits. Increases in the fixed income, interest rate, commodities and other contracts, and foreign exchange contract categories were partially offset by a decrease in equities and equity derivatives contracts. Fixed income increased \$249 million to \$621 million primarily attributable to an increase in market liquidity and widening credit spreads. Revenue from interest rate contracts increased \$143 million to \$711 million as the Corporation adjusted for the volatile rate environment in the third quarter of 2001. Commodities and other contracts increased \$118 million to \$155

million, attributable to market volatility and increased customer flow. Foreign exchange revenue increased \$19 million to \$419 million. Income from equities and equity derivatives contracts decreased \$60 million to \$771 million, due to a slowdown in customer activity in the market. Trading account profits for the nine months ended September 30, 2001 included a \$19 million transition adjustment gain resulting from the adoption of SFAS 133.

<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in millions)	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Trading account profits - as reported	\$398	\$349	\$1,541	\$1,489
Net interest income	397	244	1,136	719
Total trading-related revenue	\$795	\$593	\$2,677	\$2,208
Trading-related revenue by product				
Foreign exchange contracts	\$138	\$114	\$419	\$400
Interest rate contracts	212	87	711	568
Fixed income	206	120	621	372
Equities and equity derivatives	214	268	771	831
Commodities and other	25	4	155	37
Total trading-related revenue	\$795	\$593	\$2,677	\$2,208

</TABLE>

- Investment banking income decreased \$40 million to \$1.1 billion for the nine months ended September 30, 2001. Increases in underwriting and other investment banking income were offset by declines in loan syndications and advisory fees. Securities underwriting fees increased \$76 million to \$565 million from strong growth in high grade and high yield origination which was offset by lower equity underwriting fees. Syndication fees decreased \$104 million to \$280 million for the nine months ended September 30, 2001 as a result of fewer deals in the marketplace. A sluggish market for advisory services drove a decline in fees of \$55 million to \$172 million for the nine months ended September 30, 2001. Investment banking income by major activity follows:

	Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in millions)	2001	2000	2001	2000
Investment banking income				
Securities underwriting	\$158	\$160	\$565	\$489
Syndications	83	130	280	384
Advisory services	40	69	172	227
Other	24	17	89	46
Total	\$305	\$376	\$1,106	\$1,146

- Corporate service charges increased \$53 million to \$816 million for the nine months ended September 30, 2001, primarily driven by corporate customers opting to pay service charges rather than maintain excess deposit balances in the lower rate environment.

Equity Investments

- . Noninterest income for Equity Investments decreased \$814 million to \$239 million for the nine months ended September 30, 2001 compared to the same period in 2000. This decrease was driven by a sharp decline in equity investment gains driven by weaker equity markets.
- Equity investment gains decreased \$756 million to \$283 million, with \$108 million in Principal Investing and \$175 million in the strategic

investments portfolio. Equity investment gains in the strategic investments portfolio included a gain of \$140 million in the first quarter of 2001 related to the sale of an interest in the Star Systems ATM network.

Provision for Credit Losses

Excluding the impact of charges related to the exit of the subprime real estate lending business, the provision for credit losses totaled \$856 million and \$2.5 billion for the three months and nine months ended September 30, 2001, respectively, compared to \$435 million and \$1.3 billion for the same periods in 2000. The increase in the provision for credit losses from last year was primarily due to an increase in net charge-offs. Additional provision expense was also recorded in 2001 to increase the allowance for credit losses as a result of deterioration in credit quality due to the current economic environment. Total net charge-offs, excluding the impact of exit-related charges, were \$856 million and \$2.4 billion for the three months and nine months ended September 30, 2001, respectively, compared to \$435 million and \$1.3 billion for the same periods in 2000. This increase was due to higher charge-offs in the commercial - domestic portfolio due to deterioration in credit quality stemming from the weak economic environment. Bankcard charge-offs also increased due to growth in the portfolio and an increase in personal bankruptcy filings.

An exit-related provision for credit losses of \$395 million, combined with an existing allowance for credit losses of \$240 million, was used to write down the subprime real estate loan portfolio to estimated market value. This resulted in charge-offs of \$635 million in the consumer finance loan portfolio. Including the exit impact, the provision for credit losses totaled \$1.3 billion and \$2.9 billion for the three months and nine months ended September 30, 2001, respectively, and total net charge-offs were \$1.5 billion and \$3.1 billion for the three months and nine months ended September 30, 2001, respectively.

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 beginning on page 47.

Noninterest Expense

As presented in Table Seven, the Corporation's noninterest expense increased \$951 million to \$5.9 billion and increased \$1.4 billion to \$15.4 billion for the three months and nine months ended September 30, 2001, respectively, compared to the same periods in 2000. These increases in noninterest expense were driven by business exit costs, higher marketing costs related to the Corporation's national brand-building campaign, increases in professional fees, costs associated with various international activities and investments in growth businesses such as e-commerce, Asset Management, card and payment businesses and the investment banking platform.

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Table Seven
Noninterest Expense
<TABLE>
<CAPTION>

Increase/(Decrease)	Three Months Ended September 30		Increase/(Decrease)		Nine Months Ended September 30		
	2001	2000	Amount	Percent	2001	2000	
(Dollars in millions)							
Percent							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Personnel	\$2,304	\$2,298	\$ 6	.3 %	\$7,239	\$7,143	\$96
1.3 %							
Occupancy	448	419	29	7.0	1,309	1,248	61
4.9							
Equipment	273	285	(12)	(4.0)	835	882	(47)
(5.3)							
Marketing	165	147	18	11.8	516	398	118
29.6							
Professional fees	144	100	44	44.1	411	298	113
37.9							
Amortization of intangibles	219	215	4	1.7	665	650	15

2.3							
Data processing	175	167	8	4.8	552	495	57
11.5							
Telecommunications	121	127	(6)	(4.7)	368	391	(23)
(5.9)							
Other general operating	613	509	104	20.4	1,732	1,529	203
13.3							
General administrative and other	144	143	1	.6	454	412	42
10.2							
Business exit costs	1,305	-	1,305	n/m	1,305	-	1,305
n/m							
Restructuring charges	-	550	(550)	n/m	-	550	(550)
n/m							

Total	\$5,911	\$4,960	\$951	19.2 %	\$15,386	\$13,996	\$1,390
9.9 %							
=====							
====							

</TABLE>

- Personnel expense increased \$96 million, or one percent, to \$7.2 billion for the nine months ended September 30, 2001, as an increase in revenue-related incentive compensation as well as increased salaries expense in Global Corporate and Investment Banking and Asset Management were partially offset by a lower number of associates. At September 30, 2001, the Corporation had approximately 144,000 full-time equivalent employees compared to approximately 146,000 at September 30, 2000.
- Marketing expense increased \$118 million to \$516 million for the nine months ended September 30, 2001, due to the Corporation's national brand-building campaign and higher card marketing in Consumer and Commercial Banking.
- Professional fees increased \$113 million to \$411 million for the nine months ended September 30, 2001, primarily reflecting higher consulting and other professional fees due to an increase in initiatives related to the Corporation's strategy to improve customer satisfaction.
- Data processing expense increased \$57 million to \$552 million for the nine months ended September 30, 2001, primarily due to higher outsourced processing expense as a result of the outsourcing of personnel services and higher item processing and check clearing expenses.
- Other general operating expense increased \$104 million to \$613 million and \$203 million to \$1.7 billion for the three months and nine months ended September 30, 2001, respectively, reflecting higher employee placement expenses, costs associated with various international activities, foreclosed properties expense in Corporate Other and other miscellaneous expenses throughout the Corporation.
- General administrative and other expense increased \$42 million to \$454 million for the nine months ended September 30, 2001, primarily due to increased subscription services in Global Corporate and Investment Banking.
- On August 15, 2001, the Corporation announced that it was exiting its auto leasing and subprime real estate lending businesses. As a result of this strategic decision, the Corporation recorded pre-tax business exit costs in the third quarter of 2001 of \$1.3 billion in noninterest expense. Business exit costs consisted of goodwill writeoffs of \$685 million, auto lease residual charges of \$400 million, real estate servicing asset charges of \$145 million and other transaction costs of \$75 million.
- As part of its productivity and investment initiatives announced on July 28, 2000, the Corporation recorded a pre-tax charge of \$550 million (\$346 million after-tax) in the third quarter of 2000. Of the \$550 million restructuring charge, approximately \$475 million was used to cover severance and related costs and approximately \$75 million was used for other costs related to process change and channel consolidation. At September 30, 2001, the reserve had been substantially utilized.

