# **Bank of America**



# **Supplemental Information Second Quarter 2011**

This information is preliminary and based on company data available at the time of the earnings presentation. It speaks only as of the particular date or dates included in the accompanying pages. Bank of America does not undertake an obligation to, and disclaims any duty to, update any of the information provided. Any forward-looking statements in this information are subject to the forward-looking language contained in Bank of America's reports filed with the SEC pursuant to the Securities Exchange Act of 1934, which are available at the SEC's website (www.sec.gov) or at Bank of America's website (www.bankofamerica.com). Bank of America's future financial performance is subject to risks and uncertainties as described in its SEC filings.

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# Consolidated Financial Highlights (Dollars in millions, except per share information; shares in thousand

(Dollars in millions, except per share information; shares in thous		ths Ended	Second	First	Fourth	Third	Second
	Jui	ne 30	Quarter	Quarter	Quarter	Quarter	Quarter
	2011	2010	2011	2011	2010	2010	2010
Income statement							
Net interest income	\$ 23,425	\$ 26,649	\$ 11,246	\$ 12,179	\$ 12,439	\$ 12,435	\$ 12,900
Noninterest income	16,688	34,473	1,990	14,698	9,959	14,265	16,253
Total revenue, net of interest expense	40,113	61,122	13,236	26,877	22,398	26,700	29,153
Provision for credit losses	7,069	17,910	3,255	3,814	5,129	5,396	8,105
Goodwill impairment	2,603	-	2,603	-	2,000	10,400	-
Merger and restructuring charges	361	1,029	159	202	370	421	508
All other noninterest expense (1)	40,175	33,999	20,094	20,081	18,494	16,395	16,745
Income tax expense (benefit)	(3,318)	1,879	(4,049)	731	(2,351)	1,387	672
Net income (loss)	(6,777)	6,305	(8,826)	2,049	(1,244)	(7,299)	3,123
Preferred stock dividends	611	688	301	310	321	348	340
Net income (loss) applicable to common shareholders	(7,388)	5,617	(9,127)	1,739	(1,565)	(7,647)	2,783
Diluted earnings (loss) per common share (2)	(0.73)	0.55	(0.90)	0.17	(0.16)	(0.77)	0.27
Average diluted common shares issued and outstanding (2)	10,085,479	10,020,926	10,094,928	10,181,351	10,036,575	9,976,351	10,029,776
Dividends paid per common share	\$ 0.02	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Performance ratios							
Return on average assets	n/m	0.51 %	n/m	0.36 %	n/m	n/m	0.50 %
Return on average common shareholders' equity	n/m	5.45	n/m	3.29	n/m	n/m	5.18
Return on average tangible common shareholders' equity (3)	n/m	9.48	n/m	5.28	n/m	n/m	9.19
Return on average tangible shareholders' equity (3)	n/m	9.26	n/m	5.54	n/m	n/m	8.98
At period end							
Book value per share of common stock	\$ 20.29	\$ 21.45	\$ 20.29	\$ 21.15	\$ 20.99	\$ 21.17	\$ 21.45
Tangible book value per share of common stock (3)	12.65	12.14	12.65	13.21	12.98	12.91	12.14
Market price per share of common stock:							
Closing price	\$ 10.96	\$ 14.37	\$ 10.96	\$ 13.33	\$ 13.34	\$ 13.10	\$ 14.37
High closing price for the period	15.25	19.48	13.72	15.25	13.56	15.67	19.48
Low closing price for the period	10.50	14.37	10.50	13.33	10.95	12.32	14.37
Market capitalization	111,060	144,174	111,060	135,057	134,536	131,442	144,174
Number of banking centers - U.S.	5,742	5,900	5,742	5,805	5,856	5,879	5,900
Number of branded ATMs - U.S.	17,817	18,078	17,817	17,886	17,926	17,929	18,078
Full-time equivalent employees	287,839	284,628	287,839	288,062	288,471	287,293	284,628

 $n/m = not \ meaningful$ 

<sup>(1)</sup> Excludes merger and restructuring charges and goodwill impairment charge.
(2) Due to a net loss applicable to common shareholders for the second quarter of 2011 and the fourth and third quarters of 2010, no dilutive potential common shares were included in the calculations of diluted earnings per share and average diluted common shares because they were antidilutive.

average animea common states because they were attainance.

(3) Tangible equity ratios and tangible book value per shado state of common stock are non-GAAP measures. We believe the use of these non-GAAP measures provides additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconcilitations - Reconcilitations - Reconcilitations to GAAP Financial Measures on pages 44-45.)

# Supplemental Financial Data

## Fully taxable-equivalent basis data (1)

	 Six Mo J	onths une		ed			Second Quarter		(	First Quarter			ourth uarter		Third Quarter			econd uarter	
	 2011	-	2	2010		_	2011	-		2011		2	2010	_	2010	-	- :	2010	
Net interest income	\$ 23,890		\$	27,267		\$	11,493		\$	12,397		\$	12,709	5	12,717		\$	13,197	
Total revenue, net of interest expense	40,578			61,740			13,483			27,095			22,668		26,982			29,450	
Net interest yield (2)	2.58	%		2.85	%		2.50	%		2.67	%		2.69	%	2.72	%		2.77	%
Efficiency ratio	n/m			56.73			n/m			74.86			92.04		100.87			58.58	

### Performance ratios, excluding goodwill impairment charges (3)

	Six Months Ended June 30 2011	Second Quarter 2011	Fourth Quarter 2010	Third Quarter 2010
Per common share information				
Earnings (loss)	\$ (0.48)	\$ (0.65)	\$ 0.04 \$	0.27
Diluted earnings (loss)	(0.48)	(0.65)	0.04	0.27
Efficiency ratio (1)	n/m	n/m	83.22 %	62.33 %
Return on average assets	n/m	n/m	0.13	0.52
Return on average common shareholders' equity	n/m	n/m	0.79	5.06
Return on average tangible common shareholders' equity (3)	n/m	n/m	1.27	8.67
Return on average tangible shareholders' equity (3)	n/m	n/m	1.96	8.54

<sup>(1)</sup> Fully taxable-equivalent basis is a non-GAAP measure. Fully taxable-equivalent basis is a performance measure used by management in operating the business that management believes provides investors with a more accurate picture of the interest margin for comparative purposes. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 44-45).
(2) Calculation includes fees earned on overnight deposits placed with the Federal Reserve of \$112 million and \$198 million for the six months ended June 30, 2011 and 2010; \$49 million and \$63 million for the second and first quarters of 2011, and \$63 million, \$107 million and \$106 million for the fourth, third and second quarters of 2010, respectively. For more information see Quarterly and Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis on pages 9-10 and 11-12.

n/m = not meaningful

<sup>(3)</sup> Total noninterest expense, excluding goodwill impairment charges, net income, excluding its goodwill impairment charges and tangible equity ratios are non-GAAP measures. We believe the use of these non-GAAP measures provides additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconciliations on GAAP Financial Measures on pages 44-45).

### **Consolidated Statement of Income**

(Dollars in millions, except per share information; shares in thousands)		Six Month	s Ende	d	S	Second		First	1	Fourth		Third		Second
		June				uarter	(	Quarter	(	Quarter	(	Quarter		Quarter
Interest income		2011		2010		2011		2011		2010		2010	_	2010
Loans and leases	\$	23,249	\$	26,362	s	11,320	\$	11,929	\$	12,149	\$	12,485	\$	12,887
Debt securities	Ψ	5,557	Ψ	6,033	,	2,675	Ψ.	2,882		3,029	Ψ.	2,605	Ψ.	2,917
Federal funds sold and securities borrowed or purchased under		-,		-,		_,		_,		-,		_,		-,, -,
agreements to resell		1,114		905		597		517		486		441		457
Trading account assets		3,164		3,539		1,538		1,626		1,661		1,641		1,796
Other interest income		1,886		2,159		918		968		965		1,037		1,062
Total interest income		34,970		38,998		17,048	_	17,922		18,290		18,209	_	19,119
Interest expense														
Deposits		1,682		2,153		843		839		894		950		1,031
Short-term borrowings		2,525		1,709		1,341		1,184		1,142		848		891
Trading account liabilities		1,254		1,375		627		627		561		635		715
Long-term debt		6,084		7,112		2,991		3,093		3,254		3,341		3,582
Total interest expense		11,545		12,349		5,802		5,743		5,851		5,774		6,219
Net interest income		23,425		26,649		11,246		12,179		12,439		12,435		12,900
Noninterest income														
Card income		3,795		3,999		1,967		1,828		2,127		1,982		2,023
Service charges		4,044		5,142		2,012		2,032		2,036		2,212		2,576
Investment and brokerage services		6,110		6,019		3,009		3,101		2,879		2,724		2,994
Investment banking income		3,262		2,559		1,684		1,578		1,590		1,371		1,319
Equity investment income		2,687		3,391		1,212		1,475		1,512		357		2,766
Trading account profits		4,813		6,463		2,091		2,722		995		2,596		1,227
Mortgage banking income (loss)		(12,566)		2,398		(13,196)		630		(1,419)		1,755		898
Insurance income		1,013		1,393		400		613		598		75		678
Gains on sales of debt securities		1,445		771		899		546		872		883		37
Other income (loss)		2,218		3,065		1,957		261		(1,114)		433		1,861
Other-than-temporary impairment losses on available-for-sale debt securities:														
Total other-than-temporary impairment losses		(157)		(1,783)		(63)		(111)		(612)		(156)		(462)
Less: Portion of other-than-temporary impairment losses														
recognized in other comprehensive income		24		1,056		18		23		495		33		336
Net impairment losses recognized in earnings on available-for-sale debt securities		(133)		(727)		(45)		(88)		(117)		(123)		(126)
Total noninterest income		16,688		34,473		1,990		14,698		9,959		14,265		16,253
Total revenue, net of interest expense		40,113		61,122		13,236		26,877		22,398		26,700		29,153
Provision for credit losses		7,069		17,910		3,255		3,814		5,129		5,396		8,105
Noninterest expense														
Personnel		19,339		17,947		9,171		10,168		8,800		8,402		8,789
Occupancy		2,434		2,354		1,245		1,189		1,212		1,150		1,182
Equipment		1,199		1,226		593		606		607		619		613
Marketing		1,124		982		560		564		484		497		495
Professional fees		1,412		1,161		766		646		883		651		644
Amortization of intangibles		767		885		382		385		420		426		439
Data processing		1,338		1,280		643		695		662		602		632
Telecommunications Other properties		762 11,800		689		391 6,343		371		366 5,060		361 3,687		359
Other general operating		2,603		7,475		2,603		5,457		2,000		10,400		3,592
Goodwill impairment		361		1,029		159		202		370		421		508
Merger and restructuring charges Total noninterest expense		43,139		35,028	-	22,856	_	20,283	_	20,864	_	27,216		17,253
Income (loss) before income taxes		(10,095)		8,184	-	(12,875)	_	2,780	_	(3,595)		(5,912)	_	3,795
Income tax expense (benefit)		(3,318)		1,879		(4,049)		731		(2,351)		1,387		672
Net income (loss)	\$	(6,777)	\$	6,305	-\$	(8,826)	\$	2.049	\$	(1,244)	\$	(7,299)	S	3,123
Preferred stock dividends	-	611		688		301	_	310	_	321	_	348	_	340
Net income (loss) applicable to common shareholders	\$	(7,388)	\$	5,617	\$	(9,127)	\$	1,739	\$	(1,565)	\$	(7,647)	\$	2,783
Per common share information														
Earnings (loss)	\$	(0.73)	\$	0.56	\$	(0.90)	\$	0.17	\$	(0.16)	\$	(0.77)	\$	0.28
Diluted earnings (loss) (1)		(0.73)		0.55		(0.90)		0.17		(0.16)		(0.77)		0.27
Dividends paid		0.02		0.02		0.01		0.01		0.01		0.01		0.01
Average common shares issued and outstanding		10,085,479	_	9,570,166	10	0,094,928	10	0.075,875	10	0.01		9,976,351	_	9,956,773
		,000,777		.,,.,.00	I —	.,	- 10	.,.,.,,,,,	10	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		- , , , , , , , , , 1		-,,,,,,,,,
Average diluted common shares issued and outstanding (1)		10,085,479	1.	0,020,926	4.0	0,094,928	1/	0,181,351	10	,036,575		9,976,351	1.	0,029,776

<sup>(1)</sup> Due to a net loss applicable to common shareholders for the second quarter of 2011 and for the fourth and third quarters of 2010, the impact of antidilutive equity instruments was excluded from diluted earnings per share and average diluted common shares.

# **Bank of America Corporation and Subsidiaries Consolidated Balance Sheet**

(Dollars in millions)					
		June 30		March 31	June 30
		2011		2011	 2010
Assets					
Cash and cash equivalents	\$	119,527	\$	97,542	\$ 151,034
Time deposits placed and other short-term investments		20,291		23,707	20,718
Federal funds sold and securities borrowed or purchased under agreements to resell		235,181		234,056	247,667
Trading account assets		196,939		208,761	197,376
Derivative assets		66,598		65,334	87,839
Debt securities:					
Available-for-sale		330,871		330,345	314,765
Held-to-maturity, at cost		181		431	435
Total debt securities		331,052		330,776	315,200
Loans and leases		941,257		932,425	956,177
Allowance for loan and lease losses		(37,312)		(39,843)	(45,255)
Loans and leases, net of allowance		903,945		892,582	910,922
Premises and equipment, net		13,793		14,151	14,536
Mortgage servicing rights (includes \$12,372, \$15,282 and \$14,745 measured at fair value)		12,642		15,560	15,041
Goodwill		71,074		73,869	85,801
Intangible assets		9,176		9,560	10,796
Loans held-for-sale		20,092		25,003	38,046
Customer and other receivables		86,550		97,318	86,466
Other assets		174,459		186,313	186,942
Total assets	\$	2,261,319	\$	2,274,532	\$ 2,368,384
Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral)	\$	10.746	¢	12.012	\$ 10 (75
Trading account assets Derivative assets	<b>3</b>	10,746	\$	12,012	\$ 10,675 2,094
Available-for-sale debt securities		2,293 251		2,280 2,104	9,493
Avanable-for-sale deof securities  Loans and leases		151,928		146,309	134,143
Allowance for loan and lease losses		(7,792)		(8,335)	(10,585)
Loans and leases, net of allowance		144.136		137,974	123,558
Loans held-for-sale		1,561		1,605	3,371
All other assets		7,115		4,883	9,190
Total assets of consolidated VIEs	\$	166,102	\$	160,858	\$ 158,381

