Bank of America

2Q11 Earnings Results

July 19, 2011

Forward-Looking Statements

Bank of America and its management may make certain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipates," "targets," "expects," "estimates," "intends," "plans," "goals," "believes" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." The forward-looking statements made represent Bank of America's current expectations, plans or forecasts of its future results and revenues, the company's belief that with the agreement to resolve nearly all of the legacy Countrywide-issued first-lien non-GSE RMBS repurchase exposures (the settlement) and other mortgage-related actions taken in the second quarter of 2011 it will have recorded reserves in its financial statements for a substantial portion of its representations and warranties exposure as measured by original unpaid principal balance; expense reductions in 2012 from the company's efficiency initiative; the nationwide launch of Customer Solutions; loan run off portfolios; maturity of illiquid structured book and continued decline in principal investments; representations and warranties liabilities, expenses and repurchase activity; net interest income; risk-weighted assets and Basel mitigation efforts; capital levels; target capital ratios and regulatory capital ratios, including Tier 1 common ratio; credit trends and conditions, including credit losses, credit reserves, net loss rates, bankruptcy filing rates, delinquency trends and nonperforming asset levels; the home price impacts as a result of declines in the Home Price Index, including on pools of loans, representations and warranties costs for the GSEs and other impacts; interest rates; tax rates; net deferred tax assets; the revenue impact from the Durbin Amendment; long-term debt levels; and other similar matters. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements.

You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks, as well as those more fully discussed under Item 1A. "Risk Factors" of Bank of America's 2010 Annual Report on Form 10-K and in any of Bank of America's subsequent SEC filings: the accuracy and variability of estimates and assumptions in determining the expected total cost of the recent private-label securitization settlement to Bank of America; the accuracy and variability of estimates and assumptions in determining the estimated liability and/or estimated range of possible loss for representation and warranties exposures to the GSEs, monolines and private label and other investors; the accuracy and variability of estimates and assumptions in determining the portion of Bank of America's repurchase obligations for residential mortgage obligations sold by Bank of America and its affiliates to investors that has been paid or reserved after giving effect to the settlement agreement and the charges in the quarter ended June 30, 2011; the possibility that a substantial number of objections to the approval of the settlement will be made and that these objections will delay or prevent receipt of final court approval; whether the conditions to the settlement will be satisfied, including the receipt of final court approval and private letter rulings from the IRS and other tax rulings and opinions; whether conditions in the settlement agreement that would permit Bank of America and legacy Countrywide to withdraw from the settlement will occur and whether Bank of America and legacy Countrywide will determine to withdraw from the settlement pursuant to the terms of the settlement agreement; the impact of performance and enforcement of obligations under, and provisions contained in, the settlement agreement and the institutional investor agreement, including performance of obligations under the settlement agreement by Bank of America (and certain of its affiliates) and the trustee and the performance of obligations under the institutional investor agreement by Bank of America (and certain of its affiliates) and the investor group; Bank of America's and certain of its affiliates' ability to comply with the servicing and documentation obligations under the settlement agreement; the potential assertion and impact of additional claims not addressed by the settlement agreement or any of the prior agreements entered into between Bank of America (and/or certain of its affiliates) and the GSEs, monoline insurers and other investors; the effectiveness of the company-wide efficiency initiative; the company's resolution of certain representations and warranties obligations with the GSEs and ability to resolve any remaining claims; the company's ability to resolve any representations and warranties obligations with monolines and private investors; increased repurchase claims and repurchases due to mortgage insurance cancellations, rescissions and denials; the company's failure to satisfy its obligations as servicer in the residential mortgage securitization process; the potential assertion and impact of additional claims not addressed by the GSE agreements; the foreclosure review and assessment process, the effectiveness of the company's response to such process and any governmental or private third-party claims asserted in connection with these foreclosure matters; a failure or the perceived risk of failure to raise the statutory debt limit of the U.S.; negative economic conditions generally including continued weakness in the U.S. housing market, high unemployment in the U.S., as well as economic challenges in many non-U.S. countries in which we operate and sovereign debt challenges; the company's mortgage modification policies, loss mitigation strategies and related results; and any measures or steps taken by federal regulators or other governmental authorities with regard to mortgage loans, servicing agreements and standards, or other matters; the level and volatility of the capital markets, interest rates, currency values and other market indices; changes in consumer, investor and counterparty confidence in, and the related impact on, financial markets and institutions, including the company as well as its business partners; the company's credit ratings and the credit ratings of its securitizations; the accuracy and variability of estimates of the fair value of certain of the company's assets and liabilities; legislative and regulatory actions in the U.S. (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Financial Reform Act), the Electronic Fund Transfer Act, the Credit Card Accountability Responsibility and Disclosure Act and related regulations and interpretations) and internationally; the identification and effectiveness of any initiatives to mitigate the negative impact of the Financial Reform Act; the impact of litigation and regulatory investigations (including investigations being conducted by law enforcement officials in all 50 states and the U.S. Department of Justice and other federal agencies into alleged irregularities in the foreclosure practices of residential mortgage servicers), including costs, expenses, settlements and judgments as well as any collateral effects on our ability to do business and access the capital markets; various monetary, tax and fiscal policies and regulations of the U.S. and non-U.S. governments; changes in accounting standards, rules and interpretations (including new consolidation guidance), inaccurate estimates or assumptions in the application of accounting policies, including in determining reserves, applicable guidance regarding goodwill accounting and the impact on the Company's financial statements.

Forward-looking statements speak only as of the date they are made, and Bank of America undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

Important Presentation Format Information

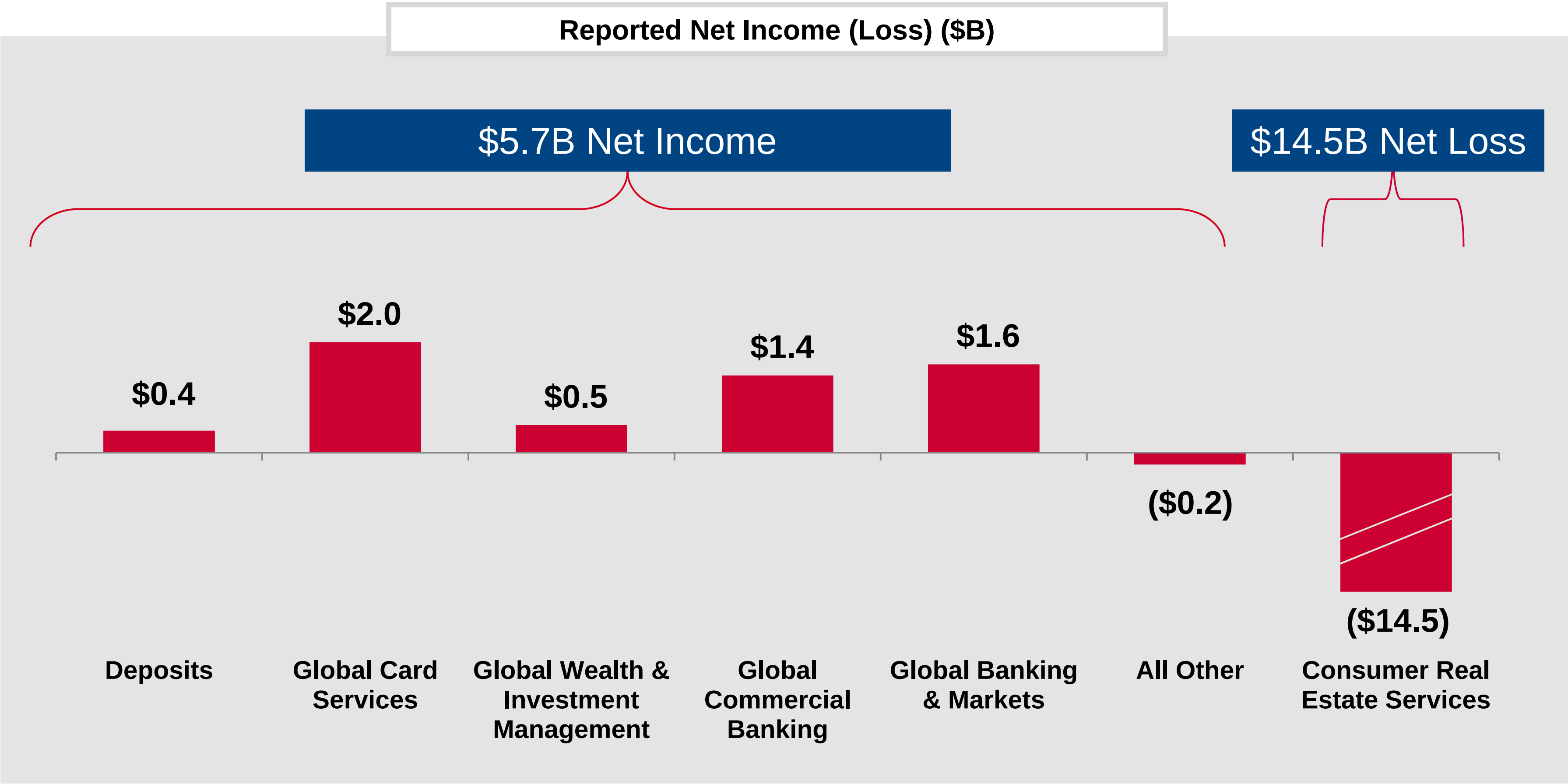
- This information is preliminary and based on company data available at the time of the presentation
- Certain prior period amounts have been reclassified to conform to current period presentation
- Certain financial measures contained herein represent non-GAAP financial measures including the exclusion of selected mortgage-related and other selected items. For more information about the non-GAAP financial measures contained herein, please see the presentation of the most directly comparable financial measures calculated in accordance with GAAP and accompanying reconciliations in the earnings press release and other earnings-related information available through the Bank of America Investor Relations web site at: http://investor.bankofamerica.com

2Q11 Highlights

- **2Q11 reported net loss of $8.8B ($0.90 EPS) reflects $20.7B pre-tax mortgage related charges and $2.5B net pre-tax gains from other selected items**
- **Excluding mortgage and selected items, net income was $3.7B or $0.33 EPS [1]**
- **Took important steps to address a substantial portion of our mortgage-related matters**
- **Customer-focused strategy generating strong results**
- **Credit quality continues to improve**
- **Liquidity increasing**
- **Deposits growing**
- **Loans reflect growth in our corporate lending portfolio and a $6.6B reduction in loan run-off**
- **Capital ratios remain solid; Basel III preparation continues**
- **Strong credit reserve coverage**
- **Efficiency initiative has begun**

[1] Represents a non-GAAP financial measure. Refer to page 6 for list of all adjusting items.