Income Taxes

The Corporation's income tax expense for the three months and nine months ended September 30, 2001 was \$727 million and \$2.9 billion, respectively, for an effective tax rate of 46.4 percent and 38.0 percent, respectively. Excluding charges related to the exit of certain consumer finance businesses, the effective tax rate for the three months and nine months ended September 30, 2001 was 36.0 percent and 35.9 percent, respectively. Income tax expense for the three and nine months ended September 30, 2000 was \$1.0 billion and \$3.5 billion, respectively, for an effective tax rate of 35.9 percent and 36.4

percent, respectively. The increase in the effective tax rate for the three months ended September 30, 2001 is due primarily to the portion of goodwill write-offs included in business exit costs recorded during the third quarter of 2001 that is not deductible for federal or state income tax purposes.

Balance Sheet Review and Liquidity Risk Management

The Corporation utilizes an integrated approach in managing its balance sheet that includes management of interest rate sensitivity, credit risk, liquidity risk and its capital position. The Corporation restructured its balance sheet over the last year, reducing risk-weighted assets as declines in categories with lower returns were offset by underlying core growth. The discussion of average balances below compares the nine months ended September 30, 2001 to the same period in 2000. With the exception of average managed loans, the average balances discussed below can be derived from Table Five.

Average loans and leases, the Corporation's primary use of funds, decreased \$14.0 billion to \$376.3 billion for the nine months ended September 30, 2001. Adjusting for securitizations, sales and divestitures, average managed loans and leases increased \$3.5 billion to \$396.4 billion for the nine months ended September 30, 2001. This increase was primarily due to growth in average managed consumer loans, partially offset by a decline in average managed commercial loans.

Average managed consumer loans increased seven percent in the nine months ended September 30, 2001, reflecting increases in each of the consumer loan portfolios. Average managed bankcard loans increased \$4.4 billion to \$24.2 billion due to an increase in new business volume and slower balance paydowns. Average managed residential mortgages increased \$4.0 billion to \$85.2 billion due to strong growth in branch-originated products. Average managed home equity lines increased \$3.0 billion to \$21.9 billion, reflecting growth in all Banking Regions due to the impact of new marketing programs implemented in mid 2000. Average managed consumer finance loans increased \$960 million to \$29.5 billion, and average managed direct/indirect consumer loans increased \$760 million to \$40.6 billion.

Average managed commercial loans decreased \$9.7 billion to \$192.7 billion for the nine months ended September 30, 2001. The commercial - domestic portfolio decreased \$8.6 billion to \$139.9 billion, reflecting paydowns and continuing efforts to reduce corporate loan levels and exit less profitable relationships. The commercial - foreign portfolio declined \$1.2 billion to \$27.4 billion primarily due to paydowns on customer balances.

The average securities portfolio for the nine months ended September 30, 2001 decreased \$29.2 billion to \$56.6 billion. As a percentage of total uses of funds, the average securities portfolio decreased by four percent to nine percent for the nine months ended September 30, 2001. See the following "Securities" section for additional information on the securities portfolio.

Average other assets and cash and cash equivalents remained relatively stable as it decreased \$1.8 billion to \$86.8 billion for the nine months ended September 30, 2001.

At September 30, 2001, cash and cash equivalents were \$23.3 billion, a decrease of \$4.2 billion from December 31, 2000. During the nine months ended September 30, 2001, net cash used in operating activities was \$2.0 billion, net cash provided by investing activities was \$23.2 billion and net cash used in financing activities was \$25.4 billion. For further information on cash flows, see the Consolidated Statement of Cash Flows of the consolidated financial statements.

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Average levels of customer-based deposits increased \$12.0 billion to \$303.3 billion for the nine months ended September 30, 2001, primarily due to increases in consumer money market savings accounts. These increases are due to new customer accounts as well as existing customers shifting from other deposit sources, reflecting the success of the new deposit pricing strategy implemented in 2000. As a percentage of total sources of funds, average levels of customer-based deposits increased by three percent to 47 percent for the nine months ended September 30, 2001.

Average levels of market-based funds decreased \$35.9 billion for the nine months ended September 30, 2001 to \$181.7 billion, primarily driven by the decline in securities sold under agreements to repurchase. In addition, average levels of long-term debt increased \$751 million to \$70.1 billion for the nine months ended September 30, 2001, mainly as a result of borrowings to fund 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 Corporation's 2000 Annual Report on Form 10-K. Management believes that the Corporation's sources of liquidity are more than adequate to meet its cash requirements.

Securities

The securities portfolio at September 30, 2001 consisted of available-for-sale securities totaling \$74.8 billion compared to \$64.7 billion at December 31, 2000. Held-to-maturity securities totaled \$1.1 billion and \$1.2 billion at September 30, 2001 and December 31, 2000, respectively. During 2001, \$9.2 billion of residential mortgage loans were securitized, of which \$8.5 billion occurred in the third quarter of 2001. At September 30, 2001, \$7.8 billion of these securitized loans remained in the available-for-sale securities portfolio.

The valuation allowance for available-for-sale and marketable equity securities is included in shareholders' equity. At September 30, 2001, the valuation allowance consisted of unrealized gains of \$469 million, net of related income taxes of \$240 million, primarily reflecting \$876 million of pre-tax net unrealized gains on available-for-sale securities and \$167 million pre-tax net unrealized losses on marketable equity securities. 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 September 30, 2001 and December 31, 2000, the market value of the Corporation's held-to-maturity securities reflected pre-tax net unrealized losses of \$55 million and \$54 million, respectively.

The estimated average duration of the available-for-sale securities portfolio was 3.53 years at September 30, 2001 compared to 4.13 years at December 31, 2000.

Gains on sales of securities were \$97 million and \$82 million for the three months and nine months ended September 30, 2001, respectively, compared to gains of \$11 million and \$23 million in the respective periods of 2000. The Corporation realized these gains on sales of securities as a result of the repositioning of its investment portfolio.

Capital Resources and Capital Management

Shareholders' equity at September 30, 2001 was \$50.2 billion compared to \$47.6 billion at December 31, 2000, an increase of \$2.6 billion. The increase was primarily due to net earnings (net income less dividends) of \$2.0 billion, recognition of \$1.0 billion of after-tax net unrealized gains on available-for-sale and marketable equity securities, net gains on derivatives of \$1.5 billion, and \$903 million in common stock issued under employee plans, partially offset by the repurchase of approximately 54 million shares of common stock for approximately \$3.0 billion.

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During 2000, the Corporation completed its 1999 stock repurchase plan, and 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. At September 30, 2001, the remaining buyback authority for common stock under the 2000 program totaled \$3.8 billion, or 31 million shares. During the nine months ended September 30, 2001, the Corporation repurchased approximately 54 million shares of its common stock in open market repurchases at an average per-share price of \$56.06, which reduced shareholders' equity by \$3.0 billion and increased earnings per share by approximately \$0.03 for the nine months ended September 30, 2001. During the nine months ended September 30, 2000, the Corporation repurchased approximately 50 million shares of its common stock in open market repurchases at an average per-share price of \$49.18, which reduced shareholders' equity by \$2.4 billion.

Presented below are the regulatory risk-based capital ratios and capital amounts for the Corporation and Bank of America, N.A. at September 30, 2001 and December 31, 2000. The Corporation and Bank of America, N.A. were considered "well-capitalized" at September 30, 2001:

<TABLE>
<CAPTION>

September 30, 2001

December 31, 2000

(Dollars in millions)	Ratio	Amount	Ratio	Amount
<S>	<C>	<C>	<C>	<C>
Tier 1 Capital				
Bank of America Corporation	7.95 %	\$41,517	7.50 %	\$40,667
Bank of America, N.A.	8.39	40,589	7.72	39,178
Total Capital				
Bank of America Corporation	12.12	63,311	11.04	59,826
Bank of America, N.A.	11.57	55,970	10.81	54,871
Leverage				
Bank of America Corporation	6.59	41,517	6.12	40,667
Bank of America, N.A.	7.35	40,589	6.59	39,178

</TABLE>

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 September 30, 2001, the Corporation had no subordinated debt that qualified as Tier 3 Capital.

At September 30, 2001, the regulatory risk-based capital ratios of the Corporation and Bank of America, N.A. exceeded the regulatory minimums of four percent for Tier 1 risk-based capital ratio, eight percent for total risk-based capital ratio and the leverage guidelines of 100 to 200 basis points above the minimum ratio of three percent.

On October 24, 2001, the Board approved a \$0.04 per share, or seven percent, increase in the quarterly common dividend. This increase brings the common dividend to \$0.60 per share for the fourth quarter of 2001 and \$2.28 per share for the year ended December 31, 2001.

Credit Risk Management and Credit Portfolio Review

The following section discusses credit risk in the loan portfolio. The Corporation's primary credit exposure is focused in its loans and leases portfolio, which totaled \$339.0 billion and \$392.2 billion at September 30, 2001 and December 31, 2000, respectively. Table Eight presents loans and leases, nonperforming assets and net charge-offs by category. Additional information on components of and changes in the Corporation's consumer and commercial

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loan portfolios can be found in the average earning asset discussion within the "Net Interest Income" section on page 34 and the "Balance Sheet Review and Liquidity Risk Management" section on page 45.