**Consolidated Balance Sheet (continued)** 

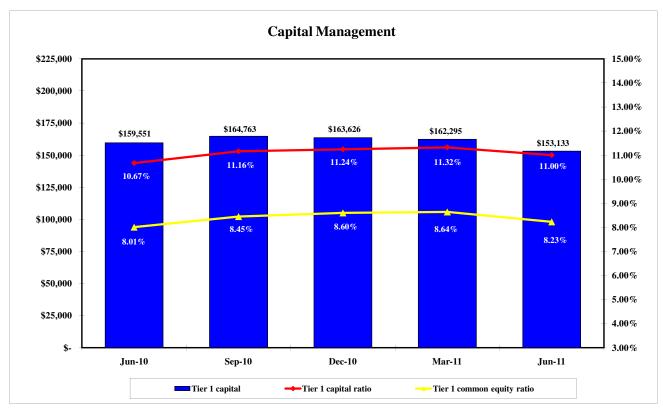
(Dollars in millions)					
		June 30	]	March 31	June 30
		2011		2011	 2010
Liabilities	-				
Deposits in U.S. offices:					
Noninterest-bearing	\$	301,558	\$	286,357	\$ 258,988
Interest-bearing		647,480		652,096	640,807
Deposits in non-U.S. offices:					
Noninterest-bearing		6,555		7,894	5,791
Interest-bearing		82,815		73,828	68,881
Total deposits		1,038,408		1,020,175	974,467
Federal funds purchased and securities loaned or sold under agreements to repurchase		239,521		260,521	307,211
Trading account liabilities		74,989		88,478	89,982
Derivative liabilities		54,414		53,501	67,297
Commercial paper and other short-term borrowings		50,632		58,324	73,358
Accrued expenses and other liabilities (includes \$897, \$961 and \$1,413 of reserve for unfunded					
lending commitments)		154,520		128,221	132,812
Long-term debt		426,659		434,436	490,083
Total liabilities		2,039,143		2,043,656	2,135,210
Shareholders' equity					
Preferred stock, \$0.01 par value; authorized - 100,000,000 shares; issued and outstanding - 3,943,660, 3,943,660					
and 3,960,660 shares		16,562		16,562	17,993
Common stock and additional paid-in capital, \$0.01 par value; authorized - 12,800,000,000, 12,800,000,000 and					
12,800,000,000 shares; issued and outstanding - 10,133,189,501, 10,131,803,417 and 10,033,016,719 shares		151,567		151,379	149,175
Retained earnings		53,254		62,483	70,497
Accumulated other comprehensive income (loss)		793		463	(4,447)
Other		-		(11)	(44)
		222 156		230,876	233,174
Total shareholders' equity		222,176		230,670	233,174

**Capital Management** 

(Dollars in millions)					
	Second	First	Fourth	Third	Second
	Quarter	Quarter	Quarter	Quarter	Quarter
	2011	2011	2010	2010	2010
Risk-based capital (1):					
Tier 1 common	\$ 114,684	\$ 123,882	\$ 125,139	\$ 124,756	\$ 119,716
Tier 1 capital	153,133	162,295	163,626	164,763	159,551
Total capital	217,986	229,094	229,594	231,120	220,827
Risk-weighted assets	1,392,747	1,433,377	1,455,951	1,476,774	1,494,990
Tier 1 common equity ratio (2)	8.23 %	8.64 %	8.60 %	8.45 %	8.01 %
Tier 1 capital ratio	11.00	11.32	11.24	11.16	10.67
Total capital ratio	15.65	15.98	15.77	15.65	14.77
Tier 1 leverage ratio	6.86	7.25	7.21	7.21	6.68
Tangible equity ratio (3)	6.63	6.85	6.75	6.54	6.14
Tangible common equity ratio (3)	5.87	6.10	5.99	5.74	5.35

<sup>(1)</sup> Reflects preliminary data for current period risk-based capital.

<sup>(3)</sup> Tangible equity ratio equals period end tangible shareholders' equity divided by period end tangible assets. Tangible common equity equals period end tangible common shareholders' equity divided by period end tangible assets. Tangible shareholders' equity and tangible assets are non-GAAP measures. We believe the use of these non-GAAP measures provide additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconciliations - Reconciliation to GAAP Financial Measures on pages 44-45).



<sup>\*</sup>Preliminary data on risk-based capital

#### **Outstanding Common Stock**

No common shares were repurchased in the second quarter of 2011.

There is no existing Board authorized share repurchase program.

<sup>(2)</sup> Tier 1 common equity ratio equals Tier 1 capital excluding preferred stock, trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.

# Core Net Interest Income

			nths une 3					Second Quarter			First Quarter			Fourth Quarter		Third Quarter		Second Quarter	
		2011			2010		_	2011			2011	_		2010	_	2010	_	2010	
Net interest income (1)																			
As reported (2)	\$	23,890		\$	27,267		5	3 11,4	193	\$	12,397		\$	12,709	\$	12,717	5	13,197	
Impact of market-based net interest income (3)		(1,965)			(2,235)			(9	914)		(1,051)	1		(1,150)		(1,045)		(1,049)	
Core net interest income	\$	21,925		\$	25,032		5	10,5	579	\$	11,346		\$	11,559	\$	11,672	5	12,148	
Average earning assets (4)	¢	1,857,124		é	1,921,864		,	1 044	-25	s	1 0/0 0/2		é	1 002 520		1.062.010		1 010 700	
As reported Impact of market-based earning assets (3)	Þ	(465,617)		\$	(533,180)			3 1,844,5 (461,7		3	1,869,863 (469,503)		3	1,883,539 (481,629)	2	1,863,819 (503,890)	4	1,910,790 (530,785)	
Core average earning assets	\$	1,391,507		\$	1,388,684		5	1,382,7		\$	1,400,360	-	\$	1,401,910	\$	1,359,929	5	1,380,005	ı
Net interest yield contribution (1,5)																			
As reported (2)		2.58	%		2.85	%		2	.50	%	2.67	%		2.69	%	2.72	%	2.77	%
Impact of market-based activities (3)		0.58	_		0.77			0	.56		0.59			0.60		0.70		0.76	
Core net interest yield on earning assets		3.16	%		3.62	%	_	3	.06	%	3.26	%		3.29	%	3.42	%	3.53	%

<sup>(1)</sup> Fully taxable-equivalent basis
(2) Balance and calculation include fees earned on overnight deposits placed with the Federal Reserve of \$112 million and \$198 million for the six months ended June 30, 2011 and 2010; \$49 million for the second and first quarters of 2011, and \$63 million, \$107 million and \$106 million for the fourth, third and second quarters of 2010, respectively.
(3) Represents the impact of mather-based mounts included in Global Banking & Markets.
(4) For the three and six months ended June 30, 2011, \$40.4 billion and \$20.3 billion of non-interest earning equity securities were reclassified from trading account assets to other non-earning assets. Prior period amounts are immaterial and have not been restated.
(5) Calculated on an annualized basis.

#### Quarterly Average Balances and Interest Rates - Fully Taxable-equivalent Basis

		Second	Qua	rter 2011	l		First (	Quart	er 2011			Second	Quart	er 2010	
			Ir	iterest		-		Iı	terest				Inte	erest	
		Average	Ir	icome/	Yield/		Average		come/	Yield/		Average		ome/	Yield/
	1	Balance	E:	xpense	Rate	_	Balance	E	xpense	Rate		Balance	Exp	ense	Rate
Earning assets															
Time deposits placed and other short-term investments (1)	\$	27,298	\$	106	1.56	%	\$ 31,294	\$	88	1.14	%	\$ 30,741	\$	70	0.93 %
Federal funds sold and securities borrowed or purchased															
under agreements to resell		259,069		597	0.92		227,379		517	0.92		263,564		457	0.70
Trading account assets (2)		186,760		1,576	3.38		221,041		1,669	3.05		213,927		1,853	3.47
Debt securities (3)		335,269		2,696	3.22		335,847		2,917	3.49		314,299		2,966	3.78
Loans and leases (4):															
Residential mortgage (5)		265,420		2,763	4.16		262,049		2,881	4.40		247,715		2,982	4.82
Home equity		131,786		1,261	3.83		136,089		1,335	3.96		148,219		1,537	4.15
Discontinued real estate		15,997		129	3.22		12,899		110	3.42		13,972		134	3.84
U.S. credit card		106,164		2,718	10.27		109,941		2,837	10.47		118,738		3,121	10.54
Non-U.S. credit card		27,259		760	11.18		27,633		779	11.43		27,706		854	12.37
Direct/Indirect consumer (6)		89,403		945	4.24		90,097		993	4.47		98,549		1,233	5.02
Other consumer (7)		2,745		47	6.87		2,753		45	6.58		2,958		46	6.32
Total consumer		638,774		8,623	5.41		641,461		8,980	5.65		657,857	(	9,907	6.03
U.S. commercial		190,479		1,827	3.85	-	191,353		1,926	4.08		195,144		2,005	4.12
Commercial real estate (8)		45,762		382	3.35		48,359		437	3.66		64,218		541	3.38
Commercial lease financing		21,284		235	4.41		21,634		322	5.95		21,271		261	4.90
Non-U.S. commercial		42,214		339	3.22		36,159		299	3.35		28,564		256	3.59
Total commercial		299,739		2,783	3.72		297,505		2,984	4.06		309,197		3,063	3.97
Total loans and leases		938,513		11,406	4.87		938,966		11,964	5.14		967,054	1.	2,970	5.38
Other earning assets		97,616		866	3.56		115,336		922	3.24		121,205		994	3.29
Total earning assets		1,844,525		17,247	3.75		1,869,863		18,077	3.92		1,910,790	19	9,310	4.05
Cash and cash equivalents (1)		115,956		49		-	138,241		63			209,686		106	
Other assets, less allowance for loan and lease losses (2)		378,629					330,434					373,956			
Total assets	\$	2,339,110					\$ 2,338,538					\$ 2,494,432			

<sup>(1)</sup> For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. Net interest income and net interest yield are calculated excluding these fees.

<sup>(2)</sup> For the second quarter of 2011, \$40.4 billion of non-interest earning equity securities were reclassified from trading account assets to other non-earning assets. Prior period amounts are immaterial and have not been restated.

<sup>(3)</sup> Yields on available-for-sale debt securities are calculated based on fair value rather than the cost basis. The use of fair value does not have a material impact on net interest yield.

<sup>(4)</sup> Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cash basis. Purchased credit-impaired loans were written down to fair value upon acquisition and accrete interest income over the remaining life of the loan.

(5) Includes non-U.S. residential mortgages of \$94 million and \$92 million in the second and first quarters of 2011, and \$506 million in the second quarter of 2010.

<sup>(6)</sup> Includes non-U.S. consumer loans of \$8.7 billion and \$8.2 billion in the second and first quarters of 2011, and \$7.7 billion in the second quarter of 2010.

<sup>(7)</sup> Includes consumer finance loans of \$1.8 billion and \$1.9 billion in the second and first quarters of 2011, and \$2.1 billion in the second quarter of 2010; other non-U.S. consumer loans of \$840 million and \$777 million in the second and first quarters of 2011, and \$679 million in the second quarter of 2010; and consumer overdrafts of \$79 million and \$76 million in the second and first quarters of 2011, and \$155 million in the second uarter of 2010

<sup>(8)</sup> Includes U.S. commercial real estate loans of \$43.4 billion and \$45.7 billion in the second and first quarters of 2011, and \$61.6 billion in the second quarter of 2010, and non-U.S. commercial real estate loans of \$2.4 billion and \$2.7 billion in the second and first quarters of 2011, and \$2.6 billion in the second quarter of 2010.

## Quarterly Average Balances and Interest Rates - Fully Taxable-equivalent Basis (continued)

(Dollars in millions)	Casand	Onout	ter 2011			Einst C	)aut.	··· 2011			Casand	0	arter 2010		
<del>-</del>	Second	_	erest		-	First C	_	er 2011 iterest			 Second	-	nterest		
	Average		ome/	Yield/		Average		come/	Yield/		Average		ncome/	Yield/	
	Balance		onie/ oense	Rate		Balance		tpense	Rate		Balance		xpense	Rate	
Interest-bearing liabilities	Dumnee	ы	Jerroe	Tuite	-	Bunnec		фенье	Tune		 Duminee		препос	ruic	•
U.S. interest-bearing deposits:															
Savings \$	41,668	\$	31	0.30	%	\$ 38,905	\$	32	0.34	%	\$ 37,290	\$	43	0.46	%
NOW and money market deposit accounts	478,690		304	0.25		475,954		316	0.27		442,262		372	0.34	
Consumer CDs and IRAs	113,728		281	0.99		118,306		300	1.03		147,425		441	1.20	
Negotiable CDs, public funds and other time deposits	13,842		42	1.22		13,995		39	1.11		17,355		59	1.36	
Total U.S. interest-bearing deposits	647,928		658	0.41	-	647,160		687	0.43		644,332		915	0.57	
Non-U.S. interest-bearing deposits:					_										
Banks located in non-U.S. countries	19,234		37	0.77		21,534		38	0.72		19,751		36	0.72	
Governments and official institutions	2,131		2	0.38		2,307		2	0.35		4,214		3	0.28	
Time, savings and other	64,889		146	0.90		60,432		112	0.76		52,195		77	0.60	
Total non-U.S. interest-bearing deposits	86,254		185	0.86	-	84,273		152	0.73		76,160		116	0.61	
Total interest-bearing deposits	734,182		843	0.46	-	731,433		839	0.46		720,492		1,031	0.57	
Federal funds purchased, securities loaned or sold under					-										
agreements to repurchase and other short-term borrowings	338,692		1,342	1.59		371,573		1,184	1.29		454,051		891	0.79	
Trading account liabilities	96,108		627	2.62		83,914		627	3.03		100,021		715	2.87	
Long-term debt	435,144		2,991	2.75		440,511		3,093	2.84		497,469		3,582	2.88	
Total interest-bearing liabilities	1,604,126		5,803	1.45		1,627,431		5,743	1.43		1,772,033		6,219	1.41	
Noninterest-bearing sources:					-										
Noninterest-bearing deposits	301,762					291,707					271,123				
Other liabilities	198,155					188,631					217,815				
Shareholders' equity	235,067					230,769					233,461				
Total liabilities and shareholders' equity \$	2,339,110				-	\$ 2,338,538					\$ 2,494,432				
Net interest spread				2.30	%				2.49	%				2.64	%
Impact of noninterest-bearing sources				0.19	_				0.17					0.10	
Net interest income/yield on earning assets (1)		\$ 1	1,444	2.49	%		\$	12,334	2.66	%		\$	13,091	2.74	%

For footnotes see page 9.

# Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis

(Dollars in millions)

			Six Months En	ded June 30		
		2011			2010	,
		Interest			Interest	
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning assets		_			-	
Time deposits placed and other short-term investments (1)	\$ 29,285	\$ 194	1.34 %	\$ 29,179	\$ 130	0.90 %
Federal funds sold and securities borrowed or purchased under						
agreements to resell	243,311	1,114	0.92	264,810	905	0.69
Trading account assets (2)	203,806	3,245	3.21	214,233	3,648	3.42
Debt securities (3)	335,556	5,613	3.35	312,727	6,139	3.93
Loans and leases (4):						
Residential mortgage (5)	263,744	5,644	4.28	245,785	6,082	4.95
Home equity	133,926	2,596	3.90	150,365	3,123	4.18
Discontinued real estate	14,457	239	3.31	14,201	287	4.05
U.S. credit card	108,042	5,555	10.37	122,027	6,491	10.73
Non-U.S. credit card	27,445	1,539	11.31	28,783	1,760	12.33
Direct/Indirect consumer (6)	89,748	1,938	4.36	99,728	2,535	5.13
Other consumer (7)	2,748	92	6.75	2,981	94	6.34
Total consumer	640,110	17,603	5.53	663,870	20,372	6.17
U.S. commercial	190,914	3,753	3.96	198,882	3,975	4.03
Commercial real estate (8)	47,053	819	3.51	66,361	1,116	3.39
Commercial lease financing	21,458	557	5.18	21,472	565	5.26
Non-U.S. commercial	39,203	638	3.28	28,682	520	3.65
Total commercial	298,628	5,767	3.89	315,397	6,176	3.94
Total loans and leases	938,738	23,370	5.01	979,267	26,548	5.45
Other earning assets	106,428	1,788	3.39	121,648	2,047	3.39
Total earning assets	1,857,124	35,324	3.84	1,921,864	39,417	4.14
Cash and cash equivalents (1)	127,037	112		203,334	198	
Other assets, less allowance for loan and lease losses (2)	354,665			380,261		
Total assets	\$ 2,338,826			\$ 2,505,459		_

<sup>(1)</sup> Fees earned on overnight deposits placed with the Federal Reserve, which were included in the time deposits placed and other short-term investments line in prior periods, have been reclassified to cash and cash equivalents, consistent with the balance sheet presentation of these deposits. Net interest income and net interest yield are calculated excluding these fees.