2Q11 Business Segment Performance



2Q11 Financial Results

2Q11 Financial Results ($B, except per share amounts)

	As Reported	Less Mortgage-related and Other Selected Adjustments [1]	BAC Adjusted for Selected Items [2]
Total revenue, net of interest expense (FTE) [2]	$13.5	($13.0)	$26.5
Noninterest expense (excl. goodwill)	20.2	2.6	17.6
Goodwill impairment charge	2.6	2.6	-
Pre-tax pre-provision [2]	(9.3)	(18.2)	8.9
Provision for credit losses	3.3	-	3.3
Income (loss) before income taxes (benefit)	(12.6)	(18.2)	5.6
Income tax expense (benefit) (FTE) [2]	(3.8)	(5.7)	1.9
Net income (loss)	($8.8)	($12.5)	$3.7
EPS	($0.90)	($1.23)	$0.33

Pre-tax Mortgage-related and Other Selected Adjustment Items ($B) [1]

Mortgage-related revenue charges	$15.5
Asset sale gains and selected revenues	2.5
Mortgage-related expense items	2.6
Mortgage-related goodwill impairment charge	2.6

[1] Refer to page 30 for list of all adjusting items.

[2] Represents a non-GAAP financial measure. On a GAAP basis, total revenue, net of interest expense, and income tax benefit were $13.2B and $4.0B for the three months ended June 30, 2011. For reconciliation to GAAP measures, refer to accompanying reconciliations in the earnings press release and other earnings-related information.

Balance Sheet Highlights

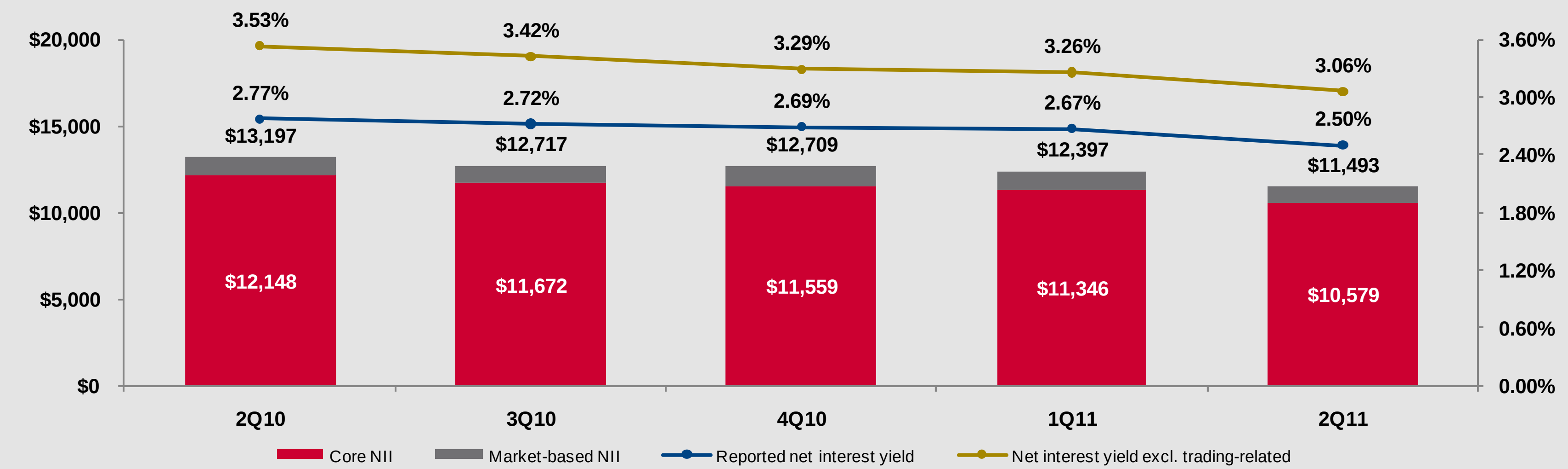
2Q11 Balance Sheet Highlights ($B, except per share amount)

	2Q11	Increase / (Decrease) 1Q11	Increase / (Decrease) 2Q10
Total assets	$2,261.3	($13.2)	($107.1)
Total risk-weighted assets	1,392.7	(40.7)	(102.3)
Total deposits	1,038.4	18.2	63.9
Long-term debt	426.7	(7.8)	(63.4)
Tangible common shareholders' equity [1]	128.2	(5.6)	6.4
Common shareholders' equity	205.6	(8.7)	(9.6)
Tier 1 common	114.7	(9.2)	(5.0)
Global excess liquidity sources	402.3	16.0	109.0
Tier 1 common equity ratio (Basel 1)	8.23%	(41)bps	22 bps
Tangible book value per share [1]	$12.65	($0.56)	$0.51
Book value per share	$20.29	($0.86)	($1.16)
<u>Asset Quality / Reserves</u>			
Allowance for loan and lease losses	$37.3	($2.5)	($7.9)
% coverage of loans and leases [2]	4.00	(29)bps	(75)bps
% coverage of loans and leases excl. PCI loans & allowance	3.24	(34)bps	(113)bps
# times annualized net charge-offs	1.64 x	0.01 x	0.46 x
Nonperforming loans, leases and foreclosed properties	$30.1	($1.6)	($5.5)
Liability for representations and warranties	17.8	11.6	13.8

[1] Represents a non-GAAP financial measure.
[2] Excludes FVO loans.

Net Interest Income [1, 2]

Net Interest Income Trend ($MM)



Commentary vs. 1Q11

- Net interest income declined $904MM and net interest yield declined 17bps to 2.50%
  - Lower consumer loan balances and yields
  - Drop in long-end rates had a negative impact on hedging results
  - Lower trading-related margin
  - Continue to shorten the duration of the discretionary portfolio

[1] Fully taxable-equivalent basis.
[2] Represents a non-GAAP financial measure. On a GAAP basis, net interest income was $11.2B, $12.2B, $12.4, $12.4 and $12.9B for the three months ended June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010, respectively. For reconciliation to GAAP measures, refer to accompanying reconciliations in the earnings press release and other earnings-related information.

Deposits

$ in millions	2Q11	Inc/(Dec) 1Q11	2Q10
Net interest income [1]	$2,281	$76	$137
Noninterest income	1,020	36	(531)
Total revenue	3,301	112	(394)
Provision for credit losses	31	(2)	(30)
Noninterest expense	2,599	7	27
Income tax expense [1]	241	32	(147)
Net income	$430	$75	($244)

Key Indicators ($ in billions)	2Q11	1Q11	2Q10
Average deposits	$426.7	$418.3	$418.5
Client brokerage assets	$69.0	$66.7	$51.1
Cost per $ deposit	2.44%	2.60%	2.46%
Rates paid on deposits	0.29%	0.32%	0.45%
Return on average economic capital	30.4%	25.4%	43.5%

Commentary

- Net income of $430MM in 2Q11 increased $75MM from 1Q11
- 2% deposit growth from 1Q11 due to seasonal tax refunds and prolonged low interest rate environment
- Rates paid on deposits decreased 3bps from 1Q11 to 29bps
- Improvement in checking account closures and new accounts reflects continued focus on quality relationships and retention
  - Second consecutive quarter of positive net new accounts
- Cost per $ deposit improved 16bps to 2.44% from 1Q11 highlighting our efficiency and competitive edge in maintaining a low cost distribution channel
- Customer Solutions pilot trending above expectations
  - Nationwide roll out is expected to begin in early 2012
- Merrill Edge® continues to grow as brokerage assets increased 3% from 1Q11

[1] Fully taxable-equivalent basis.

Global Card Services

$ in millions	2Q11	Inc/(Dec) 1Q11	Inc/(Dec) 2Q10
Net interest income [1]	$3,611	($136)	($831)
Noninterest income	1,925	(15)	(581)
Total revenue	5,536	(151)	(1,412)
Provision for credit losses	481	(480)	(3,315)
Noninterest expense	1,882	(87)	30
Income tax expense [1]	1,138	116	664
Net income	$2,035	$300	$1,209

Key Indicators ($ in billions)	2Q11	1Q11	2Q10
Average loans and leases	$156.8	$162.4	$177.1
Delinquent dollars 30 days+	$6.7	$8.0	$10.5
30 days+ delinquency ratio	4.4%	5.0%	6.1%
Delinquent dollars 90 days+	$3.7	$4.4	$5.8
90 days+ delinquency ratio	2.4%	2.8%	3.3%
Net charge-offs	$2.9	$3.3	$5.7
as a % of avg. loans	7.4%	8.3%	12.8%
Credit card purchase volumes	$61.3	$55.3	$58.7
Debit card purchase volumes	$64.0	$60.0	$59.1
Total purchase volume	$125.3	$115.3	$117.8
Return on average economic capital	66.3%	52.3%	19.4%

Commentary

- Net income of $2.0B increased $300MM over 1Q11 as credit improvements more than offset lower net interest income from lower average loans and yields
- Total purchase volume of debit and credit transactions was up seasonally 9% from 1Q11 and increased 6% from 2Q10
- New U.S. credit card accounts continue to grow and are up 11% from 1Q11
- U.S. credit card net losses improved for the 7th consecutive quarter
- Payment rate on U.S. credit card improved for the 8th straight quarter
- Average loans declined $5.6B from 1Q11 due to higher payments, charge-offs and continued non-core portfolio run-off
- Exited $2.1B receivables at the end of the quarter with minimal income statement impact
- Upon implementation of the Durbin amendment in 4Q11, revenues are expected to be negatively impacted by approximately $475MM in 4Q11

[1] Fully taxable-equivalent basis.