As a result of the exit of the auto leasing and subprime real estate lending businesses, the Corporation immediately ceased originations of auto leases and subprime real estate loans. The Corporation intends to allow its auto lease portfolio to run off over its remaining term of three to four years. The Corporation intends to liquidate the subprime real estate loan portfolio through securitizations and sales. Accordingly, the portfolio was transferred to loans held for sale in other assets. Additional information on the exit of these consumer finance businesses can be found in the Consumer Portfolio section on page 50.

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Table Eight
Loans and Leases, Nonperforming Assets and Net Charge-offs

<TABLE>
<CAPTION>

Nonperforming Assets/(1)/

Loans and Leases

		September 30		December 31		September	
		2001		2000		2001	
(Dollars in millions)		Amount		Amount		Amount	
Amount							
<S>		<C>		<C>		<C>	
<C>		<C>		<C>		<C>	
Commercial - domestic		\$126,410	37.2 %	\$146,040	37.2 %	\$2,705	
\$2,777							
Commercial - foreign		25,357	7.5	31,066	7.9	566	
486							
Commercial real estate - domestic		23,607	7.0	26,154	6.7	257	
236							
Commercial real estate - foreign		366	.1	282	.1	2	
3							
Total commercial		175,740	51.8	203,542	51.9	3,530	
3,502							
Residential mortgage		76,962	22.7	84,394	21.5	491	
551							
Home equity lines		22,288	6.6	21,598	5.5	61	
32							
Direct/Indirect consumer		38,513	11.4	40,457	10.3	20	
19							
Consumer finance		5,352	1.6	25,800	6.6	9	
1,095							
Bankcard		18,040	5.3	14,094	3.6	-	
-							
Foreign consumer		2,123	.6	2,308	.6	8	
9							
Total consumer		163,278	48.2	188,651	48.1	589	
1,706							
Total nonperforming loans						4,119	
5,208							
Foreclosed properties						404	
249							
Total		\$339,018	100.0 %	\$392,193	100.0 %	\$4,523	
\$5,457							
=====							
Nonperforming assets as a percentage of:							
Total assets						.71	
%	.85 %						
Loans, leases and foreclosed properties						1.33	
1.39							
Nonperforming loans as a percentage of loans and leases						1.22	
1.33							
Loans past due 90 days or more and not classified as nonperforming						\$691	
\$495							

<CAPTION>

Net Charge-offs/ (2) /

September 30

Three Months Ended September 30

Nine Months Ended

2000

2001

2000

2001

(Dollars in millions)
Amount Percent

	Amount	Percent	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commercial - domestic \$583 .52 %	\$412	1.26 %	\$185	.48 %	\$1,235	1.20 %
Commercial - foreign 52 .24	57	.89	23	.30	148	.72
Commercial real estate - domestic 10 .05	4	.07	(2)	n/m	22	.12
Commercial real estate - foreign (2) n/m	-	-	-	-	-	-
Total commercial 643 .42	473	1.05	206	.39	1,405	.99
Residential mortgage 14 .02	7	.04	6	.03	20	.03
Home equity lines 8 .05	4	.07	2	.04	14	.08
Direct/Indirect consumer 213 .68	94	.94	61	.57	234	.78
Consumer finance/(3)/ 184 1.02	720	17.47	68	1.08	880	5.11
Bankcard 237 3.30	181	4.08	79	2.89	464	3.89
Other consumer - domestic 24 n/m	11	n/m	12	n/m	30	n/m
Foreign consumer 2 .14	1	.21	1	.20	3	.21
Total consumer 682 .49	1,018	2.27	229	.47	1,645	1.18
Total net charge-offs \$1,325 .45 %	\$1,491	1.65 %	\$435	.43 %	\$3,050	1.08 %
Managed bankcard net charge-offs and ratios/(4)/ \$710 4.79 %	\$307	4.81 %	\$216	4.16 %	\$852	4.71 %

</TABLE>

n/m = not meaningful

- (1) Balances do not include \$1.3 billion and \$124 million of loans held for sale, included in other assets at September 30, 2001 and December 31, 2000, respectively, which would have been classified as nonperforming had they been included in loans. In the third quarter of 2001, \$1.2 billion of nonperforming loans were transferred to loans held for sale as a result of the exit of the subprime real estate lending business. The Corporation had approximately \$206 million and \$390 million of troubled debt restructured loans at September 30, 2001 and December 31, 2000, respectively, which were accruing interest and were not included in nonperforming assets.
- (2) Percentage amounts are calculated as annualized net charge-offs divided by average outstanding loans and leases during the period for each loan category.
- (3) Includes \$635 million related to the exit of the subprime real estate lending business in the third quarter of 2001.
- (4) Includes both on-balance sheet and securitized loans.

Commercial Portfolio

At September 30, 2001 and December 31, 2000, total commercial loans outstanding totaled \$175.7 billion and \$203.5 billion, respectively, or 52 percent of total loans and leases at both points in time. Domestic commercial loans, including commercial real estate, accounted for 85 percent of total commercial loans at both September 30, 2001 and December 31, 2000.

Commercial - domestic loans outstanding totaled \$126.4 billion and \$146.0 billion at September 30, 2001 and December 31, 2000, respectively, or 37 percent

of total loans and leases at both points in time. The Corporation had commercial - domestic loan net charge-offs of \$1.2 billion, or 1.20 percent of average commercial - domestic loans, for the nine months ended September 30, 2001, compared to \$583 million, or 0.52 percent, for the nine months ended September 30, 2000. Net charge-offs increased primarily due to deterioration in credit quality stemming from the weak economic environment and the sale of distressed loans in 2001. Nonperforming commercial - domestic loans were \$2.7 billion, or 2.14 percent of commercial - domestic loans, at September 30, 2001, compared to \$2.8 billion, or 1.90 percent, at December 31, 2000. The decline in nonperformers was primarily driven by sales of nonperforming loans in 2001, partially offset by the addition of four large credits as well as smaller credits across various industries and business segments. Two of the four large credits occurred in the first quarter of 2001 when a client in the utilities industry and a client in the chemical and plastics industry filed for bankruptcy. The other two credits occurred in the second quarter of 2001 in the apparel industry and the computer services industry. Commercial - domestic loans past due 90 days or more and still accruing interest were \$133 million at September 30, 2001, compared to \$141 million at December 31, 2000, or 0.10 percent of commercial - domestic loans at both points in time.

Commercial - foreign loans outstanding totaled \$25.4 billion and \$31.1 billion at September 30, 2001 and December 31, 2000, respectively, or eight percent of total loans and leases at both points in time. The Corporation had commercial - foreign loan net charge-offs for the nine months ended September 30, 2001 of \$148 million, or 0.72 percent of average commercial - foreign loans, compared to \$52 million, or 0.24 percent of average commercial - foreign loans, for the nine months ended September 30, 2000. Nonperforming commercial - foreign loans were \$566 million, or 2.23 percent of commercial - foreign loans, at September 30, 2001, compared to \$486 million, or 1.56 percent, at December 31, 2000. The inflows for 2001 included one large credit in the steel industry during the third quarter. Commercial - foreign loans past due 90 days or more and still accruing interest were \$142 million at September 30, 2001, compared to \$37 million at December 31, 2000, or 0.56 percent and 0.12 percent of commercial - foreign loans, respectively. For additional information, see the International Exposure discussion beginning on page 57.

Commercial real estate - domestic loans totaled \$23.6 billion and \$26.2 billion at September 30, 2001 and December 31, 2000, respectively, and remained stable at seven percent of total loans and leases. Net charge-offs remained negligible at \$22 million, or 0.12 percent of average commercial real estate - domestic loans, for the nine months ended September 30, 2001. Nonperforming commercial real estate - domestic loans were \$257 million, or 1.09 percent of commercial real estate - domestic loans, at September 30, 2001, compared to \$236 million, or 0.90 percent, at December 31, 2000. At September 30, 2001, commercial real estate - domestic loans past due 90 days or more and still accruing interest were \$8 million, or 0.03 percent of total commercial real estate - domestic loans, compared to \$16 million, or 0.06 percent, at December 31, 2000. Table Eleven 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.

Table Twelve presents aggregate commercial loan and lease exposures by certain significant industries.

Consumer Portfolio

At September 30, 2001 and December 31, 2000, total consumer loans outstanding totaled \$163.3 billion and \$188.7 billion, respectively, or 48 percent of total loans and leases at both points in time. Approximately 65 percent and 70 percent of these loans were secured by first and second mortgages on residential real estate at September 30, 2001 and December 31, 2000, respectively.

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.