<sup>(2)</sup> For the six months ended June 30, 2011, \$20.3 billion of non-interest earning equity securities were reclassified from trading account assets to other non-earning assets. Prior period amounts are immaterial and have not been restated.

<sup>(3)</sup> Yields on AFS debt securities are calculated based on fair value rather than the cost basis. The use of fair value does not have a material impact on net interest yield.

<sup>(4)</sup> Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cash basis. Purchased credit-impaired loans were written down to fair value upon acquisition and accrete interest income over the remaining life of the loan.

<sup>(5)</sup> Includes non-U.S. residential mortgages of \$93 million and \$522 million for the six months ended June 30, 2011 and 2010.

<sup>6)</sup> Includes non-U.S. consumer loans of \$8.4 billion and \$7.9 billion for the six months ended June 30, 2011 and 2010.

<sup>(7)</sup> Includes consumer finance loans of \$1.9 billion and \$2.2 billion, other non-U.S. consumer loans of \$809 million and \$671 million, and consumer overdrafts of \$78 million and \$144 million for the six months ended June 30, 2011 and 2010.

<sup>(8)</sup> Includes U.S. commercial real estate loans of \$44.5 billion and \$63.6 billion, and non-U.S. commercial real estate loans of \$2.5 billion and \$2.8 billion for the six months ended June 30, 2011 and 2010.

# Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis (continued) (Dollars in millions)

(Dollars in millions)											
				Six Month	s En	led	June 30				_
		2	011		_				2010		
		I	nterest					]	Interest		-
	Average	I	ncome/	Yield/			Average	I	ncome/	Yield/	
	 Balance	E	Expense	Rate	_		Balance	F	Expense	Rate	_
Interest-bearing liabilities											
U.S. interest-bearing deposits:											
Savings	\$ 40,294	\$	63	0.32	%	\$	36,214	\$	86	0.48	%
NOW and money market deposit accounts	477,330		620	0.26			429,258		713	0.33	
Consumer CDs and IRAs	116,004		581	1.01			156,755		1,008	1.30	
Negotiable CDs, public funds and other time deposits	 13,918		81	1.17			18,552		122	1.33	
Total U.S. interest-bearing deposits	 647,546		1,345	0.42			640,779		1,929	0.61	
Non-U.S. interest-bearing deposits:											
Banks located in non-U.S. countries	20,378		75	0.74			19,091		68	0.72	
Governments and official institutions	2,219		4	0.36			4,916		6	0.25	
Time, savings and other	62,673		258	0.83			53,534		150	0.57	
Total non-U.S. interest-bearing deposits	 85,270		337	0.80			77,541		224	0.58	
Total interest-bearing deposits	732,816		1,682	0.46			718,320		2,153	0.60	
Federal funds purchased and securities loaned or sold under											
agreements to repurchase and other short-term borrowings	355,042		2,526	1.43			481,041		1,709	0.72	
Trading account liabilities	90,044		1,254	2.81			95,105		1,374	2.91	
Long-term debt	437,812		6,084	2.80			505,507		7,112	2.82	
Total interest-bearing liabilities	1,615,714		11,546	1.44			1,799,973		12,348	1.38	
Noninterest-bearing sources:											
Noninterest-bearing deposits	296,762						268,024				
Other liabilities	193,420						205,767				
Shareholders' equity	 232,930				_		231,695				_
Total liabilities and shareholders' equity	\$ 2,338,826				_	\$	2,505,459				_
Net interest spread	 ·		·	2.40	%					2.76	%
Impact of noninterest-bearing sources				0.17	_					0.06	_
Net interest income/yield on earning assets (1)	 	\$	23,778	2.57	%			\$	27,069	2.82	%
					-						•

For footnotes see page 11.

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				June 3	0, 2011					
	A	mortized Cost	Ur	Gross realized Gains	Ur	Gross realized Losses	Fair Value			
Available-for-sale debt securities										
U.S. Treasury and agency securities	\$	49,874	\$	684	\$	(1,289)	\$	49,269		
Mortgage-backed securities:										
Agency		180,151		3,128		(1,663)		181,616		
Agency collateralized mortgage obligations		48,212		930		(31)		49,111		
Non-agency residential		19,564		568		(557)		19,575		
Non-agency commercial		6,018		702		(2)		6,718		
Non-U.S. securities		4,314		62		(16)		4,360		
Corporate bonds		4,388		154		(4)		4,538		
Other taxable securities (1)		12,010		79		(66)		12,023		
Total taxable securities	\$	324,531	\$	6,307	\$	(3,628)	\$	327,210		
Tax-exempt securities		3,808		18		(165)		3,661		
Total available-for-sale debt securities	\$	328,339	\$	6,325	\$	(3,793)	\$	330,871		
Held-to-maturity debt securities		181				-		181		
Total debt securities	\$	328,520	\$	6,325	\$	(3,793)	\$	331,052		
Available-for-sale marketable equity securities (2)	\$	8,536	\$	10,445	\$	(19)	\$	18,962		

				March 3	31, 2011		
	A	mortized Cost	Uı	Gross realized Gains	Ur	Gross nrealized Losses	Fair Value
Available-for-sale debt securities							
U.S. Treasury and agency securities	\$	49,361	\$	625	\$	(887)	\$ 49,099
Mortgage-backed securities:							
Agency		192,301		2,605		(3,136)	191,770
Agency collateralized mortgage obligations		34,819		237		(29)	35,027
Non-agency residential		20,625		536		(507)	20,654
Non-agency commercial		6,116		684		(1)	6,799
Non-U.S. securities		4,250		63		(11)	4,302
Corporate bonds		4,340		134		(5)	4,469
Other taxable securities (1)		12,883		75		(90)	 12,868
Total taxable securities	\$	324,695	\$	4,959	\$	(4,666)	\$ 324,988
Tax-exempt securities		5,546		31		(220)	 5,357
Total available-for-sale debt securities	\$	330,241	\$	4,990	\$	(4,886)	\$ 330,345
Held-to-maturity debt securities		431		-		-	431
Total debt securities	\$	330,672	\$	4,990	\$	(4,886)	\$ 330,776
Available-for-sale marketable equity securities (2)	\$	8,535	\$	11,925	\$	(15)	\$ 20,445

Substantially all asset-backed securities.
 Classified in other assets on the Consolidated Balance Sheet.

## **Quarterly Results by Business Segment**

(Dollars in millions)	_							
				Second Qua Consumer	arter 2011 Global	Global		
	Total		Global Card	Real Estate	Commercial	Banking &		All
	Corporation	Deposits	Services	Services	Banking	Markets	GWIM	Other
Net interest income (1)	\$ 11,493	\$ 2,281	\$ 3,611	\$ 579	\$ 1,827	\$ 1,791		\$ (167)
Noninterest income (loss)  Total revenue, net of interest expense	1,990 13,483	1,020 3,301	1,925 5,536	(11,894)	983 2,810	5,005 6,796	2,919 4,490	2,032 1,865
Total revenue, net of interest expense	13,403	3,301	3,330	(11,515)	2,010	0,770	4,420	1,005
Provision for credit losses	3,255	31	481	1,507	(417)	(82)	72	1,663
Noninterest expense	22,856	2,599	1,882	8,647	1,068	4,713	3,631	316
Income (loss) before income taxes	(12,628)	671	3,173	(21,469)	2,159	2,165	787	(114)
Income tax expense (benefit) (1)  Net income (loss)	\$ (3,802) \$ (8,826)	\$ 430	\$ 2,035	\$ (14,520)	\$ 1,381	\$ 1,558	\$ 506	\$ (216)
Average								
Total loans and leases	\$ 938,513	n/m	\$ 156,788	\$ 121,683	\$ 189,346	\$ 109,473	\$ 102,200	\$ 258,397
Total assets (2)	2,339,110	\$ 451,554	161,776	198,030	320,428	750,908	289,050	167,364
Total deposits	1,035,944	426,684	n/m	n/m	166,481	118,133	255,219	46,684
Period end								
Total loans and leases	\$ 941,257	n/m	\$ 153,280	\$ 121,553	\$ 189,434	\$ 114,165	\$ 102,878	\$ 259,285
Total assets (2)	2,261,319	\$ 449,123	161,756	185,398	280,289	691,249	284,294	209,210
Total deposits	1,038,408	424,579	n/m	n/m	170,156	123,618	255,580	42,355
				First Quar		Clabal		
	Total		Global Card	Consumer Real Estate	Global Commercial	Global Banking &		All
	Corporation	Deposits	Services	Services	Banking	Markets	GWIM	Other
Net interest income (1)	\$ 12,397	\$ 2,205	\$ 3,747	\$ 896	\$ 1,850	\$ 2,037		\$ 93
Noninterest income	14,698	984	1,940	1,167	801	5,849	2,923	1,034
Total revenue, net of interest expense	27,095	3,189	5,687	2,063	2,651	7,886	4,492	1,127
Provision for credit losses	3,814	33	961	1,098	79	(202)	46	1,799
Noninterest expense	20,283	2,592	1,969	4,801	1,106	4,722	3,599	1,494
Income (loss) before income taxes	2,998	564	2,757	(3,836)	1,466	3,366	847	(2,166)
Income tax expense (benefit) (1)	\$ 2,049	209	1,022	(1,421)	\$ 923	1,232	314	(950)
Net income (loss)	\$ 2,049	\$ 355	\$ 1,735	\$ (2,415)	\$ 923	\$ 2,134	\$ 533	\$ (1,216)
Average								
Total loans and leases	\$ 938,966	n/m	\$ 162,425	\$ 120,560	\$ 192,437	\$ 103,704	\$ 100,851	\$ 258,350
Total assets (2)	2,338,538	\$ 443,461	165,768	209,329	312,570	710,684	297,335	199,391
Total deposits	1,023,140	418,298	n/m	n/m	160,217	112,028	258,518	48,608
Period end								
Total loans and leases Total assets (2)	\$ 932,425	n/m	\$ 158,444	\$ 118,749	\$ 190,749	\$ 105,651	\$ 101,286	\$ 256,931
	2,274,532	\$ 456,248 431,022	164,084 n/m	204,485 n/m	309,930	698,458	285,472	155,855
Total deposits	1,020,175	431,022	n/m	n/m	161,584	115,212	256,526	34,818
				Second Qu Consumer	arter 2010 Global	Global		
	Total		Global Card	Real Estate	Commercial	Banking &		All
	Corporation	Deposits	Services	Services	Banking	Markets	GWIM	Other
Net interest income (1)	\$ 13,197	\$ 2,144	\$ 4,442	\$ 992	\$ 2,097	\$ 2,002	\$ 1,443	\$ 77
Noninterest income	16,253	1,551	2,506	1,712	786	3,902	2,746	3,050
Total revenue, net of interest expense	29,450	3,695	6,948	2,704	2,883	5,904	4,189	3,127
Provision for credit losses	8,105	61	3,796	2,390	623	(133)	122	1,246
Noninterest expense	17,253	2,572	1,852	2,738	974	4,735	3,269	1,113
Income (loss) before income taxes  Income tax expense (benefit) (1)	4,092 969	1,062 388	1,300 474	(2,424) (882)	1,286 471	1,302 404	798 469	768 (355)
Net income (loss)	\$ 3,123	\$ 674	\$ 826	\$ (1,542)	\$ 815	\$ 898		\$ 1,123
Average								
Total loans and leases	\$ 967,054	n/m	\$ 177,076	\$ 130,662	\$ 206,603	\$ 95,839	\$ 98,811	\$ 257,322
Total assets (2)	2,494,432	\$ 443,520	187,138	227,595	305,788	779,060	259,801	291,530
Total deposits	991,615	418,480	n/m	n/m	145,499	112,565	226,276	64,709
		I						
Period end								
Total loans and leases	\$ 956,177	n/m	\$ 172,531	\$ 129,797	\$ 203,659	\$ 95,756	\$ 99,157	\$ 254,516
Period end Total loans and leases Total assets <sup>(2)</sup> Total deposits	\$ 956,177 2,368,384 974,467	n/m \$ 439,770 414,470	\$ 172,531 184,213 n/m	\$ 129,797 223,998 n/m	\$ 203,659 306,234 147,414	\$ 95,756 718,563 105,678	\$ 99,157 252,507 226,572	\$ 254,516 243,099 57,424

 $n/m = not \ meaningful$ 

Fully taxable-equivalent basis
 Total assets include asset allocations to match liabilities (i.e., deposits).

# **Year-to-Date Results by Business Segment**

(Dollars in millions)

					Six M	onths Ende	d June	e 30, 2011						
	Total Corporat	on Depos		Global Card Services	Re	onsumer eal Estate Services	Co	Global mmercial Banking	Ba	Global inking & Markets		GWIM		All Other
Net interest income (1)			486		\$	1.475	\$	3,677	\$	3,828	\$	3,140	\$	(74)
Noninterest income (loss)			004	3,865	Ψ	(10,727)	Ψ	1,784	Ψ	10,854	Ψ	5,842	Ψ	3,066
Total revenue, net of interest expense	40	578 6,	490	11,223		(9,252)		5,461		14,682		8,982		2,992
Provision for credit losses		069	64	1,442		2,605		(338)		(284)		118		3,462
Noninterest expense			191	3,851	_	13,448		2,174		9,435		7,230		1,810
Income (loss) before income taxes	,	,	235	5,930		(25,305)		3,625		5,531		1,634		(2,280)
Income tax expense (benefit) (1)  Net income (loss)			785 S	2,160 3,770	\$	(8,370) (16,935)	\$	1,321 2,304	\$	1,839 3,692	\$	595 1,039	\$	(848) (1,432)
Average														
Total loans and leases	\$ 938		n/m §	159,591	\$	121,125	\$	190,883	\$	106,604	\$	101,529	\$	258,374
Total assets (2)	2,338			163,761		203,648		316,521		730,907		293,170		n/m
Total deposits	1,029	578 422,	514	n/m		n/m		163,366		115,097		256,859		47,642
Period end Total loans and leases	\$ 941	,57	n/m §	5 153,280	\$	121,553	\$	189,434	\$	114,165	\$	102,878	\$	259,285
Total assets (2)	2,261			161,756	Ψ	185,398	Ψ	280,289	Ψ	691,249	Ψ	284,294	Ψ	n/m
Total deposits	1,038			n/m		n/m		170,156		123,618		255,580		42,355
	Total Corporat	on Depos		Global Card Services	C Re	Months Ended Consumer eal Estate Services	Co	Global ommercial Banking	В	Global anking & Markets		GWIM		All Other
Net interest income (1)		<del> ,</del>	319		\$	2,199	\$	4,290	\$	4,172	\$	2,907	\$	118
Noninterest income			094	4,576	Ψ	4,038	Ψ	1,685	Ψ	11,425	Ψ	5,323	Ψ	4,332
Total revenue, net of interest expense			413	13,838		6,237		5,975		15,597		8,230		4,450
Provision for credit losses		010	98	7,331		5,990		1,559		103		363		2,466
Noninterest expense Income (loss) before income taxes			176	3,664 2,843		(5,738)		2,005		9,024 6,470		6,368 1,499		2,843
Income tax expense (benefit) (1)		· /	804	1,049		(2,119)		891		2,333		731		(1,192)
Net income (loss)			372		\$	(3,619)	\$	1,520	\$	4,137	\$	768	\$	333
Average														
Total loans and leases	\$ 979	267	n/m §	8 182,909	\$	132,195	\$	210,450	\$	97,427	\$	98,826	\$	256,742
8	\$ 979 2,505			8 182,909 191,913	\$	132,195 230,076	\$	210,450 301,925	\$	97,427 781,949	\$	98,826 256,510	\$	256,742 n/m
Total loans and leases		\$ 442,	691		\$		\$	-,	\$		\$		\$	
Total loans and leases Total assets <sup>(2)</sup> Total deposits  Period end	2,505 986	\$ 442, 445 417,	.691 .665	191,913 n/m		230,076 n/m		301,925 144,572		781,949 108,124	7	256,510 223,956	·	n/m 67,770
Total loans and leases Total assets <sup>(2)</sup> Total deposits  Period end Total loans and leases	2,505 986 \$ 956	\$ 442, 445 417,	691 665 n/m	191,913 n/m	\$ \$	230,076 n/m	\$ \$	301,925 144,572 203,659	\$	781,949 108,124 95,756	\$	256,510 223,956 99,157	\$	n/m 67,770 254,516
Total loans and leases Total assets <sup>(2)</sup> Total deposits  Period end	2,505 986	\$ 442, 417, 417, 417, 4184 \$ 439,	691 665 n/m \$	191,913 n/m		230,076 n/m		301,925 144,572		781,949 108,124	7	256,510 223,956	·	n/m 67,770

<sup>(1)</sup> Fully taxable-equivalent basis
(2) Total assets include asset allocations to match liabilities (i.e., deposits).