Global Wealth & Investment Management

$ in millions	2Q11	Inc/(Dec) 1Q11	2Q10
Net interest income [1]	$1,571	$2	$128
Noninterest income	2,919	(4)	173
Total revenue	4,490	(2)	301
Provision for credit losses	72	26	(50)
Noninterest expense	3,631	32	362
Income tax expense [1]	281	(33)	(188)
Net income	$506	($27)	$177

Key Indicators ($ in billions)	2Q11	1Q11	2Q10
Total client balances	$2,201.9	$2,226.7	$2,047.0
Average loans and leases	$102.2	$100.9	$98.8
Average deposits	$255.2	$258.5	$226.3
Liquidity AUM flows	($3.8)	($6.7)	($9.8)
Long-term AUM flows	$4.5	$14.2	$1.4
Financial advisors (in thousands)	16.2	15.7	15.3
Pre-tax margin	17.5%	18.9%	19.1%
Return on average economic capital	30.0%	30.4%	19.1%

Commentary

- Net income of $506MM was down $27MM from 1Q11 on higher expenses from increased investment in advisors and higher credit costs
- Revenue nearly flat to 1Q11 record levels
  - Record Asset Management fees driven by market and long-term AUM flows
  - Lower brokerage revenue reflecting lower market activity
- Client balances fell by 1% driven by lower market valuations and seasonal outflow in deposits and brokerage offset by AUM inflows
- Average loans up $1.3B from 1Q11, the 5th consecutive quarter of loan growth
- Provision expense increased from decline in residential mortgage valuations
- 8th consecutive quarter of increased client facing associates driven by the addition of more than 500 financial advisors in 2Q11

[1] Fully taxable-equivalent basis.

Global Commercial Banking

$ in millions	2Q11	Inc/(Dec) 1Q11	Inc/(Dec) 2Q10
Net interest income [1]	$1,827	($23)	($270)
Noninterest income	983	182	197
Total revenue	2,810	159	(73)
Provision for credit losses	(417)	(496)	(1,040)
Noninterest expense	1,068	(38)	94
Income tax expense [1]	778	235	307
Net income	$1,381	$458	$566

Key Indicators ($ in billions)	2Q11	1Q11	2Q10
Average loans and leases	$189.3	$192.4	$206.6
Nonperforming loans, leases and foreclosed properties	$7.4	$8.3	$10.0
Average deposits	$166.5	$160.2	$145.5
Credit revenue	$1.6	$1.5	$1.6
Treasury revenue	$1.2	$1.2	$1.2
Return on average economic capital	27.9%	18.0%	14.1%

Commentary

- Net income of $1.4B improved $458MM from 1Q11 driven by improved credit costs and higher revenue
- Average deposits grew $6.3B as customers remain highly liquid
- Average loans declined $3.1B from 1Q11
  - Commercial Real Estate declined $2.2B
  - Commercial and Industrial increased $467MM driven by Middle Market
- Middle market revolver utilization rates declined slightly from 35.3% to 34.5%
- Asset quality improved
  - Net charge-offs declined $193MM from 1Q11 to $321MM, primarily in Commercial Real Estate
  - Nonperforming loans, leases and foreclosed properties declined from $8.3B in 1Q11 to $7.4B in 2Q11

[1] Fully taxable-equivalent basis.

Global Banking and Markets

$ in millions	2Q11	Inc/(Dec) 1Q11	2Q10
Net interest income [1]	$1,791	($246)	($211)
Noninterest income	5,005	(844)	1,103
Total revenue	6,796	(1,090)	892
Provision for credit losses	(82)	120	51
Noninterest expense	4,713	(9)	(22)
Income tax expense [1]	607	(625)	203
Net income	$1,558	($576)	$660

Key Indicators ($ in billions)	2Q11	1Q11	2Q10
Average loans and leases	$109.5	$103.7	$95.8
Average deposits	$118.1	$112.0	$112.6
Average trading-related assets	$460.2	$458.4	$522.3
Sales and trading revenue	$3.8	$4.9	$3.1
Investment banking fees	$1.6	$1.5	$1.3
Corporate banking revenue	$1.4	$1.5	$1.5
Percent of profitable trading days	97%	100%	81%
Return on average economic capital	23.4%	28.0%	9.1%

Commentary

- Net income of $1.6B fell seasonally $576MM from 1Q11 on lower sales and trading results partially offset by higher investment banking fees
- Sales and trading revenue of $3.8B declined $1.1B from 1Q11 but increased $666MM from 2Q10
  - Results include DVA gains of $121MM in 2Q11 compared to losses of $357MM in 1Q11 and gains of $77MM in 2Q10
  - As market uncertainty increased towards the end of the quarter due to European debt crisis and global economic concerns, we reduced risk
  - Sales and trading RWA declined $37B as we reduced legacy assets, exited proprietary trading and continued to optimize the balance sheet
- Investment banking fees excluding self-led were a record high since the Merrill Lynch acquisition
- Average loan and lease balances increased $5.8B from 1Q11, primarily from international growth in commercial loans and trade finance in the Corporate Bank

[1] Fully taxable-equivalent basis.

Consumer Real Estate Services (CRES)

$ in millions	2Q11 reported results	Less Mortgage-related and Other Selected Adjustments	Adjusted 2Q11 CRES Less Selected Items [1]
	2Q11		
Total revenue, net of interest expense [2]	($11,315)	($14,786)	$3,471
Provision for credit losses	1,507	-	1,507
Noninterest expense	8,647	5,219	3,428
Income tax benefit [2]	(6,949)	(6,439)	(510)
Net loss	($14,520)	($13,566)	($954)

$ in millions	1Q11 reported results	Less Mortgage-related and Other Selected Adjustments	Adjusted 1Q11 CRES Less Selected Items [1]
	1Q11		
Total revenue, net of interest expense [2]	$2,063	($1,541)	$3,604
Provision for credit losses	1,098	-	1,098
Noninterest expense	4,801	1,659	3,142
Income tax benefit [2]	(1,421)	(1,184)	(237)
Net loss	($2,415)	($2,016)	($399)

Selected CRES related items ($ in millions) [3]	2Q11	1Q11
Representation and warranties provision	($14,037)	($1,013)
MSR write-down [4]	(1,501)	(528)
Balboa sale gain, net of fees	752	-
Goodwill impairment charge	(2,603)	-
Litigation expense	(1,900)	(785)
Assessments and waivers costs	(716)	(874)

Key Indicators ($ in billions)	2Q11	1Q11
Average loans and leases	$121.7	$120.6
MSR, end of period	12.4	15.3
Capitalized MSR (bps)	78	95
Servicing portfolio (EOP, $ in trillions)	2.0	2.0

Commentary

- Net loss of $14.5B includes $14.0B in representation and warranties provision as well as other charges for the MSR write-down related to higher servicing costs, goodwill impairment, litigation expense and assessments and waivers costs related to foreclosure delays, and also includes the Balboa gain
- Excluding selected items noted, CRES reported an adjusted net loss of $954MM
  - The adjusted loss was $555MM greater than adjusted 1Q11 results as revenue was impacted by the sale of the insurance business and expenses were impacted by increased operating costs
- Provision expense increased $409MM as a result of the non-purchased credit-impaired (PCI) portfolio
- During the quarter, the MSR asset decreased by $2.9B from $15.3B in 1Q11 to $12.4B
  - The capitalized MSR rate ended the period at 78bps vs. 95bps in 1Q11

[1] Represents a non-GAAP financial measure.
[2] Fully taxable-equivalent basis.
[3] Items shown are on a pre-tax basis.
[4] Excludes net positive hedge activity of approximately $628MM and $531MM in 2Q11 and 1Q11, respectively.

Home Loans Business (within CRES)

$ in millions	2Q11 Home Loans	2Q11 Less Mortgage-related and Other Selected Adjustments	2Q11 Home Loans less Selected Items [1]
Total revenue, net of interest expense [2]	$2,513	$706	$1,807
Provision for credit losses	121	-	121
Noninterest expense	1,553	-	1,553
Income tax expense [2]	308	261	47
Net income	$531	$445	$86

$ in millions	1Q11 Home Loans	1Q11 Less Mortgage-related and Other Selected Adjustments	1Q11 Home Loans less Selected Items [1]
Total revenue, net of interest expense [2]	$1,791	$-	$1,791
Provision for credit losses	-	-	-
Noninterest expense	1,668	-	1,668
Income tax expense [2]	46	-	46
Net income	$77	$-	$77

Selected mortgage-related and other items ($ in millions) [3]	2Q11	1Q11
Representations and warranties provision	($46)	$-
Balboa sale gain (net of fees)	752	-

Key Indicators ($ in billions)	2Q11	1Q11
Total Corporation Home Loan Originations		
First mortgage	$40.4	$56.7
Home equity	1.1	1.7
Average loans and leases	55.3	56.0

Commentary on Home Loans Business

- Recorded net income of $531MM in 2Q11
- Excluding items noted, the business was marginally profitable in 2Q11 and slightly higher than 1Q11
- Originations of $40.4B first-lien mortgages across the enterprise in 2Q11 were down 29% from 1Q11
- Expenses were down as personnel was reduced to reflect the lower origination volumes

Commentary on Other [4]

- Other within CRES recorded a net loss of $3.2B which includes the results of the MSR and the goodwill impairment charge of $2.6B
- MSR valuation changes net of hedge were $876MM unfavorable to 1Q11driven by the change in value of the MSRs related to higher servicing costs
  - Higher estimated costs to service given changes to the ongoing servicing of delinquent loans
  - Additional servicing obligations under the settlement agreement and consent orders
  - Extension of default workout timelines in judicial states

[1] Represents a non-GAAP financial measure.
[2] Fully taxable-equivalent basis.
[3] Items shown are on a pre-tax basis.
[4] CRES consists of Home Loans, Legacy Asset Servicing and Other; see page 32 for additional information on Other.