Residential mortgage loans decreased to \$77.0 billion at September 30, 2001, compared to \$84.4 billion at December 31, 2000, or 23 percent and 22 percent of total loans and leases, respectively. This decrease was primarily due to an \$8.5 billion securitization in the third quarter of 2001. Net charge-offs on residential mortgage loans remained negligible at \$20 million, or 0.03 percent of average residential mortgage loans, for the nine months ended September 30, 2001. Nonperforming residential mortgage loans decreased \$60 million to \$491 million at September 30, 2001. The decline in nonperformers was driven by the sale of approximately \$200 million of nonperforming loans in the third quarter of 2001.

Home equity loans increased to \$22.3 billion at September 30, 2001

compared to \$21.6 billion at December 31, 2000 or seven percent and six percent of total loans and leases, respectively. Net charge-offs on home equity loans remained negligible at \$14 million, or 0.08 percent of average home equity loans, for the nine months ended September 30, 2001. Nonperforming home equity loans increased by \$29 million to \$61 million at September 30, 2001 compared to \$32 million at December 31, 2000.

Consumer finance loans outstanding totaled \$5.4 billion and \$25.8 billion at September 30, 2001 and December 31, 2000, respectively, or two percent and seven percent of total loans and leases, respectively. Consumer finance nonperforming loans decreased \$1.1 billion to \$9 million at September 30, 2001. These decreases were due to the transfer of approximately \$21.4 billion of subprime real estate loans, of which \$1.2 billion were nonperforming, to loans held for sale related to the exit of the subprime real estate lending business in the third quarter of 2001. The Corporation had consumer finance net charge-offs of \$880 million, or 5.11 percent of average consumer finance loans, for the nine months ended September 30, 2001, compared to \$184 million, or 1.02 percent, for the nine months ended September 30, 2000. The increase in charge-offs primarily reflected exit-related charge-offs of \$635 million that were used to write down the subprime real estate loan portfolio to estimated market value in the third quarter of 2001. In addition, a weakened economic environment as well as the effect of the FFIEC charge-off policy adopted in the fourth quarter of 2000 contributed to the net charge-off increase.

Bankcard receivables increased to \$18.0 billion at September 30, 2001, compared to \$14.1 billion at December 31, 2000. Net charge-offs on bankcard receivables for the nine months ended September 30, 2001 were \$464 million, or 3.89 percent of average bankcard receivables, compared to \$237 million, or 3.30 percent, for the nine months ended September 30, 2000. The increase in charge-offs was primarily a result of growth in the portfolio outstandings and an increase in personal bankruptcy filings. Managed bankcard net charge-offs increased \$142 million to \$852 million, while the managed net charge-off ratio decreased 8 basis points to 4.71 percent for the nine months ended September 30, 2001. Bankcard loans past due 90 days or more and still accruing interest were \$280 million, or 1.55 percent of bankcard receivables, at September 30, 2001, compared to \$191 million, or 1.36 percent, at December 31, 2000.

Other consumer loans, which include direct and indirect consumer and foreign consumer loans, were \$40.6 and \$42.8 billion at September 30, 2001 and December 31, 2000, respectively. Direct and indirect consumer loan net charge-offs were \$234 million, or 0.78 percent of average direct and indirect consumer loans outstanding, for the nine months ended September 30, 2001, compared to \$213 million, or 0.68 percent of the average balance outstanding, for the comparable period in 2000. Foreign consumer loan net charge-offs were \$3 million and \$2 million, or 0.21 percent and 0.14 percent of average foreign consumer loans, for the nine months ended September 30, 2001 and 2000, respectively.

Excluding bankcard, total consumer loans past due 90 days or more and still accruing interest were \$128 million, or 0.08 percent of total consumer loans, at September 30, 2001, compared to \$110 million, or 0.06 percent, at December 31, 2000.

Nonperforming Assets

As presented in Table Eight, nonperforming assets decreased to \$4.5 billion, or 1.33 percent of loans, leases and foreclosed properties, at September 30, 2001 from \$5.5 billion, or 1.39 percent, at December 31, 2000.

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Nonperforming loans decreased to \$4.1 billion at September 30, 2001 from \$5.2 billion at December 31, 2000, primarily due to the transfer of \$1.2 billion of nonperforming subprime real estate loans from the loans and leases portfolio to loans held for sale included in other assets related to the decision to exit the subprime real estate lending business and due to sales of nonperforming commercial - domestic and residential mortgage loans in 2001. These decreases were partially offset by nonperforming inflows in the commercial - domestic, commercial - foreign, residential mortgage and home equity lines portfolios. Credit deterioration in loans continued as companies and individuals were affected by the weakening economic environment. Foreclosed properties increased to \$404 million at September 30, 2001, compared to \$249 million at December 31, 2000.

Table Nine presents the additions to and reductions in nonperforming assets in the consumer and commercial portfolios during the most recent five quarters.

Table Nine
Nonperforming Assets

<TABLE>
<CAPTION>

- - - - -

Third Quarter (Dollars in millions) 2000	Third Quarter 2001	Second Quarter 2001	First Quarter 2001	Fourth Quarter 2000
<S> <C>	<C>	<C>	<C>	<C>
Balance, beginning of period \$3,886	\$6,195	\$5,897	\$5,457	\$4,403
Commercial				
Additions to nonperforming assets:				
New nonaccrual loans and foreclosed properties	761	1,376	1,315	1,954
913				
Advances on loans	32	33	26	28
19				
Total commercial additions	793	1,409	1,341	1,982
932				
Reductions in nonperforming assets:				
Paydowns, payoffs and sales	(635)	(732)	(398)	(288)
(179)				
Returns to performing status	(86)	(19)	(126)	(73)
(72)				
Charge-offs/(1)/	(513)	(525)	(467)	(774)
(243)				
Transfers to assets held for sale	-	-	-	-
(63)				
Total commercial reductions	(1,234)	(1,276)	(991)	(1,135)
(557)				
Total commercial net additions (reductions) to nonperforming assets	(441)	133	350	847
375				
Consumer				
Additions to nonperforming assets:				
New nonaccrual loans and foreclosed properties	694	836	819	834
722				
Total consumer additions	694	836	819	834
722				
Reductions in nonperforming assets:				
Paydowns, payoffs and sales	(413)	(159)	(135)	(95)
(110)				
Returns to performing status	(256)	(440)	(483)	(391)
(402)				
Charge-offs/(1)/	(69)	(69)	(101)	(135)
(64)				
Transfers to assets held for sale/(2)/	(1,187)	(3)	(10)	(6)
(4)				
Total consumer reductions	(1,925)	(671)	(729)	(627)
(580)				
Total consumer net additions (reductions) to nonperforming assets	(1,231)	165	90	207
142				
Total net additions (reductions) to nonperforming assets	(1,672)	298	440	1,054
517				
Balance, end of period \$4,403	\$4,523	\$6,195	\$5,897	\$5,457

=====

</TABLE>

- (1) Certain loan products, including commercial bankcard, consumer bankcard and other unsecured loans, are not classified as nonperforming; therefore, the charge-offs on these loans are not included above.
- (2) Primarily related to the exit of the subprime real estate lending business in the third quarter of 2001.

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.

During the nine months ended September 30, 2001, the Corporation sold approximately \$1.7 billion of nonperforming and poorly performing commercial and consumer loans. The Corporation expects to continue to aggressively manage credit risk and exit problem credits where practical.

Note Five of the consolidated financial statements provides the reported investment in specific loans considered to be impaired at September 30, 2001 and December 31, 2000. The Corporation's investment in specific loans that were considered to be impaired at September 30, 2001 was \$3.6 billion, compared to \$3.8 billion at

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December 31, 2000. Commercial - domestic impaired loans decreased \$261 million to \$2.6 billion at September 30, 2001 compared to December 31, 2000. Commercial - foreign impaired loans increased \$61 million to \$582 million. Commercial real estate - domestic impaired loans decreased \$21 million to \$391 million.

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 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 reflected 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 reflected management's best estimate of incurred credit losses as of the balance sheet date.

The provision for credit losses increased \$1.6 billion to \$2.9 billion for the nine months ended September 30, 2001, compared to the same period in 2000.

The increase in the provision was primarily driven by increased credit deterioration related to a slowing economy as well as a provision for credit losses of \$395 million in the consumer finance portfolio related to the Corporation's strategic decision to exit the subprime real estate lending business. The \$395 million provision was combined with an existing allowance for credit losses of \$240 million and used to write down the subprime real estate loan portfolio to estimated market value.

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 September 30, 2001. Table Ten provides the changes in the allowance for credit losses for the three months and nine months ended September 30, 2001 and 2000.