### **Deposits Segment Results**

(Dollars in millions)

		nths Ended me 30	Second Quarter 2011	First Quarter 2011	Fourth Quarter 2010	Third Quarter 2010	Second Quarter 2010
Net interest income (1)	\$ 4,486	\$ 4,319	\$ 2,281	\$ 2,205	\$ 2,006	\$ 1,954	\$ 2,144
Noninterest income:							
Service charges	1,888	2,973	965	923	947	1,138	1,494
All other income	116	121	55	61	50	54	57
Total noninterest income	2,004	3,094	1,020	984	997	1,192	1,551
Total revenue, net of interest expense	6,490	7,413	3,301	3,189	3,003	3,146	3,695
Provision for credit losses	64	98	31	33	41	62	61
Noninterest expense	5,191	5,139	2,599	2,592	3,262	2,762	2,572
Income (loss) before income taxes	1,235	2,176	671	564	(300)	322	1,062
Income tax expense (benefit) (1)	450	804	241	209	(105)	116	388
Net income (loss)	\$ 785	\$ 1,372	\$ 430	\$ 355	\$ (195)	\$ 206	\$ 674
Net interest yield (1)	2.15	% 2.09 %	2.15	<b>%</b> 2.14	% 1.93	% 1.89	% 2.06 %
Return on average equity	6.70	11.45	7.30	6.09	n/m	3.34	11.16
Return on average economic capital (2)	27.93	44.82	30.41	25.43	n/m	12.85	43.52
Efficiency ratio (1)	79.99	69.32	78.75	81.28	108.61	87.81	69.59
Balance sheet							
Average							
Total earning assets (3)	\$ 421,313	\$ 416,185	\$ 425,363	\$ 417,218	\$ 411,765	\$ 410,330	\$ 417,132
Total assets (3)	447,530	442,691	451,554	443,461	438,346	436,479	443,520
Total deposits	422,514	417,665	426,684	418,298	413,150	411,117	418,480
Allocated equity	23,627	24,179	23,612	23,641	24,128	24,402	24,226
Economic capital (4)	5,672	6,202	5,662	5,683	6,161	6,424	6,239
Period end							
Total earning assets (3)	\$ 422,646	\$ 413,648	\$ 422,646	\$ 429,956	\$ 414,215	\$ 408,734	\$ 413,648
Total assets (3)	449,123	439,770	449,123	456,248	440,954	434,854	439,770
Total deposits	424,579	414,470	424,579	431,022	415,189	409,365	414,470
	,579	,	1 .2.,577	.51,522	,	.0,,505	,

<sup>(1)</sup> Fully taxable-equivalent basis

 $n/m = not \ meaningful$ 

<sup>(2)</sup> Return on average economic capital is calculated as net income, excluding cost of funds and earnings credit on intangibles, divided by average economic capital.

<sup>(3)</sup> Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

<sup>(4)</sup> Economic capital represents allocated equity less goodwill and a percentage of intangible assets.

#### **Deposits Key Indicators**

(Dollars in millions, except as noted)										
		Six Months End	led		Second	First	Fourth	Third		Second
		June 30		(	Quarter	Quarter	Quarter	Quarter		Quarter
	201	11	2010		2011	 2011	2010	2010		2010
Average deposit balances										
Checking		.63,576 \$	149,385	\$	166,666	\$ 	\$ 154,333	\$ 150,117		152,130
Savings		37,962	34,412		39,209	36,701	35,120	35,135		35,467
MMS		27,251	119,489		128,546	125,941	124,446	122,996		122,123
CDs and IRAs		90,425	111,218		88,912	91,954	95,860	99,702		105,592
Non-U.S. and other		3,300	3,161		3,351	3,250	3,391	3,167		3,168
Total average deposit balances	\$ 4	22,514 \$	417,665	\$	426,684	\$ 418,298	\$ 413,150	\$ 411,117	\$	418,480
Deposit spreads (excludes noninterest costs)										
Checking		3.43 %	3.82 %		3.36 %	3.50 %	3.60 %	3.76	%	3.81 %
Savings		3.37	3.72		3.32	3.42	3.51	3.63		3.70
MMS		1.50	0.81		1.46	1.55	1.55	1.53	3	0.84
CDs and IRAs		0.35	0.17		0.36	0.35	0.32	0.28		0.22
Non-U.S. and other		3.90	4.37		3.83	3.97	4.10	4.24		4.34
Total deposit spreads		2.18	1.96		2.16	2.20	2.20	2.23	3	2.02
Cost per dollar deposit (1)		2.52 %	2.48 %		2.44 %	2.60 %	2.65 %	2.67	%	2.46 %
Client brokerage assets (2)	\$	69,000 \$	51,102	\$	69,000	\$ 66,703	63,597	\$ 59,984	s	51,102
Online banking (end of period)										
Active accounts (units in thousands)		29,660	29,195		29,660	30,065	29,345	29,313	,	29,195
Active billpay accounts (units in thousands)		15,356	14,902		15,356	15,345	14,986	14,941		14,902
Online Only (units in thousands)		14,304	14,293		14,304	14,720	14,359	14,372		14,293
/ (/)		,	,=/-/		,00 .	,. 20	- 1,000	11,571	-	,2//

<sup>(1)</sup> Cost per dollar deposit represents annualized noninterest expense, excluding one-time expenses, as a percentage of average deposits.
(2) During the first quarter of 2011, the Merrill Edge business was moved from GWIM along with historical results.

# Global Card Services Segment Results (Dollars in millions)

	Six Mont Jun 2011	hs Ended e 30 2010	Second Quarter 2011	First Quarter 2011	Fourth Quarter 2010	Third Quarter 2010	Second Quarter 2010
Net interest income (1)	\$ 7,358	\$ 9,262	\$ 3,611	\$ 3,747	\$ 4,206	\$ 4,364	\$ 4,442
Noninterest income:							
Card income	3,562	3,784	1,833	1,729	2,000	1,879	1,901
All other income (loss)	303	792	92	211	125	(403)	605
Total noninterest income	3,865	4,576	1,925	1,940	2,125	1,476	2,506
Total revenue, net of interest expense	11,223	13,838	5,536	5,687	6,331	5,840	6,948
Provision for credit losses	1,442	7,331	481	961	2,144	3,177	3,796
Goodwill impairment	-	-	-	-	-	10,400	-
All other noninterest expense	3,851	3,664	1,882	1,969	1,807	1,750	1,852
Income (loss) before income taxes	5,930	2,843	3,173	2,757	2,380	(9,487)	1,300
Income tax expense (1)	2,160	1,049	1,138	1,022	882	334	474
Net income (loss)	\$ 3,770	\$ 1,794	\$ 2,035	\$ 1,735	\$ 1,498	\$ (9,821)	\$ 826
Net interest yield (1)	9.19 %	10.13 %	9.12 %	9.26 %	9.92	% 10.07 %	6 9.97 %
Return on average equity	29.73	8.61	32.66	26.89	21.51	n/m	8.14
Return on average economic capital (2)	59.01	19.74	66.26	52.32	40.33	15.19	19.40
Efficiency ratio (1)	34.31	26.49	33.99	34.62	28.54	n/m	26.68
Efficiency ratio, excluding goodwill impairment charge (1)	34.31	26.49	33.99	34.62	28.54	29.97	26.68
Balance sheet							
Average							
Total loans and leases	\$ 159,591	\$ 182,909	\$ 156,788	\$ 162,425	\$ 166,683	\$ 170,706	\$ 177,076
Total earning assets	161,462	184,326	158,861	164,093	168,173	171,999	178,646
Total assets	163,761	191,913	161,776	165,768	168,273	178,255	187,138
Allocated equity	25,573	41,994	24,982	26,171	27,626	35,391	40,677
Economic capital (3)	12,915	18,767	12,341	13,496	14,916	15,643	17,501
Period end							
Total loans and leases	\$ 153,280	\$ 172,531	\$ 153,280	\$ 158,444	\$ 166,899	\$ 168,366	\$ 172,531
Total earning assets	156,058	174,278	156,058	160,529	168,706	170,037	174,278
Total assets	161,756	184,213	161,756	164,084	170,311	170,317	184,213
	. ,	, , ,	. ,	,	- ,-	-,-	, -

<sup>(1)</sup> Fully taxable-equivalent basis
(2) Return on average economic capital is calculated as net income, excluding goodwill impairment charge, cost of funds and earnings credit on intangibles, divided by average economic capital.
(3) Economic capital represents allocated equity less goodwill and a percentage of intangible assets.

**Global Card Services Key Indicators** 

(Dollars in millions)						i										
	Six Mo			ıded			Second		First		Fourth		Third		Second	
		ine :	30				Quarter		Quarter		Quarter		Quarter		Quarter	
	2011			2010			2011		2011		2010		2010	_	2010	_
Credit Card Data (1)																
Loans																
Average credit card outstandings	\$ 135,487		\$	150,810		\$	133,423		\$ 137,574		\$ 140,130		\$ 142,298		\$ 146,444	
Ending credit card outstandings	130,696			143,130			130,696		134,342		141,250		140,871		143,130	
Credit quality																
Net charge-offs	\$ 5,036		\$	9,053		\$	2,360		\$ 2,676		\$ 2,911		\$ 3,270		\$ 4,459	
	7.50	%		12.11	%		7.09	%	7.89	%	8.24	%	9.12	%	12.21	%
30+ delinquency	\$ 5,478		\$	8,256		\$	5,478		\$ 6,478		\$ 7,268		\$ 7,643		\$ 8,256	
	4.19	%		5.77	%		4.19	%	4.82	%	5.15	%	5.43	%	5.77	%
90+ delinquency	\$ 3,020		\$	4,542		\$	3,020		\$ 3,570		\$ 3,919		\$ 4,007		\$ 4,542	
	2.31	%		3.17	%		2.31	%	2.65	%	2.77	%	2.84	%	3.17	%
Other Global Card Services Key Indicators																
Credit card data																
Gross interest yield	10.57	%		11.04	%		10.47	%	10.67	%	10.92	%	11.13	%	10.89	%
Risk adjusted margin	5.41			1.58			5.87		4.97		5.40		3.28		1.33	
New account growth (in thousands)	1,859			1,403			941		918		790		710		664	
Purchase volumes	\$ 106,683		\$	102,600		\$	56,187		\$ 50,496		\$ 56,458		\$ 54,257		\$ 53,924	
Debit card data																
Debit purchase volumes	\$ 124,045		\$	115,203		\$	64,049		\$ 59,996		\$ 60,866		\$ 58,011		\$ 59,136	

<sup>(1)</sup> Credit Card includes U.S., Europe and Canada consumer credit card and does not include business card, debit card and unsecured consumer lending.

Consumer Real Estate Services Segment Results (Dollars in millions; except as noted) Six Months Ended Second First Fourth Third Second Quarter June 30 Quarter Quarter Quarter Quarter 2011 2010 2011 2011 2010 2010 2010 Net interest income (1) \$ 1,475 2,199 \$ 579 896 \$ 1,124 \$ 1,339 992 Noninterest income: Mortgage banking income (loss) (12,323)2,661 (13,018)695 (1.254)1.757 1.020 Insurance income 730 1.051 299 431 484 527 513 All other income (loss) 866 326 825 126 (12) 179 41 Total noninterest income (loss) (10,727) 4,038 (11,894) 1,167 (644) 2,272 1,712 Total revenue, net of interest expense (9,252) 6,237 (11,315) 2,063 480 3,611 2,704 Provision for credit losses 2,605 5,990 1,507 1,098 1,198 1,302 2,390 Goodwill impairment 2,603 2,603 2,000 2,924 2 738 All other noninterest expense 10,845 5 985 6.044 4.801 3,980 Loss before income taxes (25,305)(5,738)(21.469)(3.836)(6.698)(615)(2,424)Income tax benefit (1) (882) (8,370)(2,119)(6,949) (1,421) (1,761) (222)\$ (16,935) \$ (14,520) (393) Net loss (3.619) (2.415) (4 937) Net interest yield (1) 1.80 % 2.36 % 1.46 2.11 2.48 2.87 % 2.13 % Efficiency ratio (1) 101.27 95.96 80.97 n/m n/m n/m n/m Balance sheet Average Total loans and leases \$ 121,125 \$ 132,195 \$ 121,683 \$ 120,560 \$ 124,933 \$ 127,712 \$ 130,662 Total earning assets 165,469 188,222 158,674 172,339 180,030 184,994 186,873 Total assets 203.648 230.076 198,030 209 329 218 085 221,909 227,595 17,933 26,641 17,139 18,736 26,493 26,174 Allocated equity 24,310 Economic capital (2) 15,211 21,837 14,437 15,994 19,511 21,692 21,371 Period end Total loans and leases \$ 121,553 \$ 129,797 \$ 121,553 \$ 118,749 \$ 122,933 \$ 127,700 \$ 129,797 Total earning assets 149,908 186,819 149,908 166,265 172,082 178,068 186,819 Total assets 185,398 223,998 185,398 204,485 212,413 214,498 223,998 Period end (in billions) Mortgage servicing portfolio (3) \$ 1,996.7 \$ 2,127.6 \$ 1,996.7 \$ 2,028.0 \$ 2,056.8 \$ 2,079.5 \$ 2,127.6

n/m = not meaningful

<sup>(1)</sup> Fully taxable-equivalent basis

<sup>(2)</sup> Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights).