Legacy Asset Servicing Business (within CRES)

$ in millions	2Q11 Legacy Asset Services	2Q11 Less Mortgage-related and Other Selected Adjustments	2Q11 Legacy Asset Services less Selected Items [1]
Total revenue, net of interest expense [2]	($12,924)	($13,991)	$1,067
Provision for credit losses	1,386	-	1,386
Noninterest expense	4,491	2,616	1,875
Income tax benefit [2]	(6,924)	(6,145)	(779)
Net loss	($11,877)	($10,462)	($1,415)

$ in millions	1Q11 Legacy Asset Services	1Q11 Less Mortgage-related and Other Selected Adjustments	1Q11 Legacy Asset Services less Selected Items [1]
Total revenue, net of interest expense [2]	$279	($1,013)	$1,292
Provision for credit losses	1,098	-	1,098
Noninterest expense	3,133	1,659	1,474
Income tax benefit [2]	(1,464)	(989)	(475)
Net loss	($2,488)	($1,683)	($805)

Selected mortgage-related items ($ in millions) [3]	2Q11	1Q11
Representations and warranties provision	($13,991)	($1,013)
Litigation	(1,900)	(785)
Assessments and waivers costs	(716)	(874)

Key Indicators ($ in billions)	2Q11	1Q11
Average loans and leases	$66.4	$64.6
# of loans serviced (in thousands)	4,362	4,513
# of loans 60 day delinquent (in thousands)	1,211	1,274

Commentary

- Net loss of $11.9B in 2Q11
- Excluding selected large items noted, the net loss was $1.4B and widened $0.6B over 1Q11 driven in part by higher servicing costs as well as higher credit costs
- As previously announced, 2Q11 included $14.0B R&W provision expense
  - $8.6B settlement on legacy Countrywide non-GSE private-label securitizations
  - $5.4B additional reserve on other non-GSE, and to a lesser extent GSE
- Noninterest expense adjusted for the items noted increased $402MM to $1.9B as staffing levels increased to elevated levels
- Provision expense increased $288MM driven by reserve increases in the non-PCI portfolio
- Number of first mortgage loans serviced by Legacy Asset Servicing declined by 151K in 2Q11 driven by foreclosure and short sales
- 60+ day delinquencies declined 5% to 1.2MM units

[1] Represents a non-GAAP financial measure.
[2] Fully taxable-equivalent basis.
[3] Items shown are on a pre-tax basis. .

All Other [1]

$ in millions	2Q11	Inc/(Dec) 1Q11	2Q10
Total revenue, net of interest expense [2]	$1,865	$738	($1,262)
Provision for credit losses	1,663	(136)	417
Noninterest expense	316	(1,178)	(797)
Income tax expense [2]	102	1,052	457
Net income (loss)	($216)	$1,000	($1,339)

Key Indicators ($ in billions)	2Q11	1Q11	2Q10
Average loans and leases	$258.4	$258.4	$257.3
Average deposits	$46.7	$48.6	$64.7
Book value of Global Principal Investments	$10.8	$11.2	$13.0

Commentary

- Net loss of $216MM is a result of elevated credit costs related to valuation refreshes on consumer real estate loans and lower revenue
- Revenue is impacted by the following selected items:

$ in millions	2Q11	1Q11	2Q10
FVO on structured notes	$214	($586)	$1,173
Gains on sales of debt securities	831	468	14
Equity investment income	1,139	1,408	2,253

- Noninterest expense improved as 1Q included the annual retirement eligible stock-based compensation expense

[1] All Other includes the discontinued real estate business, Global Principal Investing business, activities of our strategic investment portfolio and our discretionary portfolio used to provide interest rate risk management on our balance sheet.
[2] Fully taxable-equivalent basis.

Expenses

2Q11 Noninterest Expense ($B)

	2Q11	1Q11	4Q10
Total noninterest expense	$22.9	$20.3	$20.9
Selected large mortgage-related items			
Litigation expense	1.9	0.8	0.6
Mortgage-related assessments and waivers costs	0.7	0.9	0.2
CRES goodwill impairment charge	2.6	-	2.0

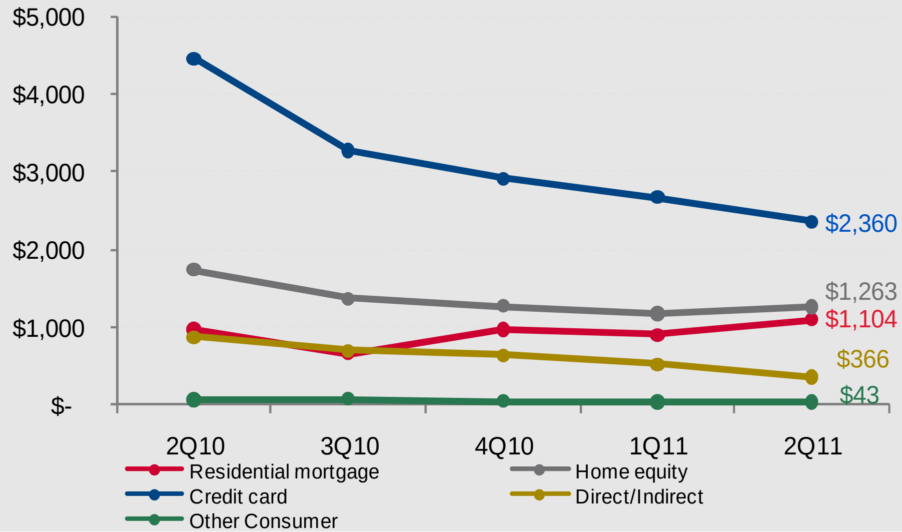
Commentary vs. 1Q11

- Expense increased $2.6B from 1Q11
- Excluding the selected mortgage-related items in the quarter, noninterest expense was in line with 1Q11, excluding the $1.0B cost of retirement eligible stock-based compensation expense which only happens in the first quarter
- 2Q included increased servicing costs in our mortgage business as well as increased costs of adding client-facing professionals across targeted growth areas offset by reduced personnel in other areas of the company
  - Among the many client facing associates added in growth areas during the quarter were more than 500 financial advisors and nearly 100 small business bankers
  - Average FTE in 2Q11 287,839 vs. 288,062 in 1Q11
- Company-wide efficiency initiative launched (“New BAC”)
  - Team of internal and external experts driving process
  - Tangible results on expense levels from New BAC are expected in 2012

Consumer Credit Trends

$ in millions	2Q11	Inc/(Dec) 1Q11	Inc/(Dec) 2Q10
Net charge-offs	$5,162	($183)	($2,980)
30+ performing delinquencies [1]	13,517	(1,594)	(5,290)
Nonperforming loans and foreclosed properties	21,275	(512)	(2,153)
Allowance for loan and lease losses	31,884	(1,484)	(4,646)
% coverage of loans and leases	5.04%	(22)bps	(58)bps
# times of annualized net charge-offs	1.54x	0.00x	0.42x
# times of annualized net charge-offs excl. PCI	1.14x	(0.04)x	0.18 x

Consumer Net Charge-offs ($MM)



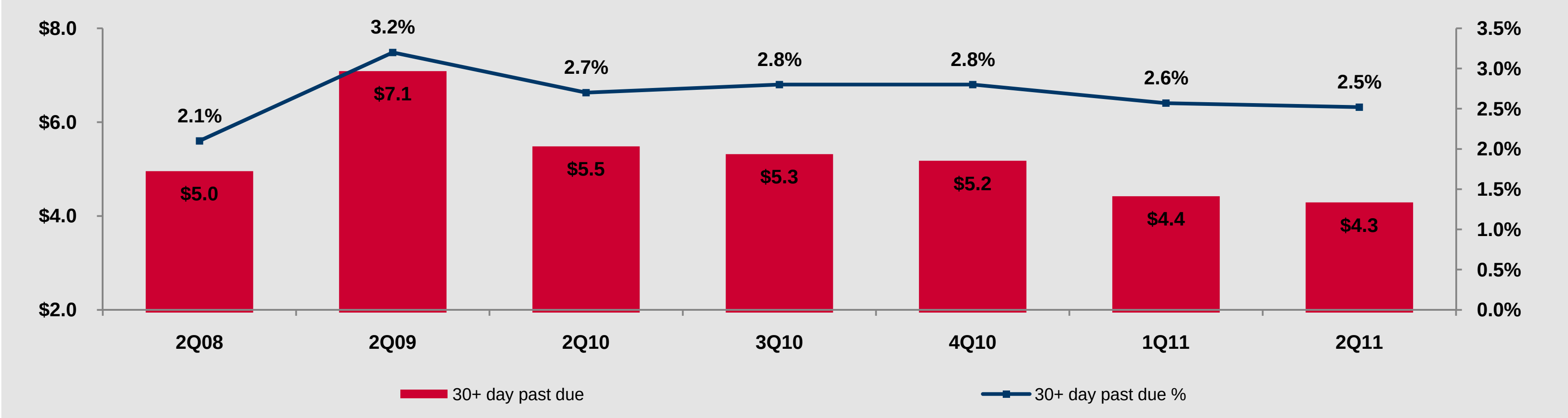
Commentary

- Net charge-offs declined $183MM in 2Q11 compared to 1Q11
  - Driven by continued improvement in the U.S. credit card portfolio partially offset by increases in consumer real estate
- 30+ performing delinquencies (excluding fully insured home loans) improved 11% from 1Q11
- Nonperforming loans and foreclosed properties declined 2% from 1Q11
- Total provision expense was $3.8B ($5.2B charge-offs and reserve reduction of $1.4B)
  - 2Q11 included $412MM reserve addition for PCI loans driven primarily by deterioration in home prices
- $31.9B allowance for loan and lease losses provides coverage for 5.04% of loans compared to $33.4B and 5.26% coverage in 1Q11
  - Allowance covers 1.54 times current period annualized net charge-offs; remains unchanged from 1Q11 (excluding PCI allowance: 1.14 times in 2Q11 vs. 1.18 times in 1Q11)