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Table Ten
Allowance for Credit Losses

<TABLE>
<CAPTION>

Months	Three Months		Nine
	Ended September 30		Ended
September 30			
(Dollars in millions)	2001	2000	2001
<S>	<C>	<C>	<C>
<C>			
Balance, beginning of period	\$ 6,911	\$ 6,815	\$ 6,838
\$ 6,828			
Loans and leases charged off			
Commercial - domestic	(471)	(214)	(1,376)
(671)			
Commercial - foreign	(71)	(33)	(179)
(80)			
Commercial real estate - domestic	(5)	(3)	(27)
(25)			
Commercial real estate - foreign	-	(1)	-
(1)			
Total commercial	(547)	(251)	(1,582)
(777)			
Residential mortgage	(11)	(8)	(30)
(22)			
Home equity lines	(8)	(4)	(23)
(14)			
Direct/Indirect consumer	(133)	(102)	(364)
(357)			
Consumer finance /(1)/	(734)	(112)	(948)
(294)			
Bankcard	(204)	(92)	(524)
(277)			
Other consumer - domestic	(16)	(16)	(48)
(32)			
Foreign consumer	(1)	(1)	(4)
(3)			
Total consumer	(1,107)	(335)	(1,941)
(999)			
Total loans and leases charged off	(1,654)	(586)	(3,523)
(1,776)			
Recoveries of loans and leases previously charged off			
Commercial - domestic	59	29	141

Commercial - foreign 28	14	10	31
Commercial real estate - domestic 15	1	5	5
Commercial real estate - foreign 3	-	1	-

Total commercial 134	74	45	177

Residential mortgage 8	4	2	10
Home equity lines 6	4	2	9
Direct/Indirect consumer 144	39	41	130
Consumer finance 110	14	44	68
Bankcard 40	23	13	60
Other consumer - domestic 8	5	4	18
Foreign consumer 1	-	-	1

Total consumer 317	89	106	296

Total recoveries of loans and leases previously charged off 451	163	151	473

Net charge-offs (1,325)	(1,491)	(435)	(3,050)

Provision for credit losses / (2) / 1,325	1,251	435	2,886
Other, net (89)	(6)	(76)	(9)

Balance, September 30 \$ 6,739	\$ 6,665	\$ 6,739	\$ 6,665
=====			
Loans and leases outstanding at September 30 \$402,592	\$339,018	\$402,592	\$339,018
Allowance for credit losses as a percentage of loans and leases outstanding at September 30	1.97 %	1.67 %	1.97 %
Average loans and leases outstanding during the period \$390,296	\$357,726	\$402,763	\$376,261
Annualized net charge-offs as a percentage of average outstanding loans and leases during the period	1.65 %	.43 %	1.08 %
Allowance for credit losses as a percentage of nonperforming loans at end of period	161.81	161.32	161.81
=====			

</TABLE>

(1) Includes \$635 million related to the exit of the subprime real estate lending business in the third quarter of 2001.

(2) Includes \$395 million related to the exit of the subprime real estate lending business in the third quarter of 2001.

Concentrations of Credit Risk

In an effort to minimize the adverse impact of any single event or set of events, the Corporation strives to maintain a diverse credit portfolio as outlined in Tables Eleven, Twelve and Thirteen.

The Corporation maintains a diverse commercial loan portfolio, representing 52 percent of total loans and leases at September 30, 2001. The

largest concentration is in commercial real estate, which represents seven percent of total loans and leases at September 30, 2001. The exposures presented in Table Eleven 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 exposures included in the table do not include credit 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 exposures presented do not include commercial loans secured by owner-occupied real estate, except where the borrower is a real estate developer.

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Table Eleven
Commercial Real Estate Loans, Foreclosed Properties
and Other Real Estate Credit Exposures

<TABLE> <CAPTION> ----- September 30, 2001				
Other Credit (Dollars in millions) Exposures / (2) / ----- <S> By Geographic Region / (3) /	Loans		Foreclosed	
	Outstanding	Nonperforming	Properties / (1) /	
California 1,163	\$5,361	\$ 33	\$2	\$
Southwest 927	3,349	28	1	
Northwest 189	2,523	24	2	
Florida 503	2,494	25	-	
Geographically diversified 333	2,377	-	-	
Midwest 704	1,822	26	26	
Mid-Atlantic 471	1,542	22	-	
Carolinas 181	1,447	7	-	
Midsouth 380	1,340	4	-	
Northeast 790	701	50	-	
Other states 289	651	38	47	
Non-US 9	366	2	-	
----- Total	\$23,973	\$259	\$78	
\$5,939				
=====				
=				
By Property Type				
Office buildings 619	\$4,619	\$19	\$ -	\$
Apartments 1,534	4,163	22	-	
Residential 213	3,368	30	-	
Shopping centers/retail 1,010	3,165	10	17	
Industrial/warehouse 226	2,359	33	16	
Land and land development 193	1,476	1	7	
Hotels/motels 428	1,206	34	15	
Multiple use 67	790	1	-	

Miscellaneous commercial	417	1	-
26			
Unsecured	168	-	-
391			
Other	1,876	106	23
1,223			
Non-US	366	2	-
9			

Total	\$23,973	\$259	\$78
\$5,939			
=====			
=			

- (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.

Table Twelve presents the ten largest industries included in the commercial loan and lease portfolio at September 30, 2001 and the respective balances at December 31, 2000. Total commercial loans outstanding, excluding commercial real estate loans, comprised 45 percent of total loans and leases at both September 30, 2001 and December 31, 2000, respectively. No commercial industry concentration is greater than 3.2 percent of total loans and leases.

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Table Twelve
Significant Industry Loans and Leases (1)

<TABLE>				
<CAPTION>				

	September 30, 2001		December 31, 2000	

(Dollars in millions)	Outstanding	Percent of Total Loans and Leases	Outstanding	Percent of Total Loans and Leases

<S>	<C>	<C>	<C>	<C>
Transportation	\$10,801	3.2 %	\$11,704	3.0 %
Business services	7,855	2.3	8,883	2.3
Media	7,362	2.2	9,322	2.4
Equipment and general manufacturing	7,039	2.1	8,982	2.3
Agribusiness	6,169	1.8	7,672	2.0
Healthcare	6,000	1.8	7,201	1.8
Telecommunications	5,918	1.7	6,801	1.7
Autos	5,848	1.7	6,741	1.7
Retail	5,180	1.5	7,049	1.8
Oil and gas	4,733	1.4	5,299	1.4
=====				
</TABLE>				

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

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 most countries in the three regions where the Corporation has exposure: Asia, Europe, and Latin America.

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 Thirteen sets forth selected regional foreign exposure at September 30, 2001. The countries selected represent those that are sometimes considered as having higher credit and foreign exchange risk. At September 30, 2001, the Corporation's total exposure to these select countries was \$23.6 billion, a decrease of \$6.7 billion from December 31, 2000, primarily due to reductions in exposure to Japan and to most other countries in Asia, Europe and Latin America, with the exception of Brazil. Table Thirteen is based on the FFIEC's instructions for periodic reporting of foreign exposure.

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<TABLE>
<CAPTION>

		Derivatives						Total
Increase/ (Decrease) from 30, December 31, (Dollars in millions) 2000		Loans and Loan Commitments	Other Financing/(1)/ September 2001	(Net Positive Mark-to- Market)	Securities/ Other Investments	Total Cross- border Exposure/(2)/	Gross Local Country Exposure/(3)/	Binding Exposure September 2001
<S> <C> Region/Country		<C>	<C>	<C>	<C>	<C>	<C>	<C>
Asia								
China 349	\$ 29	\$ 92	\$ 64	\$ 23	\$ 80	\$ 259	\$ 90	\$
Hong Kong 4,000	(564)	169	50	27	111	357	3,643	
India 1,836	(373)	667	67	60	35	829	1,007	
Indonesia 294	(101)	231	8	19	14	272	22	
Japan 4,356	(2,738)	741	66	276	2,934	4,017	339	
Korea (South) 1,541	(679)	230	463	37	16	746	795	
Malaysia 323	(199)	54	9	1	-	64	259	
Pakistan 23	5	15	6	-	2	23	-	
Philippines 346	(45)	181	14	15	43	253	93	
Singapore 1,184	(290)	187	9	54	6	256	928	
Taiwan 863	(266)	262	61	21	-	344	519	
Thailand 439	32	41	11	27	29	108	331	
Other 115	(17)	2	15	-	-	17	98	
Total 15,669		\$ 2,872	\$ 843	\$ 560	\$ 3,270	\$ 7,545	\$ 8,124	\$
Total 460		\$ 121	\$ 47	\$ 15	\$ 220	\$ 403	\$ 57	\$
Central and Eastern Europe								
Russian Federation 4	\$ 2	\$ -	\$ 1	\$ -	\$ 3	\$ 4	\$ -	\$
Turkey 114	(218)	51	28	1	34	114	-	
Other 342	98	70	18	14	183	285	57	
Total 460		\$ 121	\$ 47	\$ 15	\$ 220	\$ 403	\$ 57	\$

Latin America

Argentina	\$	363	\$	87	\$	35	\$	138	\$	623	\$	103	\$
726	\$	(348)											
Brazil		975		337		34		193		1,539		855	
2,394		130											
Chile		354		13		32		3		402		143	
545		(435)											
Colombia		125		16		14		6		161		-	
161		(125)											
Mexico		1,134		295		117		1,312		2,858		121	
2,979		(457)											
Venezuela		128		16		7		214		365		8	
373		(106)											
Other		153		63		11		98		325		-	
325		(37)											

Total	\$	3,232	\$	827	\$	250	\$	1,964	\$	6,273	\$	1,230	\$
7,503	\$	(1,378)											

Total	\$	6,225	\$	1,717	\$	825	\$	5,454	\$	14,221	\$	9,411	\$
23,632	\$	(6,702)											

</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.