 $<sup>(3) \</sup>quad \textit{Servicing of residential mortgage loans, home equity lines of credit, home equity loans and discontinued real estate mortgage loans.}$ 

	Total	Six Months Ended ,	June 30, 2011	
	Consumer Real		Legacy Asset	
(2)	Estate Services	For Home Loans  \$ 1,056	Servicing	Other
Noninterest income:	\$ 1,475	\$ 1,056	\$ 460	\$ (41
Mortgage banking income (loss)	(12,323)	1,696	(13,149)	(870
Mortgage banking income (loss) Insurance income All other income Total noninterest income (loss) Total revenue, net of interest expense ovision for credit losses codwill impairment oninterest expense Income (loss) before income taxes come tax expense (benefit) (2) Net income (loss)  alance sheet  verage Total loans and leases Total aearing assets Total earning assets Total cans and seases Total assets Allocated equity Economic capital (3)  eriod end Total loans and leases Total assets Total assets  Allocated equity Economic rome: Mortgage banking income (loss) Insurance income All other income Total noninterest income (loss) Total revenue, net of interest expense conisterest expense Income (loss)  alance sheet  verage Total loans and leases Total assets  Allocated equity Economic capital (3)  eriod end Total loans and leases Total assets  Allocated equity Economic capital (3)  eriod end Total loans and leases Total assets  Allocated equity Economic capital (3)  eriod end Total loans and leases Total assets  Total assets  Allocated equity Economic capital (3)  eriod end Total lones and leases Total earning assets Total assets  Income (loss) Total revenue, net of interest expense  ovision for credit losses oninterest income All other income All o	730 866	730 822	44	
	(10,727)	3,248	(13,105)	(870
Total revenue, net of interest expense	(9,252)	4,304	(12,645)	(911
rovision for credit losses	2,605	121	2,484	
oodwill impairment	2,603	-	-	2,603
	10,845 (25,305)	3,221	7,624 (22,753)	(3,514
	(8,370)	354	(8,388)	(336
	\$ (16,935)	\$ 608	\$ (14,365)	\$ (3,178
Balance sheet				
verage				
Total loans and leases	\$ 121,125	\$ 55,632	\$ 65,493	\$
	165,469	75,695	67,565	22,209
	203,648 17,933	77,052 n/a	83,531 n/a	43,065 n/a
	15,211	n/a	n/a	n/a
	,			
	\$ 121,553 149,908	\$ 55,454 69,822	\$ 66,099 68,114	\$ - 11,972
Total assets	185,398	71,723	83,412	30,263
		Three Months Ended	June 30, 2011	
	Total Consumer Real		Legacy Asset	
(2)	Estate Services	Home Loans	Servicing	Other
	\$ 579	\$ 481	\$ 129	\$ (31
Mortgage banking income (loss)	(13,018)	938	(13,083)	(873
Insurance income	299	299		-
	825 (11,894)	795 2,032	(13,053)	(873
	(11,315)	2,513	(12,924)	(904
•				
	1,507 2,603	121	1,386	2.602
	6,044	1,553	4,491	2,603
	(21,469)	839	(18,801)	(3,507
ncome tax expense (benefit) (2)	(6,949)	308	(6,924)	(333
Net income (loss)	\$ (14,520)	\$ 531	\$ (11,877)	\$ (3,174)
Balance sheet				
	\$ 121,683	\$ 55,267	\$ 66,416	s -
	158,674	71,876	68,444	18,354
Total assets	198,030	73,377	84,616	40,037
	17,139	n/a	n/a	n/a
Economic capital (5)	14,437	n/a	n/a	n/a
eriod end				
Total loans and leases	\$ 121,553	\$ 55,454	\$ 66,099	s -
	149,908	69,822	68,114	11,972
I otal assets	185,398	71,723	83,411	30,264
	Total	Three Months Ended I		
	Consumer Real Estate Services	Home Loans	Legacy Asset Servicing	Other
et interest income (2)	\$ 896	\$ 575	\$ 331	\$ (10
oninterest income:	£0.5	750		
	695 431	758 431	(66)	3
All other income	41	27	14	
	1,167	1,216	(52)	3
Total revenue, net of interest expense	2,063	1,791	279	(7
rovision for credit losses	1,098		1,098	
	4,801 (3,836)	1,668	(3,952)	(7
	(1,421)	46	(1,464)	(3
Net income (loss)	\$ (2,415)	\$ 77	\$ (2,488)	\$ (4
alance sheet				
	\$ 120,560 172,339	\$ 55,990 79,469	\$ 64,570 66,763	\$ - 26,107
	209,329	80,686	82,517	26,107 46,126
Allocated equity	18,736	n/a	n/a	n/a
Economic capital (3)	15,994	n/a	n/a	n/a
eriod end				
Total loans and leases	\$ 118,749	\$ 55,608	\$ 63,141	s -
Total earning assets	166,265	74,047	65,228	26,990
Total assets	204,485	74,783	80,303	49,399

Consumer Real Estate Services includes Home Loans and Legacy Asset Servicing with results related to mortgage servicing rights included in Other.
 Fully taxable-equivalent basis
 Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights).

#### **Consumer Real Estate Services Key Indicators**

(Dollars in millions, except as notea)							
	Six Months	Ended	Second	First	Fourth	Third	Second
	June 3		Quarter	Quarter	Quarter	Quarter	Quarter
	2011	2010	2011	2011	2010	2010	2010
Mortgage servicing rights at fair value rollforward:							
Balance, beginning of period	\$ 14,900	\$ 19,465	\$ 15,282	\$ 14,900	\$ 12,251	\$ 14,745	\$ 18,842
Net additions	1,017	2,014	176	841	757	745	882
Impact of customer payments	(1,345)	(2,037)	(639)	(706)	(799)	(923)	(981)
Other changes in mortgage servicing rights fair value (1)	(2,200)	(4,697)	(2,447)	247	2,691	(2,316)	(3,998)
Balance, end of period	\$ 12,372	\$ 14,745	\$ 12,372	\$ 15,282	\$ 14,900	\$ 12,251	\$ 14,745
Capitalized mortgage servicing rights							
(% of loans serviced for investors)	78 bps	86 bps	78 bps	95 bp	os 92 b	os 73 bp:	s 86 bps
Mortgage loans serviced for investors (in billions)	\$ 1,578	\$ 1,706	\$ 1,578	\$ 1,610	\$ 1,628	\$ 1,669	\$ 1,706
Loan production:							
Consumer Real Estate Services							
First mortgage	\$ 90,839	\$ 136,106	\$ 38,320	\$ 52,519	\$ 81,255	\$ 69,875	\$ 69,141
Home equity	2,454	3,602	879	1,575	2,024	2,000	1,831
Total Corporation (2)							
First mortgage	97,104	141,440	40,370	56,734	84,673	71,925	71,938
Home equity	2,782	4,184	1,054	1,728	2,137	2,136	2,137
Mortgage banking income (loss)							
Production income (loss):							
Core production revenue	\$ 1,492	\$ 2,711	\$ 824	\$ 668	\$ 1.622	\$ 1,849	\$ 1,428
Representations and warranties provision	(15,050)	(1,774)	(14,037)	(1,013)	(4,140)	(872)	(1,248)
Total production income (loss)	(13,558)	937	(13,213)	(345)	(2,518)	977	180
Servicing income:							
Servicing fees	3,162	3,218	1,556	1,606	1,634	1,623	1,649
Impact of customer payments (3)	(1,345)	(2,037)	(639)	(706)	(799)	(923)	(981)
Fair value changes of mortgage servicing rights, net of economic							
hedge results (4)	(870)	209	(873)	3	257	(89)	12
Other servicing-related revenue	288	334	151	137	172	169	160
Total net servicing income	1,235	1,724	195	1,040	1,264	780	840
Total Consumer Real Estate Services mortgage banking income (loss)	(12,323)	2,661	(13,018)	695	(1,254)	1.757	1.020
Other business segments' mortgage banking loss (5)	(243)	(263)	(178)	(65)	(165)	(2)	(122)
Total consolidated mortgage banking income (loss)	\$ (12,566)	\$ 2,398	\$ (13,196)	\$ 630	\$ (1,419)	\$ 1,755	\$ 898

<sup>(1)</sup> These amounts reflect the change in discount rates and prepayment speed assumptions, mostly due to changes in interest rates, as well as the effect of changes in other assumptions.

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

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

(4) Includes sole of mortgage servicing rights.

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

### **Global Commercial Banking Segment Results**

(Dollars in millions)				i					_					_		
		onths End	led		Second		First			ourth		Third		Sec		
	2011	une 30	2010		uarter 2011		Quarter 2011			uarter 2010		Quarter 2010		Qua 20		
Net interest income (1)	\$ 3,677	\$	4,290		\$ 1,827	-	\$ 1,85	)	\$	1,865	- 5				2,097	
Noninterest income:																
Service charges	1,182		1,188		576		60	5		563		589			589	
All other income	602		497		407		19	5		186		191			197	
Total noninterest income	1,784		1,685		983	_	80	1		749		780			786	
Total revenue, net of interest expense	5,461		5,975		 2,810	_	2,65	1		2,614		2,633	_		2,883	
Provision for credit losses	(338)		1,559		(417)		7	9		(136)		556			623	
Noninterest expense	2,174		2,005		 1,068	_	1,10	5		1,061		1,061	_		974	
Income before income taxes	3,625		2,411		2,159	_	1,46	5		1,689		1,016			1,286	
Income tax expense (1)	1,321		891		778		54	3		636		372			471	
Net income	\$ 2,304	\$	1,520		\$ 1,381	=	\$ 92	3	\$	1,053	\$	644		\$	815	
Net interest yield (1)	2.66	%	3.26	%	2.60	%	2.7	3 %		2.67	%	2.61	%		3.13 %	
Return on average equity	11.33		6.93		13.67		9.0	2		9.72		5.96			7.46	
Return on average economic capital (2)	22.85		13.04		27.92		17.9	5		18.76		11.52			14.14	
Efficiency ratio (1)	39.81		33.56		38.01		41.7	2		40.58		40.28			33.80	
Balance sheet																
Average																
Total loans and leases	\$ 190,883		210,450		\$ 189,346		\$ 192,43			195,293	\$				06,603	
Total earning assets (3)	278,272		265,125		281,844		274,66			277,402		281,749			58,552	
Total assets (3)	316,521		301,925		320,428		312,57			314,781		318,395			)5,788	
Total deposits	163,366		144,572		166,481		160,21			156,672		148,605			15,499	
Allocated equity	41,008		44,222		40,515		41,50			42,992		42,925			13,869	
Economic capital (4)	20,309		23,558		19,817		20,80	5		22,289		22,218		2	23,159	
Period end																
Total loans and leases	\$ 189,434	\$	203,659		\$ 189,434		\$ 190,74	9	\$	194,038	\$	196,333		\$ 20	3,659	
Total earning assets (3)	242,272		269,508		242,272		272,42	4		274,637		267,834		26	59,508	
Total assets (3)	280,289		306,234		280,289		309,93	0		312,802		304,534		30	06,234	
Total deposits	170,156		147,414	- 1	170,156		161,58			161,279		150,994			17,414	

Fully taxable-equivalent basis
 Return on average economic capital is calculated as net income, excluding cost of funds and earnings credit on intangibles, divided by average economic capital.
 Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).
 Economic capital represents allocated equity less goodwill and a percentage of intangible assets.

#### **Global Commercial Banking Key Indicators**

(Dollars in millions)																					
		Six M			led			Second			First			Fourth			Third			Second	
			une 3	30	2010		(	Quarter			Quarter		•	Quarter		,	Quarter			Quarter	
	_	2011			2010			2011			2011			2010	,		2010			2010	
Revenue, net of interest expense																					
by service segment																					
Business lending	\$	3,045		\$	3,493		\$	1,564		\$	1,481		\$	1,491		\$	1,536		\$	1,635	
Treasury services		2,416			2,482			1,246			1,170			1,123			1,097			1,248	
Total revenue, net of interest expense (1)	\$	5,461		\$	5,975		\$	2,810		\$	2,651	i)	\$	2,614	i	\$	2,633		\$	2,883	
Average loans and leases by product																					
U.S. commercial	\$	104,766		\$	106,161		\$	104,829		\$	104,703		\$	102,914		\$	101,447		\$	104,262	
Commercial real estate		41,690			55,808			40,597			42,796			45,854			49,747			53,721	
Direct/Indirect consumer		41,752			46,088			41,078			42,436			44,185			45,885			46,272	
Other		2,675			2,393			2,842			2,502			2,340			2,241			2,348	
Total average loans and leases	\$	190,883		\$	210,450		\$	189,346		\$	192,437		\$	195,293		\$	199,320		\$	206,603	
Loan spread		2.33	%		2.31	%		2.26	%		2.40	%		2.27	%		2.29	%		2.32	%
Credit quality																					
Reservable utilized criticized exposure (2)	\$	27,041		\$	37,613		\$	27,041		\$	30,643		\$	32,816		\$	36,332		\$	37,613	
ı		14.27	%		18.50	%		14.27	%		15.83	%		16.74	%		18.45	%		18.50	%
Nonperforming loans, leases and foreclosed properties (3)	\$	7,373		\$	10,027		4	7,373		\$	8,321		\$	8,681		\$	9,414		\$	10,027	
romperforming touris, reuses and forcetosed properties	Ψ	3.88	%	Ψ	4.92	%	Ψ	3.88	%	Ψ	4.36	%	Ψ	4.47	%	Ψ	4.79	%	Ψ	4.92	%
Average deposit balances																					
Interest-bearing	\$	53,655		\$	54,192		\$	52,643		\$	54,679		\$	55,354		\$	53,565		\$	54,195	
Noninterest-bearing		109,711			90,380			113,838			105,538			101,318			95,040			91,304	
Total	4	163,366	•	\$	144,572	•	\$	166,481	•	\$	160,217		\$	156,672		\$	148,605	•	\$	145,499	

<sup>(2)</sup> Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The reservable criticized exposure is on an end-of-period basis and is also shown as a percentage of total reservable commercial utilized credit exposure, including loans and leases, standby letters of credit, financial guarantees, commercial letters of credit and bankers acceptances.

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

#### **Global Banking & Markets Segment Results**

(Dollars in millions)		nths Ended	Second	First	Fourth	Third	Second
	Ju 2011	ne 30 2010	Quarter 2011	Quarter 2011	Quarter 2010	Quarter 2010	Quarter 2010
	2011	2010	2011	2011	2010	2010	2010
Net interest income (1)	\$ 3,828	\$ 4,172	\$ 1,791	\$ 2,037	\$ 2,007	\$ 1,901	\$ 2,002
Noninterest income:							
Service charges	917	931	442	475	501	459	468
Investment and brokerage services	1,264	1,299	587	677	562	580	676
Investment banking income	3,148	2,517	1,637	1,511	1,583	1,306	1,301
Trading account profits	4,691 834	6,273	2,071 268	2,620	961	2,454 407	1,202 255
All other income (loss) Total noninterest income	10,854	405 11,425	5,005	5,849	3,397	5,206	3,902
Total revenue, net of interest expense	14,682	15,597	6,796	7,886	5,404	7,107	5,904
Provision for credit losses	(284)	103	(82)	(202)	(112)	(157)	(133)
Noninterest expense	9,435	9,024	4,713	4,722	4,383	4,391	4,735
Income before income taxes	5,531	6,470	2,165	3,366	1,133	2,873	1,302
Income tax expense (1)	1,839	2,333	607	1,232	478	1,434	404
Net income	\$ 3,692	\$ 4,137	\$ 1,558	\$ 2,134	\$ 655	\$ 1,439	\$ 898
n	10.71	er 15.00 er	1644	20.50	0 5.45	or 11.05 o	7.02 0
Return on average equity	18.61		16.44				
Return on average economic capital (2) Efficiency ratio (1)	25.86	20.28	23.40	28.02	7.30	14.42	9.06
•	64.26	57.86	69.35	59.88	81.12	61.78	80.19
Balance sheet							
Average							
Total trading-related assets (3, 4)	\$ 459,278	\$ 519,767	\$ 460,153	\$ 458,394	\$ 485,161	\$ 507,014	\$ 522,304
Total loans and leases	106,604	97,427	109,473	103,704	100,606	98,874	95,839
Total earning assets (3, 5)	572,701	628,193	569,517	575,920	591,238	599,621	622,820
Total assets (5)	730,907	781,949	750,908	710,684	744,643	752,159	779,060
Total deposits	115,097	108,124	118,133	112,028	114,942	106,472	112,565
Allocated equity	40,004	52,182	38,001	42,029	47,511	50,756	51,245
Economic capital <sup>(6)</sup>	29,126	41,582	27,078	31,197	36,810	40,237	40,705
Period end							
Total trading-related assets (4)	\$ 445,220	\$ 483,769	\$ 445,220	\$ 455,958	\$ 417,714	\$ 516,875	\$ 483,769
Total loans and leases	114,165	95,756	114,165	105,651	99,964	99,525	95,756
Total earning assets (5)	557,327	565,208	557,327	563,943	514,462	607,436	565,208
Total assets (5)	691,249	718,563	691,249	698,458	655,778	755,075	718,563
Total deposits	123,618	105,678	123,618	115,212	110,971	109,601	105,678
Trading-related assets (average)							
Trading account securities (3)	\$ 190,004	\$ 204,068	\$ 174,009	\$ 206,177	\$ 201,006	\$ 201,494	\$ 204,139
Reverse repurchases	162,655	195,590	173,403	151,788	166,070	183,246	193,905
Securities borrowed	49,616	56,100	54,044	45,140	51,294	54,899	57,292
Derivative assets	57,003	64,009	58,697	55,289	66,791	67,375	66,968
Total trading-related assets (3, 4)	\$ 459,278	\$ 519,767	\$ 460,153	\$ 458,394	\$ 485,161	\$ 507,014	\$ 522,304

<sup>(1)</sup> Fully taxable-equivalent basis

<sup>(1)</sup> rany isocons-equivaen tosis
(2) Return on overage economic capital is calculated as net income, excluding cost of funds and earnings credit on intangibles, divided by average economic capital.
(3) For the three and six months ended June 30, 2011, \$40.4 billion and \$20.3 billion of non-interest earning equity securities were reclassified from trading account assets to other non-earning assets. Prior period amounts are immaterial and have not been

 <sup>(</sup>s) For the inree and sex monitis enace Jine 30, 2011, 340-5 mitton and 520.3 mitton of non-interest restated.
 (d) Includes assets which are not considered earning assets (i.e. derivative assets).
 (5) Total earning assets and total assets include asset allocations to match liabilities (i.e. deposits).
 (6) Economic capital represents allocated equity less goodwill and a percentage of intangible assets.