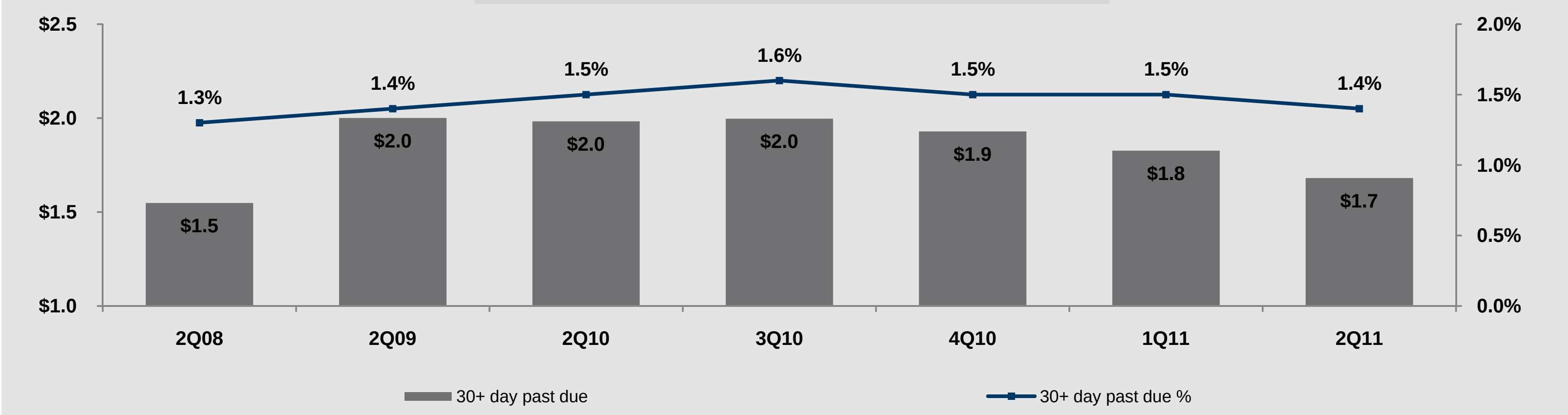
[1] Excludes FHA-insured loans and other loans individually insured under long-term credit protection agreements.

Residential Mortgage and Home Equity 30+ Day Performing Delinquencies

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



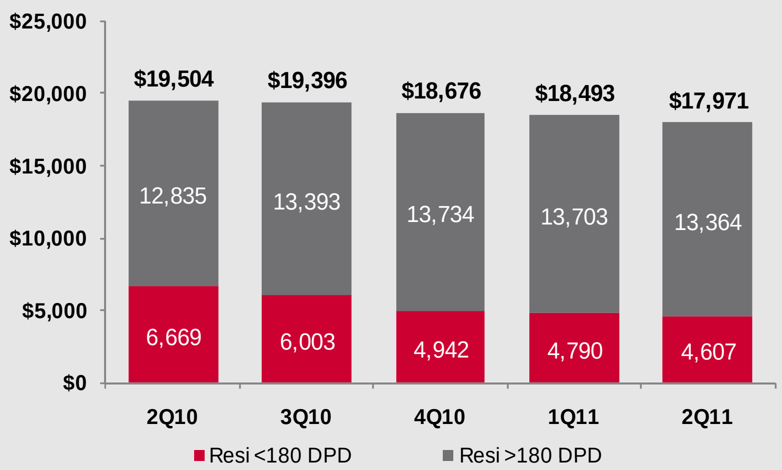
Home Equity, 30+ Days Past Due ($B, %) [2]



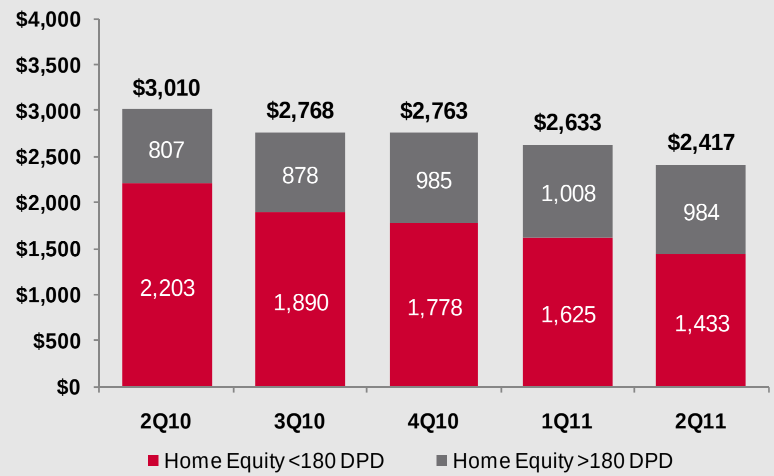
[1] Excludes FHA-insured loans and other loans individually insured under long-term credit protection agreements.
[2] Excludes PCI loans.

Consumer Nonperforming Loans, Leases and Foreclosed Properties (NPAs)

Residential Mortgage NPAs ($MM)



Home Equity NPAs ($MM)



Commentary

- Consumer Real Estate NPAs continue to show improvement
  - Inflows of nonaccrual loans are steadily declining; down 25% from 2Q10
  - Paydowns and payoffs increasing
  - Charge-offs remain elevated on refreshed valuation losses even though frequency of loss continues to improve
  - Foreclosures have restarted (principally non-judicial states) which helped reduce the backlog

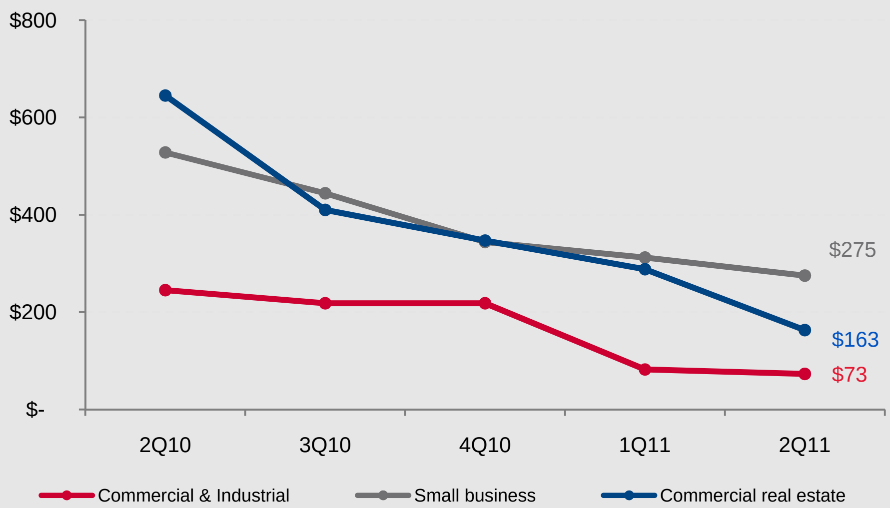
Home Price Impacts

- The market median shows a decline in home prices of a little more than 3% in 2011 with a 1% increase in 2012, largely in the second-half, which is consistent with our assumptions
- From a near-term perspective, direct impacts from changes in HPI would primarily impact a pool of $40B of consumer real estate loans
  - $13B of nonperforming loans greater than 180 days past due that have been written down to net realizable value
  - $27B carrying value of PCI loans (currently carried at 66%)
- Additionally, for each 1% change in home prices, the liability for representations and warranties on unsettled GSE originations is estimated to be impacted by $125MM based on projected collateral losses and defect rates

Commercial Credit Trends

$ in millions	2Q11	Inc/(Dec) 1Q11	Inc/(Dec) 2Q10
Net charge-offs	$503	($180)	($912)
Nonperforming loans, leases and foreclosed properties	8,783	(1,073)	(3,387)
Reservable Criticized	35,110	(4,325)	(15,209)
Allowance for loan and lease losses	5,428	(1,047)	(3,297)
% coverage of loans and leases [1]	1.82%	(38)bps	(107)bps
# times annualized net charge-offs	2.69x	0.35x	1.15x

Commercial Net Charge-offs [1] ($MM)



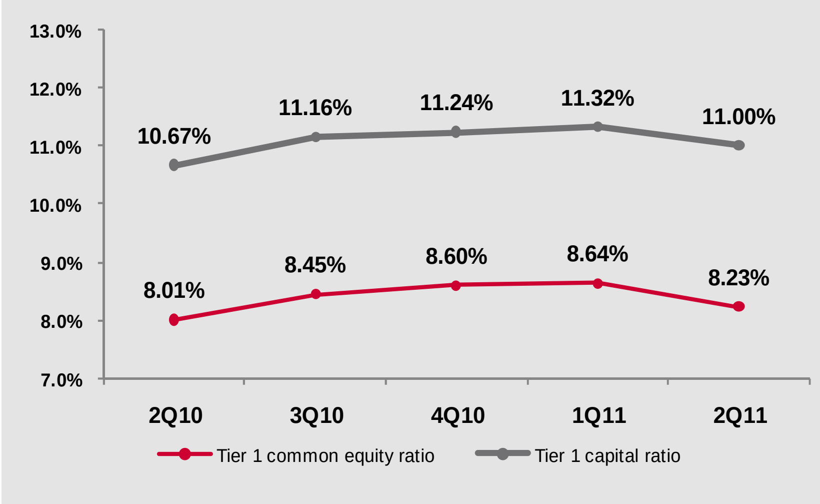
Commentary

- Net charge-offs declined $180MM in 2Q11 compared to 1Q11
  - Continued improvement in Commercial Real Estate resulted in both higher recoveries and lower charge-offs
- Nonperforming loans, leases and foreclosed properties have declined for 6 consecutive quarters, a 35% decline from 4Q09 peak
- Reservable criticized decreased $4.3B (11%) from 1Q11 and $15.2B (30%) from 2Q10
- Total provision benefit of $523MM included a reserve reduction of $1.0B
- $5.4B allowance for loan and lease losses now covers 2.69 times current period annualized net charge-offs compared to 2.34 times in 1Q11