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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 the Corporation's Risk Management group (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 conform to 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.

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Histogram of Daily Market Risk-Related Revenue
Twelve Months Ended September 30, 2001

[GRAPHIC]

Daily Market Risk-Related Revenue (Dollars in millions)	Number of Days
-----	-----
Less than \$(10)	6
\$(5) to \$(10)	1
\$(5) to \$0	14
\$0 to \$5	22
\$5 to \$10	55
\$10 to \$15	40
\$15 to \$20	45
\$20 to \$25	30
\$25 to \$30	24
\$30 to \$35	4
\$35 to \$40	3
\$40 to \$45	1
Greater than \$45	5

Market risk-related revenue includes trading revenue and trading-related net interest income, which encompass both proprietary trading and customer-related activities. During 2001, the Corporation has 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 above. During the twelve months ended September 30, 2001, the Corporation recorded positive daily market risk-related revenue for 229 of 250 trading days. Furthermore, of the 21 days that showed negative revenue, only six days were 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 following graph shows, during the twelve months ended September 30, 2001, actual market risk-related revenue exceeded VAR measures three days out of 250 total trading days. During the same period, actual market risk-related losses exceeded VAR measures one day out of 250 total trading days. This occurred immediately following the events of September 11, 2001, due to extreme market conditions. Given the 99 percent confidence interval captured by VAR, market risk-related revenue or losses would be expected to exceed VAR measures approximately once every 100 trading days, or two to three times each year.

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Trading Risk and Return Daily VAR and Market Risk-Related Revenue

[GRAPHIC]

Line graph representation of Daily Market Risk-Related Revenue and VAR for the twelve months ended September 30, 2001. During the period, the daily market risk-related revenue ranged from \$(56) million to \$49 million. Over the same period, VAR ranged from \$25 million to \$70 million.

The following table summarizes the VAR in the Corporation's trading portfolios for the twelve months ended September 30, 2001 and 2000:

Table Fourteen
Trading Activities Market Risk

<TABLE>
<CAPTION>

Twelve Months Ended September 30						
	2001			2000		
(US Dollar equivalents in millions) /(2)/	Average VAR /(1)/	High VAR /(2)/	Low VAR /(2)/	Average VAR /(1)/	High VAR /(2)/	Low VAR
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest rate	\$ 32.6	\$ 47.0	\$ 16.3	\$ 24.9	\$ 35.5	\$ 17.8
Foreign exchange	8.6	15.5	5.0	10.6	21.7	5.4
Commodities	3.0	8.2	.1	1.9	5.8	
.5						
Equities	14.6	28.0	5.5	29.5	41.5	
16.5						
Credit products	9.1	16.9	3.0	12.6	18.1	6.1
Real estate/mortgage	29.5	55.5	8.3	7.0	11.3	2.5
Total trading portfolio	49.2	69.9	25.1	42.1	53.0	30.7

- (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 total portfolio may not equal the sum of the individual components as the highs or lows of the individual portfolios may have occurred on different trading days.

Total trading portfolio VAR increased during the twelve months ended September 30, 2001 relative to the twelve months ended September 30, 2000. This increase was due to increased activity in the interest rate business and the addition of mortgage banking assets to the VAR calculation for the real estate/mortgage portfolio in the first quarter of 2001. These increases were partially offset by a decrease in the equities business.

In the fourth quarter of 2000, the methodology used to calculate VAR for the equities portfolio was changed. The net effect of the change was an approximate \$20 million reduction in reported VAR for equities. VAR was not restated for previous quarters for this change.

The following table summarizes the quarterly VAR in the Corporation's trading portfolios for the most recent four quarters:

Table Fifteen
Quarterly Trading Activities Market Risk

<TABLE>
<CAPTION>

	Third Quarter 2001			Second Quarter 2001		
(US Dollar equivalents in millions)	Average VAR /(1)/	High VAR /(2)/	Low VAR /(2)/	Average VAR /(1)/	High VAR /(2)/	Low VAR /(2)/
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest rate	\$ 34.4	\$ 47.0	\$ 23.0	\$ 38.8	\$ 43.5	\$ 32.6
Foreign exchange	7.6	11.2	5.2	8.0	11.0	5.5
Commodities	4.8	8.2	1.5	2.7	5.7	1.3
Equities	16.2	19.1	12.7	18.1	25.1	13.5

Credit products	13.0	15.8	10.3	10.7	16.9	6.6
Real estate/mortgage	32.9	41.5	23.2	41.2	55.5	28.6
Total trading portfolio	53.1	63.3	45.4	61.3	69.9	55.2

<CAPTION>

	First Quarter 2001			Fourth Quarter 2000		
(US Dollar equivalents in millions) /(2)/	Average VAR /(1)/	High VAR /(2)/	Low VAR /(2)/	Average VAR /(1)/	High VAR /(2)/	Low VAR
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest rate	\$ 32.1	\$ 46.2	\$ 26.9	\$ 25.2	\$ 42.2	\$ 16.3
Foreign exchange	8.2	12.8	5.0	10.6	15.5	5.7
Commodities	1.8	3.8	.9	2.8	4.8	1.5
Equities	13.1	22.5	8.9	10.4	21.6	
5.5						
Credit products	6.2	8.0	3.0	6.3	8.5	3.2
Real estate/mortgage	33.7	43.4	8.8	9.6	11.1	8.3
Total trading portfolio	50.0	59.6	42.4	32.0	45.5	25.1

- (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 total portfolio may not equal the sum of the individual components as the highs or lows of the individual portfolios may have occurred on different trading days.

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 Corporation's 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 portfolios and identifying and linking derivative positions to specific hedged 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 that 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 derivative 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.

The Corporation specifically reviews the impact on net interest income of parallel and non-parallel shifts in the yield curve over different time horizons. At September 30, 2001, the interest rate risk position of the Corporation was relatively neutral to parallel shifts in the yield curve as the impact on net interest income of a 100 basis point parallel shift, up or down, over either two months (rapid) or twelve months (gradual) would be less than one and one-half percent. A non-parallel shift in interest rates has been more prevalent during 2001. Given a steepening or flattening in the yield curve of 50 basis points, the Corporation's position at September 30, 2001 was also neutral as the impact of such a change on net interest income would be less than one-half percent.

Interest Rate and Foreign Exchange Contracts

Risk management interest rate contracts and foreign exchange contracts are utilized in the Corporation's ALM process. The Corporation maintains an overall interest rate risk management strategy that incorporates the use of interest rate contracts to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The Corporation's goal is to manage interest rate sensitivity so that movements in interest rates do not adversely affect net interest income. As a result of interest rate fluctuations, hedged fixed-rate assets and liabilities appreciate or depreciate in market value. Gains or losses on the derivative instruments that are linked to the hedged fixed-rate assets and liabilities are expected to substantially offset this unrealized appreciation or depreciation. Interest income and interest expense on hedged variable-rate assets and liabilities, respectively, increases or decreases as a result of interest rate fluctuations. Gains and losses on the derivative instruments that are linked to these hedged assets and liabilities are expected to substantially offset this variability in earnings. See Note Four of the consolidated financial statements for additional information on the Corporation's hedging activities.

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. 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. As reflected in Table Sixteen, the notional amount of the Corporation's receive fixed and pay fixed interest rate swaps at September 30, 2001 was \$70.5 billion and \$25.9 billion, respectively. The receive fixed interest rate swaps are primarily converting variable rate commercial loans to fixed rate. The net receive fixed position at September 30, 2001 was \$44.6 billion notional compared to \$48.8 billion notional at December 31, 2000. The Corporation had \$15.7 billion notional and \$14.7 billion notional of basis swaps at September 30, 2001 and December 31, 2000, respectively, linked primarily to loans and long-term debt. At September 30, 2001, the notional amount of option products being used in the Corporation's ALM process netted to zero, consisting of a \$3.5 billion long position and a \$3.5 billion short position, compared to \$22.5 billion notional of option products at December 31, 2000. The Corporation had \$7.1 billion notional and \$24.8 billion notional of futures and forward rate contracts at September 30, 2001 and December 31, 2000, respectively. In addition, open foreign exchange contracts at September 30, 2001 had a notional amount of \$22.7 billion compared to \$19.0 billion at December 31, 2000.