#### **Global Banking & Markets Key Indicators**

(Dollars in millions)				-									
		onths End	led		econd		First		Fourth		Third		Second
		June 30		_	uarter		Quarter		Quarter		Quarter		Quarter
C-1 1 4 1	2011		2010		2011		2011	_	2010		2010		2010
Sales and trading revenue	\$ 6,343	· s	7,717	\$	2,697	\$	3,646	\$	1,673		3,477		\$ 2,230
Fixed income, currency and commodities Equity income	2,330		2,396	э	1,081	3	1,249	à	781	,	967		\$ 2,230 882
Total sales and trading revenue (1)	\$ 8,673		10,113	\$	3,778	\$	4,895	\$	2,454		\$ 4,444		\$ 3,112
Total sales and trading revenue	\$ 8,673	3	10,113	3	3,778	3	4,895	3	2,454		3 4,444	- =	3,112
Investment banking income													
Advisory (2)	\$ 700	\$	409	\$	381	\$	319	\$	336	:	\$ 273		\$ 242
Debt issuance	1,679		1,509		880		799		808		743		773
Equity issuance	769		599		376		393		439	_	290		286
Total investment banking income	\$ 3,148	\$	2,517	\$	1,637	\$	1,511	\$	1,583	- =	1,306		\$ 1,301
Corporate Banking													
Business lending	\$ 1,626	\$	1,747	\$	758	\$	868	\$	750	:	778		\$ 872
Treasury services	1,237		1,218		624		613		617		579		619
Total revenue, net of interest expense	\$ 2,863	\$	2,965	\$	1,382	\$	1,481	\$	1,367		1,357	_	\$ 1,491
Global Corporate & Investment Banking Key Indicators													
Average deposit balances													
Interest-bearing	\$ 55,347	\$	52,870	\$	57,524	\$	53,145	\$	59,068	:	55,833		\$ 55,109
Noninterest-bearing	52,650		46,730		53,081		52,214		48,454		43,981		49,009
Total average deposits	\$ 107,997	\$	99,600	\$	110,605	\$	105,359	\$	107,522		99,814	= =	\$ 104,118
Loan spread	1.92	%	1.94 %		1.57	%	2.29	%	1.62	%	1.77	%	1.94 %
Provision for credit losses	\$ (238	) \$	10	\$	(74)	\$	(164)	\$	(110)	:	(102)		\$ (191)
Credit quality (3,4)													
Reservable utilized criticized exposure	\$ 4,801	\$	7,290	\$	4,801	\$	5,298	\$	5,924	:	7,131		\$ 7,290
	4.26	%	7.29 %		4.26	%	4.87	%	5.67	%	6.95	%	7.29 %
Nonperforming loans, leases and foreclosed properties	\$ 327	\$	905	\$	327	\$	314	\$	645		s 993		\$ 905
Troupertoining totals, reases and forcetosed properties	0.34		1.13 %	Ψ	0.34	%		%	0.76		1.19	%	1.13 %
Average loans and leases by product													
U.S. commercial	\$ 34,039	\$	34,878	\$	34,369	\$	33,704	\$	33,522	:	32,681		\$ 33,593
Commercial real estate	68		33		54		82		24		26		31
Commercial lease financing	23,259		23,472		23,041		23,478		23,271		23,356		23,250
Non-U.S. commercial	32,757		22,309		35,267		30,220		26,550		24,650		22,710
Other	42		45		41		46		42	_	43	_	43
Total average loans and leases	\$ 90,165	\$	80,737	\$	92,772	\$	87,530	\$	83,409	_	80,756		\$ 79,627
(1) Sales and trading revenue breakdown:													,
Net Interest Income	\$ 2,03	\$	2,328	\$	952	\$	1,085	\$	1,183	5	1,090	5	1,083
Commissions	1,255		1,258		583		672		542		560		657
Trading	4,618	:	6,244		2,031		2,587		925		2,427		1,189
Other	76		283		212		551		(196)		367	_	183
Total sales and trading revenue	\$ 8,673	\$	10,113	\$	3,778	\$	4,895	\$	2,454	5	4,444		3,112

<sup>(2)</sup> Advisory includes fees on debt and equity advisory and mergers and acquisitions.
(3) Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The reservable criticized exposure is on an end-of-period basis and is also shown as a percentage of total reservable commercial utilized credit exposure, including loans and leases, standby letters of credit, financial guarantees, commercial letters of credit and bankers' acceptances.
(4) Nonperforming loans, tesses and foreclosed properties are on an end-of-period basis and defined as nonperforming loans and leases plus foreclosed properties. The nonperforming ratio is nonperforming assets divided by commercial leases plus commercial foreclosed properties.

# **Credit Default Swaps with Monoline Financial Guarantors**

(Dollars in millions)				20 2011			
	S	Super Senior CDOs	Gu	e 30, 2011 Other aranteed ositions		Total	
Notional	\$	2,968	\$	32,656	\$	35,624	
Mark-to-market or guarantor receivable		2,578		6,150		8,728	
Credit valuation adjustment		(2,363)		(3,314)		(5,677)	
Total	\$	215	\$	2,836	\$	3,051	
Credit valuation adjustment %		92	%	54	%	65	%
Losses during the three months ended June 30, 2011	\$	(38)	\$	(223)	\$	(261)	
osses during the six months ended June 30, 2011		(314)		(354)		(668)	
			Mar	ch 31, 2011			
	S	Super Senior CDOs	Gu	Other aranteed ositions		Total	
Notional	\$	3,225	\$	35,273	\$	38,498	
Mark-to-market or guarantor receivable		2,693		5,623		8,316	
Credit valuation adjustment		(2,444)		(2,838)		(5,282)	
Total	\$	249	\$	2,785	\$	3,034	
Credit valuation adjustment %		91	%	50	%	64	%
Losses during the three months ended March 31, 2011	\$	(276)	\$	(131)	\$	(407)	

# **Investment Banking Product Rankings**

	Six	Months Ended	l June 30, 20	11
	Glol	bal	U.	S.
	Product Ranking	Market Share	Product Ranking	Market Share
High-yield corporate debt	3	9.7 %	2	11.4 %
Leveraged loans	2	14.1	2	17.8
Mortgage-backed securities	2	11.1	1	14.4
Asset-backed securities	1	13.0	1	20.3
Convertible debt	5	6.3	4	10.3
Common stock underwriting	2	7.7	4	9.9
Investment grade corporate debt	2	6.8	1	14.4
Syndicated loans	2	10.2	2	19.2
Net investment banking revenue	2	7.9	2	11.9
Announced mergers and acquisitions	6	14.1	7	21.1
Equity capital markets	2	7.5	4	10.0
Debt capital markets	4	5.7	2	10.6

Source: Dealogic data as of July 5, 2011. Figures above include self-led transactions.

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

#### **Highlights**

#### Global top 3 rankings in:

High-yield corporate debt

Leveraged loans

Mortgage-backed securities

Asset-backed securities

Common stock underwriting

Investment grade corporate debt

Syndicated loans

Equity capital markets

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

High-yield corporate debt Investment grade corporate debt

Leveraged loans Syndicated loans

Mortgage-backed securities Debt capital markets

Asset-backed securities

#### $Excluding \ self-mandated \ deals:$

Global: #1 - Asset-backed securities, Investment grade corporate debt

Global: #2 - High-yield corporate debt, Leveraged loans, Mortgage-backed securities, Common stock underwriting, Syndicated loans, Equity capital markets

US: #1 - Asset-backed securities, Investment grade corporate debt

US: #2 - High-yield corporate debt, Leveraged loans, Mortgage-backed securities, Syndicated loans, Debt capital markets

# Global Wealth & Investment Management Segment Results (Dollars in millions, except as noted)

		Six Mont Jun				Second Quarter		First Quarter	Fourth Quarter		Third Quarter		Second Quarter
		2011		2010	l	2011		2011	 2010		2010		2010
Net interest income (1)	\$	3,140	\$	2,907	\$	1,571	\$	1,569	\$ 1,425	\$	1,345	\$	1,443
Noninterest income:													
Investment and brokerage services		4,756		4,303		2,378		2,378	2,266		2,091		2,195
All other income		1,086		1,020	l	541		545	 470		462		551
Total noninterest income		5,842		5,323	l	2,919		2,923	 2,736		2,553		2,746
Total revenue, net of interest expense		8,982		8,230		4,490		4,492	4,161		3,898		4,189
Provision for credit losses		118		363		72		46	155		127		122
Noninterest expense		7,230		6,368	l	3,631		3,599	 3,485	_	3,364		3,269
Income before income taxes		1,634		1,499		787		847	521		407		798
Income tax expense (1)		595		731		281		314	199		150		469
Net income	\$	1,039	\$	768	\$	506	\$	533	\$ 322	\$	257	\$	329
Net interest yield (1)		2.32 %	6	2.49 %		2.34 %		2.30 %	2.10 9	6	2.18 %		2.42 %
Return on average equity		11.80		8.61		11.54		12.06	7.00		5.66		7.27
Return on average economic capital (2)		30.21		22.76		29.97		30.44	18.12		15.20		19.10
Efficiency ratio (1)		80.50		77.37		80.88		80.12	83.76		86.29		78.05
Balance sheet													
Average													
Total loans and leases	\$	101,529	\$	98,826	\$	102,200	\$	100,851	\$ 100,306	\$	99,103	\$	98,811
Total earning assets (3)		272,958		235,284		268,968		276,992	268,872		245,146		239,186
Total assets (3)		293,170		256,510		289,050		297,335	289,643		265,641		259,801
Total deposits		256,859		223,956		255,219		258,518	246,281		234,807		226,276
Allocated equity		17,755		18,002		17,574		17,938	18,227		18,039		18,179
Economic capital (4)		7,038		7,209		6,868		7,210	7,475		7,264		7,380
Period end													
Total loans and leases	\$	102,878	\$	99,157	\$	102,878	\$	101,286	\$ 100,724	\$	99,511	\$	99,157
Total earning assets (3)	-	263,867	-	231,375	*	263,867	-	264,753	275,260	-	245,370	*	231,375
Total assets (3)		284,294		252,507	1	284,294		285,472	296,251		266,489		252,507
Total deposits		255,580		226,572		255,580		256,526	257,982		240,381		226,572
rotat ueposits		433,360		220,372	ı	433,380		230,320	231,982		240,361		220,372

<sup>(1)</sup> Fully taxable-equivalent basis
(2) Return on average economic capital is calculated as net income, excluding cost of funds and earnings credit on intangibles, divided by average economic capital.
(3) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).
(4) Economic capital represents allocated equity less goodwill and a percentage of intangible assets.

#### Global Wealth & Investment Management - Key Indicators and Metrics

Dollars in millions, except as noted)	Six Mon Jui	ths En 1e 30	ded		Second Quarter		First Quarter	Fourth Quarter		Third Quarter		Second Quarter
_	2011		2010		2011		2011	 2010	_	2010		2010
Revenues												
Merrill Lynch Global Wealth Management	\$ 7,034	\$	6,126	\$	3,494	\$	3,540	\$ 3,428	\$	3,177	\$	3,138
U.S. Trust	1,407		1,323		711		696	708		691		682
Retirement Services Other (1)	545		483		273		272	226		242		244
Other '' Total revenues	\$ (4) 8,982	\$	8,230	\$	4,490	\$	4,492	\$ 4,161	\$	3,898	\$	125 4,189
Total revenues	 0,902		6,230		4,490	3	4,492	4,101	3	3,090	3	4,169
Client Balances												
Client Balances by Business												
Merrill Lynch Global Wealth Management U.S. Trust	\$ 1,539,798	\$	1,402,547	\$	1,539,798	\$	1,554,294	\$ 1,515,896	\$	1,466,346	\$	1,402,547
U.S. Trust Retirement Services	341,911 252,379		327,342 224,930		341,911 252,379		345,092 255,573	340,341 246,774		334,150 234,249		327,342 224,930
Other (1,2)	67,875		92,227		67,875		71,759	78,275		86,199		92,227
Other	67,875		92,227		67,875		/1,/59	18,213		80,199		92,221
Client Balances by Type												
Assets under management (2)	\$ 660,928	\$	591,872	\$	660,928	\$	664,466	\$ 630,498	\$	611,461	\$	591,872
Client brokerage assets	1,066,078		1,010,751		1,066,078		1,087,624	1,077,049		1,055,384		1,010,751
Assets in custody Client deposits	116,499 255,580		118,694 226,572		116,499 255,580		116,816 256,526	115,033 257,982		114,207 240,381		118,694 226,572
Loans and leases	102,878		99,157		102,878		101,286	100,724		99,511		99,157
Total client balances	\$ 2,201,963	\$	2,047,046	\$	2,201,963	\$	2,226,718	\$ 2,181,286	\$	2,120,944	\$	2,047,046
Assets Under Management Flows (2) Liquidity assets under management (3) Long-term assets under management (4) Total assets under management flows	\$ (10,430) 18,694 8,264	\$	(27,066) 4,401 (22,665)	\$	(3,771) 4,535 764	s s	(6,659) 14,159 7,500	\$ (8,050) 5,648 (2,402)	\$	(6,599) 4,032 (2,567)	s s	(9,788) 1,366 (8,422)
Associates (5)												
Number of Financial Advisors	16,241		15,299		16,241		15,695	15,511		15,486		15,299
Total Wealth Advisors	17,817		16,781		17,817		17,201	17,025		16,983		16,781
<b>Total Client Facing Professionals</b>	20,876		19,744		20,876		20,273	20,068		20,013		19,744
Merrill Lynch Global Wealth Management Metrics												
Financial Advisor Productivity (6) (in thousands)	\$ 912	\$	826	\$	894	\$	931	\$ 913	\$	846	\$	843
U.S. Trust Metrics												
Client Facing Professionals	2,280		2,277		2,280		2.313	2.311		2,302		2.277
<u>S</u>	2,200		2,211	1	_,		2,5.5	2,211		2,502		2,277

<sup>(1)</sup> Other includes the results of BofA Global Capital Management (the former Columbia cash management business) and residual net interest income

<sup>(2)</sup> Includes the Columbia Management long-term asset management business through the date of sale on May 1, 2010.
(3) Assets under advisory and discretion of GWIM in which the investment strategy seeks a high level of income while maintaining liquidity and capital preservation. The duration of these strategies are less than one year.

<sup>(4)</sup> Assets under advisory and discretion of GWIM in which the duration of the investment strategy is longer than one year.