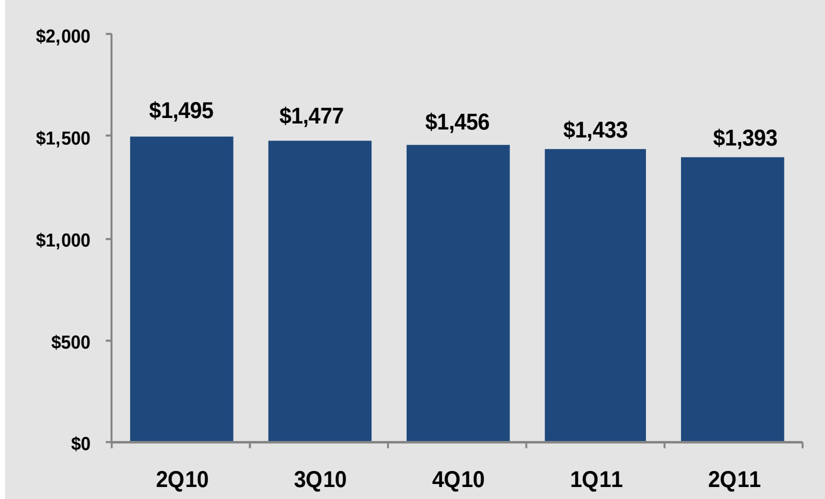
[1] Excludes FVO loans.

Capital

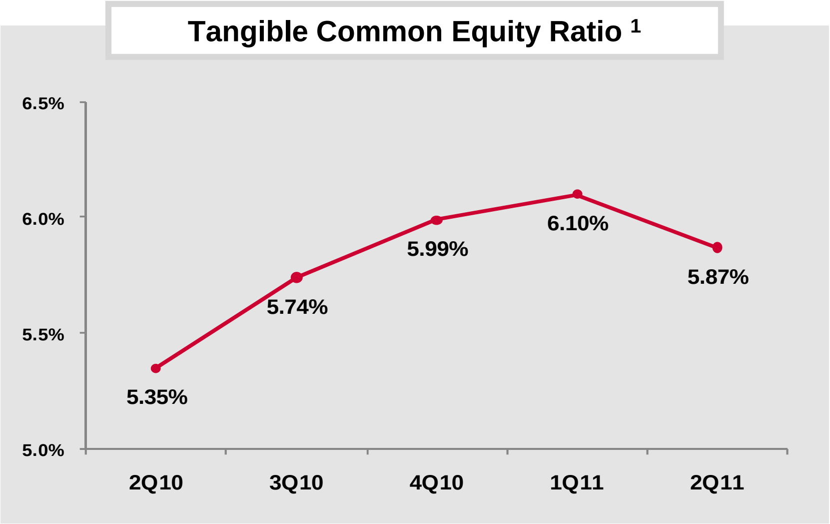
Tier 1 Common Equity Ratio and Tier 1 Capital Ratio (Basel I)

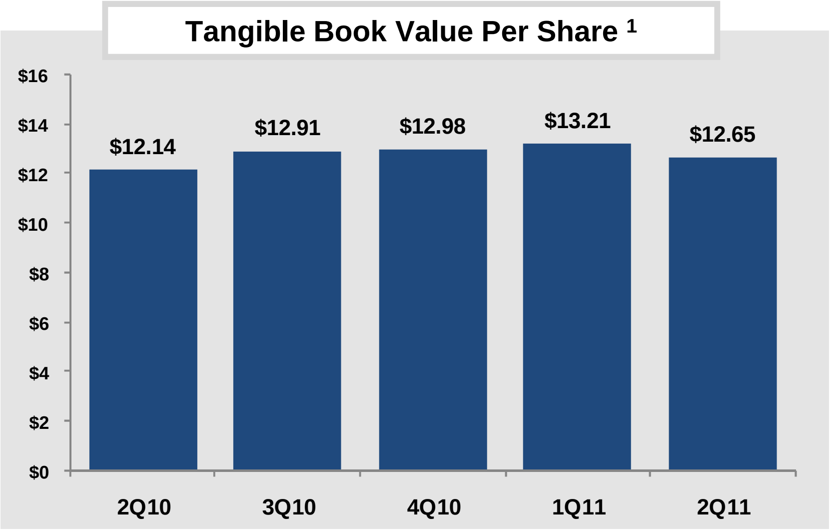


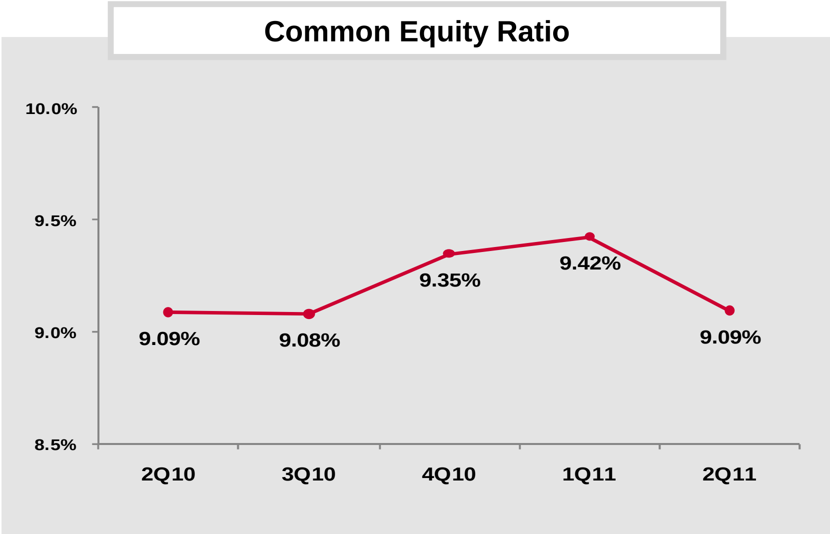
Risk-Weighted Assets (Basel I) ($B)

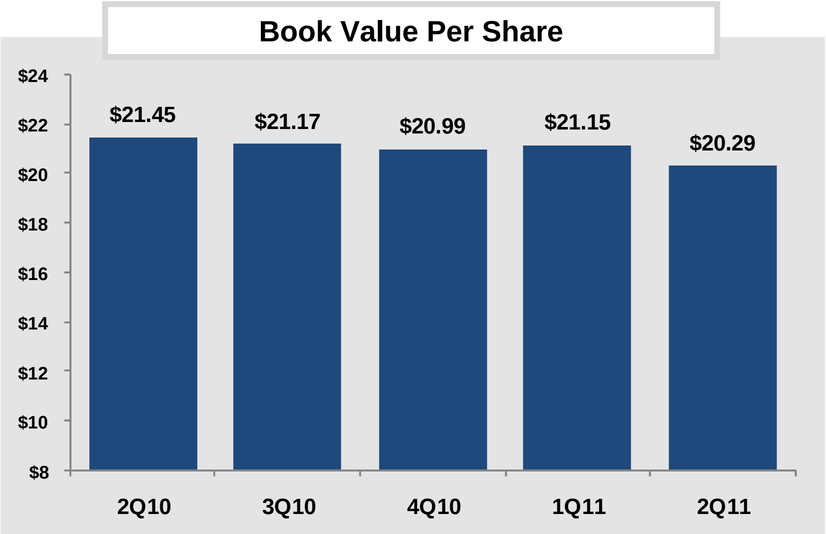


Capital (cont'd)





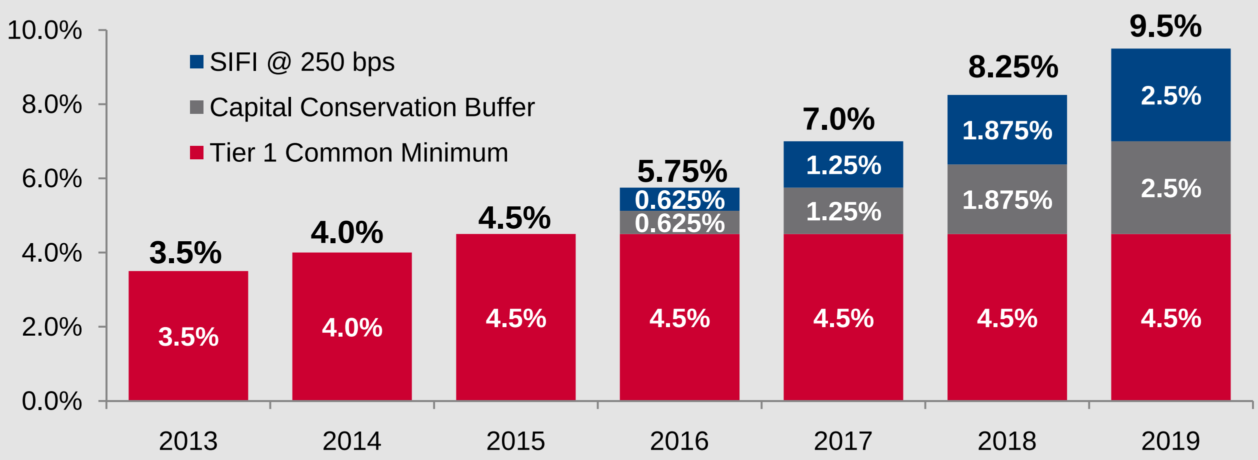




[1] Represents a non-GAAP financial measure.