Table Sixteen also summarizes the expected maturity and the average estimated duration, weighted average receive and pay rates and the net unrealized gains and losses at September 30, 2001 and December 31, 2000 of the Corporation's open ALM interest rate swaps, as well as the expected maturity and net unrealized gains and losses at September 30, 2001 and December 31, 2000 of the Corporation's open ALM basis swaps, options, futures and forward rate and foreign exchange contracts. Unrealized gains and losses are based on the last repricing and will change in the future primarily based on movements in one-, three- and six-month LIBOR rates. The ALM swap portfolio had a net unrealized gain of \$2.6 billion and \$364 million at September 30, 2001 and December 31, 2000, respectively. The ALM option products had a net unrealized loss of \$3 million and \$157 million at September 30, 2001 and December 31, 2000, respectively. The ALM futures and forward rate contracts had a net unrealized

The amount of unamortized net realized deferred gains associated with closed ALM swaps was \$525 million and \$25 million at September 30, 2001 and December 31, 2000, respectively. The amount of unamortized net realized deferred gains associated with closed ALM options was \$13 million and \$95 million at September 30, 2001 and December 31, 2000, respectively. The amount of unamortized net realized deferred losses associated with closed ALM futures and forward contracts was \$34 million and \$15 million at September 30, 2001 and December 31, 2000, respectively. There were no unamortized net realized deferred gains or losses associated with closed foreign exchange contracts at September 30, 2001 and December 31, 2000. Of these unamortized net realized deferred gains, \$457 million was included in accumulated other comprehensive income at September 30, 2001.

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<TABLE>
<CAPTION>

September 30, 2001								
			Expected Maturity					
-----			-----					
----	Average							
(Dollars in millions, average	Fair							
After Estimated	Value							
estimated duration in years)	Total		2001	2002	2003	2004	2005	
2005 Duration								
-----			-----					
<S>	<C>		<C>	<C>	<C>	<C>	<C>	<C>
<C>								
Open interest rate contracts								
Total receive fixed swaps	\$ 3,486							
3.93								
Notional value		\$ 70,483	\$ 205	\$ 5,609	\$ 8,661	\$ 8,202	\$ 9,898	\$
37,908								
Weighted average receive rate		5.72%	6.67%	4.52%	4.96%	5.87%	6.65%	
5.79%								
Total pay fixed swaps	(895)							
4.40								
Notional value		\$ 25,901	\$ 18	\$ 828	\$ 6,730	\$ 4,348	\$ 2,679	\$
11,298								
Weighted average pay rate		5.37%	7.49%	6.96%	4.72%	4.32%	6.77%	
5.71%								
Basis swaps	9							
Notional value		\$ 15,700	\$ -	\$ -	\$ -	\$ 9,000	\$ 500	\$
6,200								

Total swaps	2,600							

Option products	(3)							
Notional amount		\$ -						
Futures and forward rate contracts	(24)							
Notional amount		\$ 7,100	\$ 7,100					

Total open interest rate								
contracts	2,573							

Closed interest rate								
contracts/(1)/	504							

Net interest rate contract								
position	3,077							

Open foreign exchange contracts	(222)							
Notional amount		\$ 22,709	\$ 797	\$ 2,214	\$ 3,560	\$ 4,835	\$ 6,644	\$
4,659								

Total ALM contracts	\$ 2,855							
=====								
=====								

<CAPTION>

December 31, 2000

		Expected Maturity						

-----	Average							
(Dollars in millions, average	Fair							
After Estimated	Value	Total	2001	2002	2003	2004	2005	
2005 estimated duration in years)								
Duration								

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>								

Open interest rate contracts								
Total receive fixed swaps	\$ 900							
3.65								
Notional amount		\$ 62,485	\$ 4,001	\$ 7,011	\$ 9,787	\$12,835	\$15,853	\$
12,998								
Weighted average receive rate		6.39%	6.28%	6.71%	5.53%	6.45%	6.76%	
6.41%								
Total pay fixed swaps	(529)							
5.66								
Notional amount		\$ 13,640	\$ 1,878	\$1,064	\$ 114	\$ 20	\$ 2,584	\$
7,980								
Weighted average pay rate		6.72%	5.86%	6.39%	7.14%	5.85%	7.05%	
6.82%								
Basis swaps	(7)							
Notional amount		\$14,739	\$ 576	\$1,669	\$ 442	\$ 7,700	\$ 4,317	\$
35								
Total swaps		364						

Option products	(157)							
Notional amount		\$22,477	\$ 2,087	\$ 868	\$ 1,575	\$ 7,882	\$ 4,101	\$
5,964								
Futures and forward rate contracts	(52)							
Notional amount		\$24,818	\$19,068	\$5,750	\$ -	\$ -	\$ -	\$
-								

Total open interest rate contracts	155							

Closed interest rate contracts/(1)/	105							

Net interest rate contract position	260							

Open foreign exchange contracts	(387)							
Notional amount		\$18,958	\$ 1,059	\$2,179	\$ 3,472	\$ 4,472	\$ 5,821	\$
1,955								

Total ALM contracts	\$ (127)							
=====								
=====								

</TABLE>

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

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 \$18.4 billion at September 30, 2001 with associated net unrealized losses of \$82 million. At December 31, 2000, the notional amount of such contracts was \$9.7 billion with associated net unrealized losses of \$53 million. These contracts have an average expected maturity of less than 90 days.

Table Seventeen
Selected Quarterly Financial Data

<TABLE> <CAPTION>		

	2001 Quarters	

	Third	Second
(Dollars in millions, except per share information)		
First		

<S>	<C>	<C>
<C>		
Operating Basis/(1)/		

Income statement		
Net interest income	\$ 5,204	\$ 5,030
\$ 4,639		
Net interest income (taxable-equivalent basis)	5,290	5,117
4,721		
Noninterest income	3,429	3,741
3,780		
Total revenue	8,633	8,771
8,419		
Total revenue (taxable-equivalent basis)	8,719	8,858
8,501		
Provision for credit losses	856	800
835		
Gains (losses) on sales of securities	97	(7)
(8)		
Other noninterest expense	4,606	4,821
4,654		
Income before income taxes	3,268	3,143
2,922		
Income tax expense	1,177	1,120
1,052		
Net income	2,091	2,023
1,870		
Average diluted common shares issued and outstanding (in thousands)	1,634,063	1,632,964
1,631,099		

Performance ratios		
Return on average assets	1.29%	1.24 %
1.17 %		
Return on average common shareholders' equity	16.87	16.67
15.86		
Efficiency ratio	52.82	54.44
54.73		
Net interest yield	3.78	3.61
3.39		
Shareholder value added	\$ 824	\$ 791
\$ 679		

Per common share data		
Earnings	\$ 1.31	\$ 1.26
\$ 1.16		
Diluted earnings	1.28	1.24
1.15		

Cash basis financial data /(2)/		
Earnings	\$ 2,310	\$ 2,246

\$ 2,093		
Earnings per common share	1.44	1.40
1.30		
Diluted earnings per common share	1.41	1.38
1.28		
Return on average assets	1.43%	1.37 %
1.31 %		
Return on average common shareholders' equity	18.64	18.52
17.75		
Efficiency ratio	50.32	51.92
52.11		

As Reported		

Income statement		
Net interest income	\$ 5,204	\$ 5,030
\$ 4,639		
Noninterest income	3,429	3,741
3,780		
Total revenue	8,633	8,771
8,419		
Provision for credit losses	1,251	800
835		
Gains (losses) on sales of securities	97	(7)
(8)		
Business exit costs	1,305	-
-		
Other noninterest expense	4,606	4,821
4,654		
Income before income taxes	1,568	3,143
2,922		
Income tax expense	727	1,120
1,052		
Net income	841	2,023
1,870		

Performance ratios		
Return on average assets	.52 %	1.24 %
1.17 %		
Return on average common shareholders' equity	6.78	16.67
15.86		
Total equity to total assets (period-end)	7.83	7.88
8.02		
Total average equity to total average assets	7.66	7.43
7.38		
Dividend payout ratio	106.49	44.35
48.14		

Per common share data		
Earnings	\$.52	\$ 1.26
\$ 1.16		
Diluted earnings	.51	1.24
1.15		
Cash dividends paid	.56	.56
.56		
Book value	31.66	30.75
30.47		

Cash basis financial data /(2)/		
Earnings	\$ 1,060	\$ 2,246
\$ 2,093		
Earnings per common share	.66	1.40
1.30		
Diluted earnings per common share	.65	1.38
1.28		
Return on average assets	.65 %	1.37 %
1.31 %		
Return on average common shareholders' equity	8.55	18.52
17.75		

Balance sheet (period-end)		
Total loans and leases	\$339,018	\$380,425
\$382,677		
Total assets	640,105	625,525
609,755		
Total deposits	359,870	363,486
352,460		
Long-term debt	61,213	63,243
67,044		
Trust preferred securities	4,955	4,955

4,955		
Common shareholders' equity	50,084	49,234
48,815		
Total shareholders' equity	50,151	49,302
48,886		

Risk-based capital ratios (period-end)		
Tier 1 capital	7.95 %	7.90 %
7.65 %		
Total capital	12.12	12.09
11.84		
Leverage ratio	6.59	6.50
6.41		

Market price per share of common stock		
Closing	\$ 58.40	\$ 60.03
\$ 54.75		
High	65.54	62.18
55.94		
Low	50.25	48.65
45.00		

</TABLE>

- (1) Operating basis excludes provision for credit losses of \$395 million and noninterest expense of \$1,305 million related to the exit of certain consumer finance businesses in the third quarter of 2001.
- (2) Cash basis calculations exclude goodwill and other intangible amortization expense.