<sup>(5)</sup> Includes Merrill Edge ®

<sup>(6)</sup> Financial Advisor Productivity is defined as annualized MLGWM total revenue divided by the total number of financial advisors (excluding Merrill Edge Financial Advisors).

# All Other Results (1)

(Dollars in millions)							
		onths Ended	Second	First	Fourth	Third	Second
	J	une 30	Quarter	Quarter	Quarter	Quarter	Quarter
	2011	2010	2011	2011	2010	2010	2010
Net interest income (2)	\$ (74)	\$ 118	\$ (167)	\$ 93	\$ 76	\$ (39)	\$ 77
Noninterest income:							
Equity investment income	2,547	2,765	1,139	1,408	1,501	267	2,253
Gains on sales of debt securities	1,299	662	831	468	858	794	14
All other income (loss)	(780)	905	62	(842)	(1,760)	(275)	783
Total noninterest income	3,066	4,332	2,032	1,034	599	786	3,050
Total revenue, net of interest expense	2,992	4,450	1,865	1,127	675	747	3,127
Provision for credit losses	3,462	2,466	1,663	1,799	1,839	329	1,246
Merger and restructuring charges	361	1,029	159	202	370	421	508
All other noninterest expense	1,449	1,814	157	1,292	516	143	605
Income (loss) before income taxes	(2,280)	(859)	(114)	(2,166)	(2,050)	(146)	768
Income tax expense (benefit) (2)	(848)	(1,192)	102	(950)	(2,410)	(515)	(355)
Net income (loss)	\$ (1,432)		\$ (216)	\$ (1,216)	\$ 360	\$ 369	\$ 1,123
Balance sheet							
Average							
Total loans and leases	\$ 258,374	\$ 256,742	\$ 258,397	\$ 258,350	\$ 252,180	\$ 238,442	\$ 257,322
Total assets (3)	183,289	300,395	167,364	199,391	196,487	206,559	291,530
Total deposits	47,642	67,770	46,684	48,608	44,841	44,871	64,709
			· · · · · · · · · · · · · · · · · · ·				
Allocated equity (4)	67,030	24,475	73,244	60,748	50,731	35,972	29,091
Period end							
Total loans and leases	\$ 259,285	\$ 254,516	\$ 259,285	\$ 256,931	\$ 255,212	\$ 241,798	\$ 254,516
Total assets (5)	209,210	243,099	209,210	155,855	176,400	193,893	243,099
Total deposits	42,355	57,424	42,355	34,818	38,748	37,652	57,424

<sup>(1)</sup> All Other consists of two broad groupings, Equity Investments and Other. Equity Investments includes Global Principal Investments, Strategic and other investments, and Corporate Investments. BlackRock, Inc., previously included in Strategic and other investments, was sold during 2011. Substantially all of the equity investments in Corporate Investments were sold during 2010. Other includes liquidating businesses, merger and restructuring charges, ALM functions (i.e., residential mortgage portfolio and investment securities) and related activities (i.e., economic hedges, fair value option on structured liabilities), and the impact of certain allocation methodologies. Other also includes certain residential mortgage and discontinued real estate products that are managed by Legacy Asset Servicing within Consumer Real Estate Services).

<sup>(2)</sup> Fully taxable-equivalent basis

<sup>(</sup>a) Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) of \$672.3 billion and \$600.1 billion for the six months ended June 30, 2011 and 2010; \$676.7 billion, \$667.9 billion, \$660.7 billion, \$633.8 billion and \$611.2 billion for the second and first quarters of 2011, and the fourth, third and second quarters of 2010, respectively.

<sup>(4)</sup> Represents both the risk-based capital and the portion of goodwill and intangibles assigned to All Other as well as the remaining portion of equity not specifically allocated to the segments.

September 30, 2010 and June 30, 2010, respectively.

# Equity Investments (Dollars in millions)

	G	lobal P	rincipal Inv	estme	ents Exposu	res		Equity In		ent
		June	30, 2011				arch 31, 2011	 June 3	0, 2011	
	Book Value		funded mitments		Total		Total	 Months nded		Months Inded
Global Principal Investments:										
Private Equity Investments	\$ 5,021	\$	133	\$	5,154	\$	5,194	\$ 210	\$	1,413
Global Real Estate	1,505		214		1,719		1,704	42		116
Global Strategic Capital	2,522		406		2,928		2,933	182		275
Legacy/Other Investments	1,757		369		2,126		2,656	(35)		(40)
Total Global Principal Investments	\$ 10,805	\$	1,122	\$	11,927	\$	12,487	\$ 399	\$	1,764

# **Components of Equity Investment Income**

(Dollars in millions)	 Six Mont Jun 2011	ie 30	2010	Q	econd uarter 2011	Ç	First Quarter 2011	Q	Fourth Quarter 2010	Q	Third Quarter 2010	Second Quarter 2010
Global Principal Investments Corporate Investments Strategic and other investments (1)	\$ 1,764 - 783	\$	1,391 (305) 1,679	\$	399 - 740	\$	1,365	\$	867 6 628	\$	46 6 215	\$ 814 6 1,433
Total equity investment income included in All Other Total equity investment income	2,547		2,765		1,139		1,408		1,501		267	2,253
included in the business segments	 140		626		73		67		11		90	 513
Total consolidated equity investment income	\$ 2,687	\$	3,391	\$	1,212	\$	1,475	\$	1,512	\$	357	\$ 2,766

<sup>(1)</sup> Includes the Corporation's equity investment interest in BlackRock prior to its sale in the second quarter of 2011.

### **Outstanding Loans and Leases**

(Dollars in millions)

	 June 30 2011	N	March 31 2011	_	ncrease Decrease)
Consumer					
Residential mortgage (1)	\$ 266,333	\$	261,934	\$	4,399
Home equity	130,654		133,629		(2,975)
Discontinued real estate (2)	12,003		12,694		(691)
U.S. credit card	104,659		107,107		(2,448)
Non-U.S. credit card	26,037		27,235		(1,198)
Direct/Indirect consumer (3)	90,258		89,444		814
Other consumer (4)	2,762		2,754		8
Total consumer loans excluding loans measured at fair value	 632,706		634,797		(2,091)
Consumer loans measured at fair value (5)	5,194		-		5,194
Total consumer	637,900		634,797		3,103
Commercial					
U.S. commercial <sup>(6)</sup>	190,606		188,449		2,157
Commercial real estate (7)	44,028		47,008		(2,980)
Commercial lease financing	21,391		21,563		(172)
Non-U.S. commercial	42,929		36,921		6,008
Total commercial loans excluding loans measured at fair value	 298,954		293,941		5,013
Commercial loans measured at fair value (5)	4,403		3,687		716
Total commercial	303,357	-	297,628		5,729
Total loans and leases	\$ 941,257	\$	932,425	\$	8,832

<sup>(1)</sup> Includes non-U.S. residential mortgages of \$90 million and \$92 million at June 30, 2011 and March 31, 2011.

<sup>(2)</sup> Includes \$10.7 billion and \$11.4 billion of pay option loans, and \$1.3 billion and \$1.3 billion of subprime loans at June 30, 2011 and March 31, 2011. The Corporation no longer originates these products.

<sup>(3)</sup> Includes dealer financial services loans of \$42.1 billion and \$41.5 billion, consumer lending of \$9.9 billion and \$11.1 billion, U.S. securities-based lending margin loans of \$21.3 billion and \$19.7 billion, student loans of \$6.3 billion and \$6.6 billion, non-U.S. consumer loans of \$8.7 billion and \$8.5 billion, and other consumer loans of \$2.0 billion and \$2.1 billion at June 30, 2011 and March 31, 2011.

<sup>(4)</sup> Includes consumer finance loans of \$1.8 billion and \$1.9 billion, other non-U.S. consumer loans of \$866 million and \$818 million, and consumer overdrafts of \$104 million and \$69 million at June 30, 2011 and March 31, 2011.

<sup>(5)</sup> Certain consumer loans are accounted for under the fair value option and include residential mortgages of \$1.2 billion and discontinued real estate of \$4.0 billion at June 30, 2011. Certain commercial loans are accounted for under the fair value option and include U.S. commercial loans of \$1.6 billion and \$1.4 billion, non-U.S. commercial loans of \$2.8 billion and \$2.3 billion, and commercial real estate loans of \$11 million and \$68 million at June 30, 2011 and March 31, 2011.

<sup>(6)</sup> Includes U.S. small business commercial loans, including card related products, of \$13.9 billion and \$14.3 billion at June 30, 2011 and March 31, 2011.

<sup>(7)</sup> Includes U.S. commercial real estate loans of \$41.7 billion and \$44.6 billion, and non-U.S. commercial real estate loans of \$2.3 billion and \$2.4 billion at June 30, 2011 and March 31, 2011.

# Quarterly Average Loans and Leases by Business Segment (Dollars in millions)

					S	econd Qua	rter 20	11					
	Total rporation	Dep	osits	al Card vices	Rea	nsumer d Estate ervices	Cor	Global nmercial anking	Ban	lobal king & arkets	(	GWIM	All Other
Consumer	 			 									
Residential mortgage	\$ 265,420	\$	-	\$ -	\$	1,167	\$	263	\$	101	\$	36,367	\$ 227,522
Home equity	131,786		-	-		115,250		1,033		-		15,248	255
Discontinued real estate	15,997		-	-		3,548		-		-		-	12,449
U.S. credit card	106,164		-	106,164		-		-		-		-	-
Non-U.S. credit card	27,259		-	27,259		-		-		-		-	-
Direct/Indirect consumer	89,403		52	10,932		94		41,078		561		30,231	6,455
Other consumer	2,745		414	835		-		-		5		17	1,474
Total consumer	 638,774		466	 145,190		120,059		42,374		667		81,863	248,155
Commercial													
U.S. commercial	190,479		157	10,421		1,619		104,829		45,755		18,322	9,376
Commercial real estate	45,762		3	277		5		40,597		908		1,792	2,180
Commercial lease financing	21,284		-	-		-		-		23,042		34	(1,792)
Non-U.S. commercial	42,214		-	900		-		1,546		39,101		189	478
Total commercial	299,739		160	11,598		1,624		146,972		108,806		20,337	10,242
Total loans and leases	\$ 938,513	\$	626	\$ 156,788	\$	121,683	\$	189,346	\$	109,473	\$	102,200	\$ 258,397

	First Quarter 2011														
	Total Corporation		Deposits		Global Card Services		Consumer Real Estate Services		Global Commercial Banking		Global Banking & Markets		GWIM		All Other
Consumer			i												
Residential mortgage	\$	262,049	\$	-	\$	-	\$	-	\$	283	\$	99	\$	35,752	\$ 225,915
Home equity		136,089		-		-		119,123		1,013		-		15,686	267
Discontinued real estate		12,899		-		-		-		-		-		-	12,899
U.S. credit card		109,941		-		109,941		-		-		-		-	-
Non-U.S. credit card		27,633		-		27,633		-		-		-		-	-
Direct/Indirect consumer		90,097		56		12,284		97		42,436		371		28,110	6,743
Other consumer		2,753		383		772		(16)		2		5		18	 1,589
Total consumer		641,461		439		150,630		119,204		43,734		475		79,566	 247,413
Commercial															
U.S. commercial		191,353		198		10,521		1,349		104,703		45,511		19,355	9,716
Commercial real estate		48,359		2		257		5		42,796		934		1,731	2,634
Commercial lease financing		21,634		-		-		-		-		23,478		34	(1,878)
Non-U.S. commercial		36,159				1,017		2		1,204		33,306		165	465
Total commercial		297,505		200		11,795		1,356		148,703		103,229		21,285	10,937
Total loans and leases	\$	938,966	\$	639	\$	162,425	\$	120,560	\$	192,437	\$	103,704	\$	100,851	\$ 258,350

								Second Qua	rter 20	10						
	Total Corporation		Deposits		Global Card Services		Consumer Real Estate Services		Global Commercial Banking		Global Banking & Markets		GWIM			All Other
Consumer			_	<u>.</u>												
Residential mortgage	\$	247,715	5	-	\$	-	\$	-	\$	304	\$	513	\$	35,204	\$	211,694
Home equity		148,219		-		-		129,010		923		-		16,409		1,877
Discontinued real estate		13,972		-		-		-		-		-		-		13,972
U.S. credit card		118,738		-		118,738		-		-		-		-		-
Non-U.S. credit card		27,706		-		27,706		-		-		-		-		-
Direct/Indirect consumer		98,549		69		17,159		101		46,272		82		24,112		10,754
Other consumer		2,958	l _	326		673		(210)				7		19	_	2,143
Total consumer		657,857		395		164,276		128,901		47,499		602		75,744		240,440
Commercial																
U.S. commercial		195,144		341		11,562		1,754		104,262		44,952		20,872		11,401
Commercial real estate		64,218		5		193		7		53,721		1,363		2,019		6,910
Commercial lease financing		21,271		-		-		-		1		23,250		30		(2,010)
Non-U.S. commercial		28,564	l _	-		1,045		-		1,120		25,672		146	_	581
Total commercial		309,197		346		12,800		1,761		159,104		95,237		23,067		16,882
Total loans and leases	\$	967,054	5	741	\$	177,076	\$	130,662	\$	206,603	\$	95,839	\$	98,811	\$	257,322

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

(Dollars in millions)		C	omme	rcial Utilize	d		Total C	Comn	nercial Comr	nitted	i
	June 30		March 31 Increase			 June 30		March 31	Increase		
		2011		(Decrease)		 2011		2011	(Decrease)		
Diversified financials	\$	51,889	\$	54,085	\$	(2,196)	\$ 79,056	\$	81,676	\$	(2,620)
Real estate (4)		53,597		56,084		(2,487)	67,093		69,273		(2,180)
Government and public education		42,153		42,292		(139)	58,027		58,174		(147)
Capital goods		23,880		22,151		1,729	46,822		45,833		989
Healthcare equipment and services		28,757		29,227		(470)	45,608		46,124		(516)
Retailing		25,530		24,994		536	45,604		44,506		1,098
Consumer services		23,195		23,261		(66)	37,735		38,441		(706)
Materials		17,696		16,162		1,534	35,831		34,277		1,554
Banks		32,005		29,454		2,551	35,461		32,894		2,567
Commercial services and supplies		20,740		21,013		(273)	31,344		31,139		205
Energy		12,661		10,426		2,235	29,817		27,471		2,346
Food, beverage and tobacco		14,697		14,789		(92)	28,920		28,550		370
Utilities		6,407		7,355		(948)	24,697		26,325		(1,628)
Insurance, including monolines		16,306		16,673		(367)	23,059		23,483		(424)
Individuals and trusts		16,249		16,935		(686)	20,498		21,802		(1,304)
Media		10,730		10,517		213	20,461		19,944		517
Transportation		11,778		11,721		57	18,129		17,894		235
Pharmaceuticals and biotechnology		4,998		4,569		429	12,152		12,063		89
Technology hardware and equipment		4,557		4,270		287	11,005		10,798		207
Religious and social organizations		8,087		8,013		74	10,319		10,384		(65)
Telecommunication services		3,890		3,717		173	10,096		9,527		569
Software and services		3,480		3,358		122	8,995		8,882		113
Consumer durables and apparel		4,329		4,247		82	8,938		8,599		339
Food and staples retailing		3,123		3,824		(701)	6,521		6,940		(419)
Automobiles and components		2,466		2,256		210	6,391		5,905		486
Other		3,521		7,556		(4,035)	7,191		11,122		(3,931)
Total commercial credit exposure											
by industry	\$	446,721	\$	448,949	\$	(2,228)	\$ 729,770	\$	732,026	\$	(2,256)
Net credit default protection purchased											
on total commitments (5)							\$ (19,861)	\$	(19,179)		

<sup>(1)</sup> Includes loans and leases, standby letters of credit and financial guarantees, derivative assets, assets held-for-sale, commercial letters of credit, bankers' acceptances, securitized assets, foreclosed properties and other collateral acquired. Derivative assets are reported on a mark-to-market basis and have been reduced by the amount of cash collateral applied of \$58.8 billion and \$57.7 billion at June 30, 2011 and March 31, 2011. Not reflected in utilized and committed exposure is additional non-cash derivative collateral held of \$14.0 billion and \$14.9 billion which consists primarily of other marketable securities at June 30, 2011 and March 31, 2011.