Basel Requirements

Basel Capital Requirements [1]



Capital Deduction Phase-In	
1/1/2013	0%
1/1/2014	20%
1/1/2015	40%
1/1/2016	60%
1/1/2017	80%
1/1/2018	100%
1/1/2019	100%

- Including currently identified RWA mitigation actions, December 31, 2012 RWA is estimated at $1.8T
- Additional RWA mitigation efforts have been identified and will continue after December 31, 2012
- Also actively mitigating against Basel III capital numerator deductions which phase in starting in 2014
- We expect our ratios to be in excess of all required minimums
- Assuming no benefit for the Basel III capital deduction phase-in (i.e., fully front-loaded basis), our goal is to achieve a 6.75% - 7% Tier 1 Common Ratio by January 1, 2013

[1] Based on BCBS' *Basel III: A global regulatory framework for more resilient banks and banking systems*, issued December 2010 and revised June 2011 and the press release on global systemically important banks dated June 25, 2011.

Basel Mitigation

Completed

- Reduced investments in financial institutions
- Exited proprietary trading
- Reduced low quality investments treated as capital deductions
- Decreased Global Markets Basel III RWA
- Loan run-off portfolio declined ~$40B from 6/30/10
- Reduced equity and alternative investments

Specific 1st Half 2011 Activities

- RWA reduced $60B+, including legacy capital markets risk exposures down 26% ($6B)
- MSR asset declined 17% ($2.5B) due to interest rates, amortization and charges
- Completed asset sales generating $1.3B of Tier 1 common gains and reducing RWA $5B+

Identified Actions to Meet YE'12 Goals

- Total Basel III RWA mitigation of $200B - $250B to achieve goal of $1.8T
  - Continue to aggressively reduce capital intensive assets
  - Continue to rebalance portfolios to improve returns under Basel III
- Reduce capital deductions
  - Manage and reduce OCI risk
  - Manage equity investments
- DTA / multiplier effect

Future Mitigation Goals

- Loan run-off portfolio to decline at roughly 20% per year (~$70B of Basel III RWA at 12/31/12)
- Credit correlation trading portfolio (~$30B of Basel III RWA at 12/31/12) largely running off by 2018
- Continued asset sales
- Private equity declines (~$50B of Basel III RWA remaining at 12/31/12)
- MSR reductions
- DTA / multiplier effect

Key Takeaways from 2Q11 Results

- Businesses performing well, excluding Consumer Real Estate Services
- Customer demand for loans slowly improving
- Continuing growth in deposits
- Good progress on customer-focused relationship strategy
- Interest rate environment remains challenging
- Credit improvement continues
- Liquidity is strong
- Capital ratios solid

Appendix

Selected Items in 2Q11

2Q11 Selected Items Included in Earnings ($B, except EPS)

	Pre-tax	Approximate EPS Impact [1]
Revenue		
Mortgage-related		
Representations and warranties provision	($14.0)	($0.88)
MSR negative valuation from servicing changes	(1.5)	(0.09)
Asset sales and other selected		
Securities gains	0.9	0.06
CCB dividend	0.8	0.05
Gain on sale of Balboa	0.8	0.05
Gain on sale of BlackRock stake	0.4	0.02
Strategic investment impairment	(0.5)	(0.03)
Other	0.1	0.00
Expense		
Mortgage-related		
Litigation expense	(1.9)	(0.11)
Assessments and waivers costs	(0.7)	(0.04)
Goodwill impairment	(2.6)	(0.26)

[1] Reflects estimated diluted EPS impact

2Q11 Results by Business Segment

2Q11 Results by Business Segment ($MM)

	Total Corporation	Deposits	Global Card Services	Consumer Real Estate Services	Global Commercial Banking	Global Banking & Markets	Global Wealth & Investment Management	All Other
Net interest income [1,2]	**$11,493**	$2,281	$3,611	$579	$1,827	$1,791	$1,571	($167)
Card income	**1,967**	1	1,833	-	84	27	21	1
Service charges	**2,012**	965	5	-	576	442	21	3
Investment and brokerage services	**3,009**	43	-	-	7	587	2,378	(6)
Investment banking income (loss)	**1,684**	-	-	(27)	11	1,637	94	(31)
Equity investment income (loss)	**1,212**	-	1	-	53	(5)	24	1,139
Trading account profits (losses)	**2,091**	-	-	-	(13)	2,071	35	(2)
Mortgage banking income (loss)	**(13,196)**	-	-	(13,018)	-	8	4	(190)
Insurance income (loss)	**400**	1	(23)	299	-	-	83	40
Gains on sales of debt securities	**899**	-	-	17	-	51	-	831
All other income	**1,912**	10	109	835	265	187	259	247
Total noninterest income (loss)	**1,990**	1,020	1,925	(11,894)	983	5,005	2,919	2,032
Total revenue, net of interest expense [1,2]	**13,483**	3,301	5,536	(11,315)	2,810	6,796	4,490	1,865
Total noninterest expense	**22,856**	2,599	1,882	8,647	1,068	4,713	3,631	316
Pre-tax, pre-provision earnings (loss) [1,2]	**(9,373)**	702	3,654	(19,962)	1,742	2,083	859	1,549
Provision for credit losses	**3,255**	31	481	1,507	(417)	(82)	72	1,663
Income (loss) before income taxes	**(12,628)**	671	3,173	(21,469)	2,159	2,165	787	(114)
Income tax expense (benefit) [1,2]	**(3,802)**	241	1,138	(6,949)	778	607	281	102
Net income (loss)	**($8,826)**	$430	$2,035	($14,520)	$1,381	$1,558	$506	($216)

[1] Fully taxable-equivalent basis.
[2] Represents a non-GAAP financial measure.

Other (within CRES)

$ in millions	2Q11 Other	2Q11 Less Mortgage-related and Other Selected Adjustments	2Q11 Other less Selected Items [1]
Total revenue, net of interest expense [2]	($904)	($1,501)	$597
Noninterest expense	2,603	2,603	-
Income tax expense (benefit) [2]	(333)	(555)	222
Net income (loss)	($3,174)	($3,549)	$375

$ in millions	1Q11 Other	1Q11 Less Mortgage-related and Other Selected Adjustments	1Q11 Other less Selected Items [1]
Total revenue, net of interest expense [2]	($7)	($528)	$521
Income tax expense (benefit) [2]	(3)	(195)	192
Net income (loss)	($4)	($333)	$329

Selected mortgage-related items ($ in millions) [3]	2Q11	1Q11
Goodwill impairment charge	($2,603)	$-
MSR write-down [4]	(1,501)	(528)

[1] Represents a non-GAAP financial measure.
[2] Fully taxable-equivalent basis.
[3] Items shown are on a pre-tax basis.
[4] Excludes net positive hedge activity of approximately $628MM and $531MM in 2Q11 and 1Q11, respectively.

Consumer Real Estate Services Financial Results

2Q11 Consumer Real Estate Services Financial Results ($MM)

	2Q11			
	Total Consumer Real Estate Services	Home Loans	Legacy Asset Servicing	Other
Net interest income [1]	$579	$481	$129	($31)
Noninterest income:				
Mortgage banking income (loss)	(13,018)	938	(13,083)	(873)
Insurance income	299	299	-	-
All other income	825	795	30	-
Total noninterest income (loss)	(11,894)	2,032	(13,053)	(873)
Total revenue, net of interest expense [1]	(11,315)	2,513	(12,924)	(904)
Provision for credit losses	1,507	121	1,386	-
Goodwill impairment	2,603			2,603
Noninterest expense	6,044	1,553	4,491	-
Income (loss) before income taxes	(21,469)	839	(18,801)	(3,507)
Income tax expense (benefit) [1]	(6,949)	308	(6,924)	(333)
Net income (loss)	($14,520)	$531	($11,877)	($3,174)
Balance Sheet				
Average				
Total loans and leases	$121,683	$55,267	$66,416	-
Total earning assets	158,674	71,876	68,444	$18,354
Total assets	198,030	73,377	84,616	40,037
Allocated equity	17,139	n/a	n/a	n/a
Economic capital [2]	14,437	n/a	n/a	n/a
Period-end				
Total loans and leases	$121,553	$55,454	$66,099	-
Total earning assets	149,908	69,822	68,114	11,972

[1] Fully taxable-equivalent basis.
[2] Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights).
n/a = not applicable.

Additional Representations and Warranties Information

Representations and Warranties

Liability for Representations and Warranties ($MM)

	2Q10	3Q10	4Q10	1Q11	2Q11
Beginning Balance	$3,325	$3,939	$4,402	$5,438	$6,220
Additions for new sales	8	6	8	7	3
Provision	1,248	872	4,140	1,013	14,037
Charge-offs	(642)	(415)	(3,028)	(238)	(2,480)
Other	-	-	(84)	-	-
Ending Balance	$3,939	$4,402	$5,438	$6,220	$17,780

Outstanding Claims by Counterparty ($MM)

	2Q10	3Q10	4Q10	1Q11	2Q11
GSEs	$5,624	$6,819	$2,821	$5,350	$5,081
Monolines	4,114	4,304	4,799	5,251	3,533
Other	1,428	1,825	3,067	2,963	2,966
Total	$11,166	$12,948	$10,687 [1]	$13,564 [1]	$11,580 [1]

New Claim Trends ($MM)

	2Q10	3Q10	4Q10	1Q11	2Q11	Mix
Pre 2005	$125	$147	$455	$130	$210	*5%*
2005	710	589	957	409	431	*13%*
2006	1,276	1,442	2,105	1,584	763	*32%*
2007	2,329	1,664	1,775	2,253	1,746	*40%*
2008	278	320	351	483	389	*8%*
Post 2008	47	56	105	128	158	*2%*
New Claims	$4,765	$4,218	$5,748	$4,987	$3,697	
% GSEs	*77%*	*82%*	*57%*	*88%*	*90%*	
Rescinded claims	$1,592	$1,531	$4,106	$934	$3,772	
Approved repurchases	855	1,005	3,934	1,109	2,002	
Outstanding claims	11,166	12,948	10,687	13,564	11,580	
% GSEs	*50%*	*53%*	*26%*	*39%*	*44%*	

Commentary

- 2Q11 representations and warranties provision of $14.0B includes
  - $8.6B non-GSE settlement with BNY Mellon on legacy Countrywide non-GSE private-label securitizations
  - $5.4B additional reserve for other non-GSE exposure as a result of the private-label settlement and to a lesser extent GSE exposure
- Estimated range of possible loss related to non-GSE representations and warranties exposure could be up to $5B over existing accruals at June 30, 2011. This estimate does not include reasonably possible litigation losses. The company is not currently able to reasonably estimate the possible loss or range of possible loss with respect to GSE representations and warranties exposure over existing accruals at June 30, 2011.
- Outstanding claims decreased $2.0B primarily driven by the Assured settlement early in the quarter
- Increase in rescissions in 2Q11 was primarily due to the Assured settlement
- Increase in approvals in 2Q11 was due to an increase in throughput in processing GSEs' claims driven by headcount increases. Because of significant claims received from GSEs during the quarter, the increase in approvals did not result in a proportional decrease in claims outstanding

[1] Includes $1.7B in demands from private-label securitization investors who do not have the right to demand repurchase of loans directly. However, inclusion of these claims does not mean we believe that the claimant has satisfied the contractual thresholds to direct the securitization trustee to take action or that these claims are otherwise procedurally or substantively valid. A claimant has filed litigation against the company relating to certain of these claims. These claims related to loans underlying securitizations included in the settlement with Bank of New York Mellon, as trustee. If the settlement is approved by the court, these claims will be resolved by the settlement.