Item 3. 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 59 and the sections referenced therein for Quantitative and Qualitative Disclosures about Market Risk.

Part II. Other Information

Item 1. 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 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 between NationsBank Corporation (NationsBank) and BankAmerica 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. Discovery, for the most part, has been

completed. Pretrial proceedings are scheduled to conclude by December 2001, and the court has ordered the parties to be ready for trial in March 2002. A former NationsBank stockholder who opted out of the federal class action has commenced an action asserting claims substantially similar to the claims related to D.E. Shaw set forth in the consolidated action. This action is now proceeding with the federal class action in the Missouri federal court, although that stockholder has requested that its case be tried separately. Similar class actions have been filed in California. Plaintiffs in one such class action, brought on behalf of California residents who owned BankAmerica stock, claim that the proxy statement-prospectus of August 4, 1998, falsely stated that the merger would be one of equals. Plaintiffs in this matter have recently agreed to become included in the federal action rather than proceed in California state court. Other California state court class actions were consolidated, but not yet certified as class actions. The Missouri federal court has enjoined prosecution of those consolidated cases as a class action. The plaintiffs who were enjoined appealed to the United States Court of Appeals for the Eighth Circuit, which upheld the district court's injunction. Those plaintiffs are currently pursuing further relief with the United States Court of Appeals. The Corporation believes that the actions lack merit and will defend them vigorously. The amount of ultimate liability cannot be determined at this time.

On July 30, 2001, the Securities and Exchange Commission issued a cease-and-desist order finding violations of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1, 13a-11, 13a-13 and 12b-20 promulgated thereunder, with respect to

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BankAmerica's accounting for, and the disclosures relating to, the D.E. Shaw relationship. The Corporation consented to the order without admitting or denying the findings. In the Matter of BankAmerica Corp., Exch. Act

Rel. No. 44613, Acctg & Audit. Enf. Rel. No. 1249, Admin. Proc. No. 3-10541.

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 2. Changes in Securities and Use of Proceeds

As part of its share repurchase program, during the third quarter of 2001, the Corporation sold put options to purchase an aggregate of two million shares of Common Stock. These put options were sold to an independent third party for an aggregate purchase price of \$14 million. The put options have exercise prices ranging from \$61.82 per share to \$61.84 per share and expiration dates in September 2002. The put option contracts allow the Corporation to determine the method of settlement. Each of these transactions was exempt from registration under Section 4(2) of the Securities Act of 1933, as amended.

At September 30, 2001, the Corporation had three million put options outstanding with exercise prices ranging from \$56.36 per share to \$61.84 per share and expiration dates ranging from October 2001 to September 2002.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

- Exhibit 11 - Earnings Per Share Computation - included in Note Eight of the consolidated financial statements
- Exhibit 12(a) - Ratio of Earnings to Fixed Charges
- Exhibit 12(b) - Ratio of Earnings to Fixed Charges and Preferred Dividends

b) Reports on Form 8-K

The following reports on Form 8-K were filed by the Corporation during the quarter ended September 30, 2001:

Current Report on Form 8-K dated and filed July 16, 2001, Items 5, 7 and 9.

Current Report on Form 8-K dated and filed August 15, 2001, Items 5, 7 and 9.

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SIGNATURE

Pursuant to the requirements 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

Registrant

Date: November 14, 2001

/s/ Marc D. Oken

MARC D. OKEN
Executive Vice President and
Principal Financial Executive
(Duly Authorized Officer and
Chief Accounting Officer)

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Bank of America Corporation

Form 10-Q

Index to Exhibits

Exhibit -----	Description -----
11	Earnings Per Share Computation - included in Note Eight of the consolidated financial statements
12(a)	Ratio of Earnings to Fixed Charges
12(b)	Ratio of Earnings to Fixed Charges and Preferred Dividends

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<TABLE>
<CAPTION>

		Nine Months Ended September 30,		Year Ended December 31	
		2001	2000	1999	1998
(Dollars in millions)					
1997	1996				
<S>		<C>	<C>	<C>	<C>
<C>					
Excluding Interest on Deposits					
Income before income taxes		\$7,633	\$ 11,788	\$12,215	\$ 8,048
\$10,556	\$ 9,311				
Less: Equity in undistributed earnings of unconsolidated subsidiaries		(5)	(27)	(167)	162
(49)	(7)				
Fixed charges:					
Interest expense (including capitalized interest)		7,442	13,806	10,084	9,479
8,219	7,082				
1/3 of net rent expense		282	368	342	335
302	282				
Total fixed charges		7,724	14,174	10,426	9,814
8,521	7,364				
Earnings (excluding capitalized interest)		\$15,352	\$25,935	\$22,474	\$18,024
\$19,028	\$16,668				
Fixed charges		\$7,724	\$14,174	\$10,426	\$9,814
\$8,521	\$7,364				
Ratio of earnings to fixed charges		1.99	1.83	2.16	1.84
2.23	2.26				

<CAPTION>

		Nine Months Ended September 30,		Year Ended December 31	
		2001	2000	1999	1998
(Dollars in millions)					
1997	1996				
<S>		<C>	<C>	<C>	<C>
<C>					
Including Interest on Deposits					
Income before income taxes		\$7,633	\$ 11,788	\$12,215	\$ 8,048
\$10,556	\$ 9,311				
Less: Equity in undistributed earnings of unconsolidated subsidiaries		(5)	(27)	(167)	162
(49)	(7)				
Fixed charges:					
Interest expense (including capitalized interest)		14,615	24,816	19,086	20,290
18,903	16,682				
1/3 of net rent expense		282	368	342	335
302	282				

	Total fixed charges	14,897	25,184	19,428	20,625
19,205	16,964				

Earnings (excluding capitalized interest)		\$22,525	\$36,945	\$31,476	\$28,835
\$29,712	\$26,268				

Fixed charges		\$14,897	\$25,184	\$19,428	\$20,625
\$19,205	\$16,964				

Ratio of earnings to fixed charges		1.51	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>

		Nine Months Ended September 30,		Year Ended December 31	
		2001	2000	1999	1998
(Dollars in millions)					
1997	1996				
<S>		<C>	<C>	<C>	<C>
<C>					
Excluding Interest on Deposits					
Income before income taxes		\$7,633	\$ 11,788	\$12,215	\$ 8,048
\$ 9,311					\$10,556
Less: Equity in undistributed earnings of unconsolidated subsidiaries		(5)	(27)	(167)	162
(49) (7)					
Fixed charges:					
Interest expense (including capitalized interest)		7,442	13,806	10,084	9,479
7,082					8,219
1/3 of net rent expense		282	368	342	335
282					302
Total fixed charges		7,724	14,174	10,426	9,814
7,364					8,521
Preferred dividend requirements		6	9	10	40
332					183
Earnings (excluding capitalized interest)		\$15,352	\$25,935	\$22,474	\$18,024
\$16,668					\$19,028
Fixed charges and preferred dividends		\$7,730	\$14,183	\$10,436	\$9,854
\$7,696					\$8,704
Ratio of earnings to fixed charges and preferred dividends		1.99	1.83	2.15	1.83
2.17					2.19

<CAPTION>

		Nine Months Ended September 30,		Year Ended December 31	
		2001	2000	1999	1998
(Dollars in millions)					
1997	1996				
<S>		<C>	<C>	<C>	<C>
<C>					
Including Interest on Deposits					
Income before income taxes		\$7,633	\$ 11,788	\$12,215	\$ 8,048
\$ 9,311					\$10,556
Less: Equity in undistributed earnings of unconsolidated subsidiaries		(5)	(27)	(167)	162
(49) (7)					
Fixed charges:					
Interest expense (including capitalized interest)		14,615	24,816	19,086	20,290
16,682					18,903
1/3 of net rent expense		282	368	342	335
					302