Additional Asset Quality Information

Impact of FHA and Other Fully Insured Home Loans on Delinquencies [1]

FHA and Other Fully Insured Home Loans ($MM)

	2Q10	3Q10	4Q10	1Q11	2Q11
FHA and Other Fully insured Home Loans 30+ Day Performing Delinquencies	$17,053	$18,256	$19,150	$22,961	**$23,802**
Change from prior period	*2,066*	*1,203*	*894*	*3,811*	***841***
30+ Day Performing Delinquency Amounts					
Total consumer as reported	35,860	36,167	36,254	38,072	**37,319**
Total consumer excluding FHA and other fully insured home loans [2]	*18,807*	*17,911*	*17,104*	*15,111*	***13,517***
Residential mortgages as reported	22,536	23,573	24,267	27,381	**28,091**
Residential mortgages excluding FHA and other fully insured home loans [2]	*5,483*	*5,317*	*5,117*	*4,420*	***4,289***
30+ Day Performing Delinquency Ratios					
Total consumer as reported	5.52%	5.70%	5.63%	6.00%	**5.90%**
Total consumer excluding FHA and other fully insured home loans [2]	*3.24%*	*3.23%*	*3.16%*	*2.90%*	***2.63%***
Residential mortgages as reported	9.18%	9.69%	9.41%	10.45%	**10.55%**
Residential mortgages excluding FHA and other fully insured home loans [2]	*2.72%*	*2.82%*	*2.84%*	*2.57%*	***2.52%***

Commentary vs. 1Q11

- During 2Q11 we continued to repurchase delinquent fully-insured home loans which masks the continued improvement in our 30+ day performing delinquency trends
  - Total consumer 30+ day performing delinquency excluding fully-insured home loans improved for the 9th consecutive quarter, down $1.6B
  - U.S. credit card of $831MM led the decline while first- and second-lien mortgages declined as well

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

Home Loan Asset Quality Key Indicators

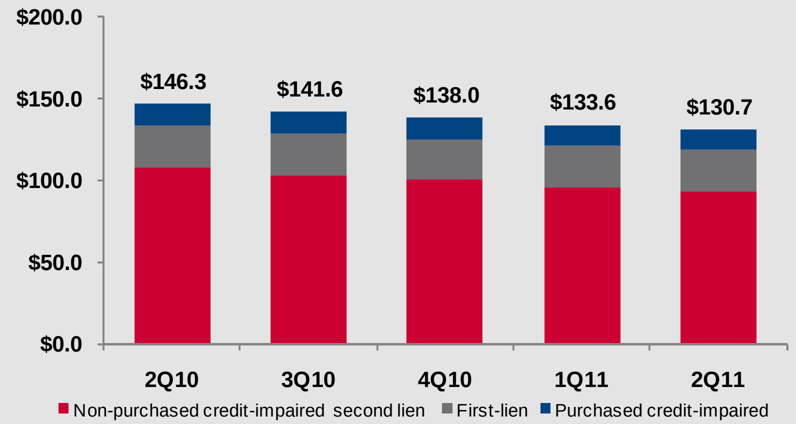
Home Loan Asset Quality Indicators ($MM)

	Residential Mortgage [1]				Home Equity				Discontinued Real Estate [1]			
	2Q11		1Q11		2Q11		1Q11		2Q11		1Q11	
	As Reported	Excluding Countrywide Purchased Credit-impaired and Fully Insured Loans	As Reported	Excluding Countrywide Purchased Credit-impaired and Fully Insured Loans	As Reported	Excluding Countrywide Purchased Credit-impaired	As Reported	Excluding Countrywide Purchased Credit-impaired	As Reported	Excluding Countrywide Purchased Credit-impaired	As Reported	Excluding Countrywide Purchased Credit-impaired
Loans end of period	**$266,333**	**$169,865**	$261,934	$171,996	**$130,654**	**$118,339**	$133,629	$121,160	**$12,003**	**$1,126**	$12,694	$1,399
Loans average	**264,258**	**171,285**	262,049	176,153	**131,786**	**119,416**	136,089	123,589	**12,450**	**1,292**	12,899	1,424
Net charge-offs	**$1,104**	**$1,104**	$905	$905	**$1,263**	**$1,263**	$1,179	$1,179	**$26**	**$26**	$20	$20
% of average loans	**1.68%**	**2.58%**	1.40%	2.08%	**3.84%**	**4.24%**	3.51%	3.87%	**0.84%**	**8.07%**	0.61%	5.57%
Allowance for loan losses	**$5,845**	**$4,600**	$5,369	$4,276	**$13,111**	**$8,037**	$12,857	$7,915	**$1,997**	**$78**	$1,871	$61
% of loans	**2.19%**	**2.71%**	2.05%	2.49%	**10.03%**	**6.79%**	9.62%	6.53%	**16.64%**	**6.91%**	14.74%	4.39%
Average refreshed (C)LTV [2]		**85**		83		**88**		86		**83**		80
90%+ refreshed (C)LTV [2]		**38%**		36%		**47%**		44%		**32%**		28%
Average refreshed FICO		**715**		714		**725**		723		**636**		637
% below 620 FICO		**15%**		15%		**12%**		13%		**47%**		46%

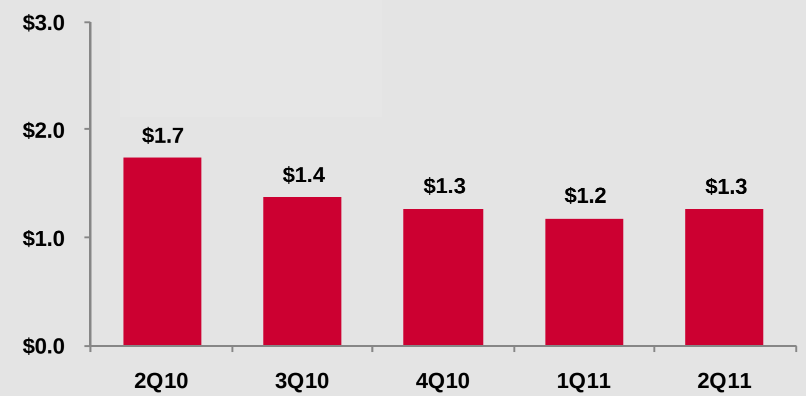
[1] Excludes fair value option loans which were added to the residential mortgage and discontinued real estate portfolios beginning in 2Q11.
[2] Loan-to-value (LTV) calculations apply to the residential mortgage and discontinued real estate portfolio. Combined loan-to-value (CLTV) calculations apply to the home equity portfolio.

Home Equity Loans

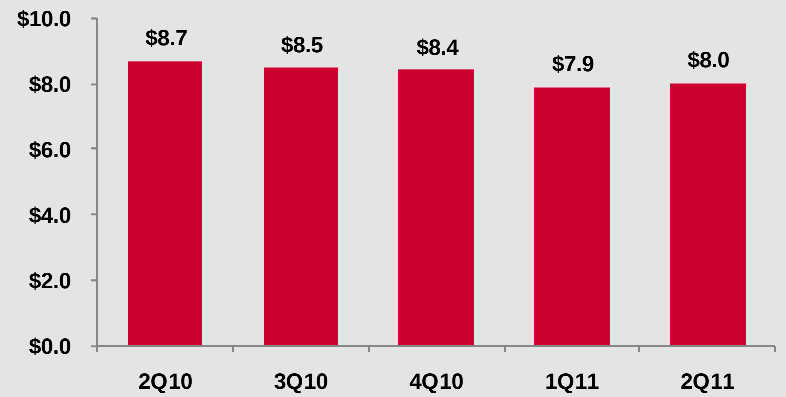
Loan Balances ($B, end of period)



Net Charge-offs ($B) [1]



Allowance for Non-purchased Credit-impaired Loans ($B)



Home Equity Portfolio Characteristics

- 91% of portfolio is stand-alone originations versus piggy back loans
- $12.3B legacy Countrywide PCI loan portfolio, for which we have a $5.1B allowance at 6/30/11
- For the non-PCI portfolio:
  - $25.1B are in first-lien position; $93.3B are second-lien positions
    - Of second-liens, ~43% or $40.4B have CLTV greater than 100%
      - Does not mean 100% severity in the event of default
      - Assuming proceeds of 85% of the collateral value, we estimate collateral value of $10.5B available for second liens
      - Additionally, on 94% of second-liens with CLTVs greater than 100%, the customer is current
- Allowance on the non-PCI home equity portfolio is $8.0B

[1] Charge-offs do not include Countrywide PCI portfolio as those losses were considered in establishing the nonaccretable difference in the original purchase accounting.