<sup>(2)</sup> Total commercial utilized and total commercial committed exposure includes loans and letters of credit measured at fair value and are comprised of loans outstanding of \$4.0 billion and \$3.7 billion and issued letters of credit at notional value of \$1.2 billion and \$1.4 billion at June 30, 2011 and March 31, 2011. In addition, total commercial committed exposure includes unfunded loan commitments at notional value of \$26.8 billion and \$27.0 billion at June 30, 2011 and March 31, 2011.

<sup>(3)</sup> Includes U.S. small business commercial exposure.

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

<sup>(5)</sup> Represents net notional credit protection purchased.

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

	June 30	March 31
	2011	2011
Less than or equal to one year	14	% 13 %
Greater than one year and less than or equal to five years	80	78
Greater than five years	6	9
Total net credit default protection	100	<b>%</b> 100 %

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

#### **Net Credit Default Protection by Credit Exposure Debt Rating** (1, 2)

(Dollars in millions)				
	June 3	0, 2011	March 31	, 2011
Ratings (3)	Net Notional	Percent	Net Notional	Percent
AA	\$ (313)	1.6 %	\$ (223)	1.2 %
A	(7,016)	35.3	(6,967)	36.3
BBB	(7,542)	38.0	(7,105)	37.0
BB	(1,659)	8.4	(1,871)	9.8
В	(1,381)	7.0	(1,231)	6.4
CCC and below	(756)	3.8	(756)	3.9
NR <sup>(4)</sup>	(1,194)	5.9	(1,026)	5.4
Total net credit default protection	\$ (19,861)	100.0 %	\$ (19,179)	100.0 %

<sup>(1)</sup> To mitigate the cost of purchasing credit protection, credit exposure can be added by selling credit protection. The distribution of debt rating for net notional credit default protection purchased is shown as a negative and the net notional credit protection sold is shown as a positive amount.

<sup>(2)</sup> Ratings are refreshed on a quarterly basis.

<sup>(3)</sup> The Corporation considers ratings of BBB- or higher to meet the definition of investment grade.

<sup>(4)</sup> In addition to names which have not been rated, "NR" includes \$(1.1) billion and \$(921) million in net credit default swap index positions at June 30, 2011 and March 31, 2011. While index positions are principally investment grade, credit default swaps indices include names in and across each of the ratings categories.

#### **Selected Emerging Markets** (1)

(Dollars in millions)	Loans an Leases, and Commitme	Loan	ther	rivative sets <sup>(3)</sup>	curities / Other stments (4)	Total oss–border posure (5)	Expo	l Country osure Net Local oilities <sup>(6)</sup>	Ma	otal Emerging arkets Exposure at June 30, 2011	(Decre	crease ase) from 31, 2011				
Region/Country																
Asia Pacific																
China (7)	\$ 2	534	\$ 425	\$ 990	\$ 21,494	\$ 25,443	\$	99	\$	25,542	\$	(612)				
India	4	154	1,485	551	2,381	8,571		516		9,087		271				
South Korea		873	1,255	401	2,105	4,634		1,774		6,408		(856)				
Taiwan		472	78	74	603	1,227		1,519		2,746		400				
Singapore		616	43	428	1,488	2,575		-		2,575		80				
Hong Kong		518	396	178	1,056	2,148		287		2,435		389				
Thailand		20	15	32	878	945	-		-		-			945		313
Malaysia		85	10	132	476	703		2		705		366				
Indonesia		148	15	5	519	687	7		7		7			694		166
Other Asia Pacific (8)		226	92	53	381	752		-		752		246				
Total Asia Pacific	9	646	3,814	2,844	31,381	47,685		4,204		51,889		763				
Latin America																
Brazil	1	254	375	407	3,213	5,249		1,848		7,097		(658)				
Mexico	2	029	475	257	3,032	5,793		-		5,793		2,496				
Chile	1	069	58	336	27	1,490		41		1,531		19				
Peru		373	114	20	92	599		-		599		107				
Other Latin America (8)		263	346	39	334	982		152		1,134		(136)				
Total Latin America	4	988	1,368	1,059	6,698	14,113		2,041		16,154		1,828				
Middle East and Africa																
United Arab Emirates	1	880,	30	126	85	1,329		-		1,329		203				
Bahrain		79	1	4	1,001	1,085		2		1,087		1				
South Africa		361	22	88	48	519		-		519		109				
Other Middle East and Africa (8)		513	103	93	209	918		28		946		20				
Total Middle East and Africa	2	041	156	311	1,343	3,851		30		3,881		333				
Central and Eastern Europe																
Russian Federation		819	117	12	187	1,135		11		1,146		644				
Turkey		321	45	6	217	589		96		685		(53)				
Other Central and Eastern Europe (8)		116	84	221	492	913		-		913		(578)				
Total Central and Eastern Europe	1	256	246	239	896	2,637		107		2,744		13				
Total emerging market exposure	\$ 17	931	\$ 5,584	\$ 4,453	\$ 40,318	\$ 68,286	\$	6,382	\$	74,668	\$	2,937				

<sup>(1)</sup> There is no generally accepted definition of emerging markets. The definition that we use includes all countries in Asia Pacific excluding Japan, Australia and New Zealand; all countries in Latin America excluding Cayman Islands and Bermuda; all countries in Middle East and Africa; and all countries in Central and Eastern Europe. At June 30, 2011 and March 31, 2011, there was \$474 million and \$368 million in emerging market exposure accounted for under the fair value option.

 $<sup>(2) \</sup>quad \textit{Includes acceptances, due froms, standby letters of credit, commercial letters of credit and formal guarantees.}$ 

<sup>(3)</sup> Derivative assets are carried at fair value and have been reduced by the amount of cash collateral applied of \$1.1 billion and \$881 million at June 30, 2011 and March 31, 2011. At June 30, 2011 and March 31, 2011, there were \$226 million and \$306 million of other marketable securities collateralizing derivative assets.

<sup>(4)</sup> Generally, cross-border resale agreements are presented based on the domicile of the counterparty, consistent with Federal Financial Institutions Examination Council (FFIEC) reporting requirements. Cross-border resale agreements where the underlying securities are U.S. Treasury securities, in which case the domicile is the U.S., are excluded from this presentation.

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

<sup>(6)</sup> Local country exposure includes amounts payable to the Corporation by borrowers with a country of residence in which the credit is booked, regardless of the currency in which the claim is denominated. Local funding or liabilities are subtracted from local exposures consistent with FFIEC reporting requirements. Total amount of available local liabilities funding local country exposure at June 30, 2011 was \$21.4 billion compared to \$18.4 billion at March 31, 2011. Local liabilities at June 30, 2011 in Asia Pacific, Latin America, and Middle East and Africa were \$19.2 billion, \$1.6 billion and \$579 million, respectively, of which \$8.8 billion was in Singapore, \$2.6 billion in Hong Kong, \$2.4 billion in China, \$2.1 billion in India, \$1.5 billion in Mexico, \$1.0 billion in Korea, \$949 million in Indonesia and \$579 million in South Africa. There were no other countries with available local liabilities funding local country exposure greater than \$500 million.

<sup>(7)</sup> Securities/Other Investments includes an investment of \$19.6 billion in China Construction Bank.

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

**Selected European Countries** 

(Dollars in millions)													Total		
	Lo	oans and								L	ocal Country		Non-U.S.		
	Le	ases, and				:	Securities/	T	otal Cross-	E	xposure Net	I	Exposure at		
		Loan		Other	Derivative		Other		border		of Local		June 30,		dit Default
	Con	nmitments	Fi	nancing (1)	Assets (2)	In	estments (3)	Е	xposure (4)	I	Liabilities (5)		2011	Pro	otection (6)
Greece															
Sovereign	\$	-	\$	-	\$ -	\$	17	\$	17	\$	-	\$	17	\$	(7)
Non-sovereign		399		5	52		47		503		-		503		-
Total Greece	\$	399	\$	5	\$ 52	\$	64	\$	520	\$	-	\$	520	\$	(7)
Ireland															
Sovereign	\$	1	\$	-	\$ 10	\$	25	\$	36	\$	-	\$	36	\$	-
Non-sovereign		1,625		570	304		298		2,797		-		2,797		(41)
Total Ireland	\$	1,626	\$	570	\$ 314	\$	323	\$	2,833	\$	-	\$	2,833	\$	(41)
Italy															
Sovereign	\$	28	\$	-	\$ 1,320	\$	16	\$	1,364	\$	9	\$	1,373	\$	(1,361)
Non-sovereign		1,165		18	655		1,233		3,071		2,450		5,521		(252)
Total Italy	\$	1,193	\$	18	\$ 1,975	\$	1,249	\$	4,435	\$	2,459	\$	6,894	\$	(1,613)
Portugal															
Sovereign	\$	-	\$	-	\$ 32	\$	-	\$	32	\$	-	\$	32	\$	(30)
Non-sovereign		280		22	6		80		388		-		388		-
Total Portugal	\$	280	\$	22	\$ 38	\$	80	\$	420	\$	-	\$	420	\$	(30)
Spain															
Sovereign	\$	27	\$	-	\$ 39	\$	5	\$	71	\$	52	\$	123	\$	(64)
Non-sovereign		911		102	241		2,199		3,453		2,490		5,943		(14)
Total Spain	\$	938	\$	102	\$ 280	\$	2,204	\$	3,524	\$	2,542	\$	6,066	\$	(78)
Total															
Sovereign	\$	56	\$	-	\$ 1,401	\$	63	\$	1,520	\$	61	\$	1,581	\$	(1,462)
Non-sovereign		4,380		717	1,258		3,857		10,212		4,940		15,152		(307)
Total selected European exposure	\$	4,436	\$	717	\$ 2,659	\$	3,920	\$	11,732	\$	5,001	\$	16,733	\$	(1,769)

<sup>(1)</sup> Includes acceptances, due froms, standby letters of credit, commercial letters of credit and formal guarantees.

<sup>(2)</sup> Derivative assets are carried at fair value and have been reduced by the amount of cash collateral applied of \$3.1 billion at June 30, 2011. At June 30, 2011, there was \$77 million of other marketable securities collateralizing derivative assets.

<sup>(3)</sup> Generally, cross-border resale agreements are presented based on the domicile of the counterparty, consistent with FFIEC reporting requirements. Cross-border resale agreements where the underlying securities are U.S. Treasury securities, in which case the domicile is the U.S., are excluded from this presentation.

<sup>(4)</sup> Cross-border exposure includes amounts payable to the Corporation by borrowers or counterparties with a country of residence other than the one in which the credit is booked, regardless of the currency in which the claim is denominated, consistent with FFIEC reporting requirements.

<sup>(5)</sup> Local country exposure includes amounts payable to the Corporation by borrowers with a country of residence in which the credit is booked regardless of the currency in which the claim is denominated. Local funding or liabilities of \$957 million are subtracted from local exposures consistent with FFIEC reporting requirements. Of the \$957 million applied for exposure reduction, \$389 million was in Italy, \$362 million in Ireland, \$158 million in Spain and \$48 million in Greece.

<sup>(6)</sup> Represents net notional credit default protection purchased to hedge counterparty risk.

#### Nonperforming Loans, Leases and Foreclosed Properties

(Dollans in millions)

	J	une 30 2011	N	March 31 2011	Dec	2010	Se	ptember 30 2010	J	une 30 2010
Residential mortgage	\$	16,726	\$	17,466	\$	17,691	\$	18,291	\$	18,283
Home equity		2,345		2,559		2,694		2,702		2,951
Discontinued real estate		324		327		331		297		293
Direct/Indirect consumer		58		68		90		83		85
Other consumer		25		36		48		56		72
Total consumer		19,478		20,456		20,854	-	21,429		21,684
U.S. commercial (1)		2,767		3,056		3,453		3,894		4,217
Commercial real estate		5,051		5,695		5,829		6,376		6,704
Commercial lease financing		23		53		117		123		140
Non-U.S. commercial		108		155		233		272		130
		7,949		8,959		9,632		10,665		11,191
U.S. small business commercial		156		172		204		202		222
Total commercial		8,105		9,131		9,836	-	10,867		11,413
Total nonperforming loans and leases		27,583		29,587		30,690		32,296		33,097
Foreclosed properties		2,475		2,056		1,974		2,260		2,501
Total nonperforming loans, leases and foreclosed properties (2,3,4)	\$	30,058	\$	31,643	\$	32,664	\$	34,556	\$	35,598
Fully insured home loans past due 90 days or more and still accruing	\$	20.047	\$	19,754	\$	16,768	\$	16,427	\$	15,338
Other loans past due 90 days or more and still accruing	Ψ	4,243	ф	5,129	Ψ	5,611	Ψ	5,781	Ψ	6,448
Total loans past due 90 days or more and still accruing (3,5)	\$	24,290	\$	24,883	\$	22,379	\$	22,208	\$	21,786
Total folias past due 50 days of more and star accruing	φ	24,290	ф	24,003	Ą	22,319	Ą	22,208	ф	21,760
Nonperforming loans, leases and foreclosed properties/Total assets (6)		1.33 %	io .	1.39 %		1.44	%	1.48 %		1.51 %
Nonperforming loans, leases and foreclosed properties/Total loans, leases and foreclosed properties (6)		3.22		3.40		3.48		3.71		3.73
Nonperforming loans and leases/Total loans and leases (6)		2.96		3.19		3.27		3.47		3.48
Allowance for credit losses:										
Allowance for loan and lease losses (7)	\$	37,312	\$	39,843	\$	41,885	\$	43,581	\$	45,255
Reserve for unfunded lending commitments		897		961		1,188		1,294		1,413
Total allowance for credit losses	\$	38,209	\$	40,804	\$	43,073	\$	44,875	\$	46,668
_										
Allowance for loan and lease losses/Total loans and leases (6)  Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired		4.00 %	ó	4.29 %		4.47	%	4.69 %		4.75 %
loans)/Total loans and leases (excluding purchased credit-impaired loans) (6)		3.24		3.58		3.94		4.25		4.37
Allowance for loan and lease losses/Total nonperforming loans and leases (8)		135		135		136		135		137
Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired										
loans)/Total nonperforming loans and leases		105		108		116		118		121
Commercial utilized reservable criticized exposure (9)	\$	35,110	\$	39,435	\$	42,621	\$	47.698	\$	50,319
*	Ψ		,		-			.,	Ψ	
Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure (9)		9.73 %	0	10.94 %		11.80	70	13.06 %		13.48 %
Total commercial utilized criticized exposure/Commercial utilized exposure (9)		10.80		11.73		12.43		13.61		14.26

<sup>(1)</sup> Excludes U.S. small business commercial loans.

(3) Balances do not include purchased credit-impaired loans even though the customer may be contractually past due. Purchased credit-impaired loans were written down to fair value upon acquisition and accrete interest income over the remaining life of the loan.

	Ju	ne 30	Ma	irch 31	Dece	ember 31	Sept	ember 30	Ju	ne 30	
(4) Balances do not include the following:	2	2011	2	2011		2010		2010	2	2010	
Nonperforming loans held-for-sale	\$	2,119	\$	2,421	\$	2,540	\$	3,654	\$	4,044	
Nonperforming loans accounted for under the fair value option		2,389		15		30		15		15	
Nonaccruing troubled debt restructured loans removed from the purchased credit-impaired											
C. 1		400		157		127		270		103	

<sup>(5)</sup> Balances do not include loans held-for-sale past due 90 days or more and still accruing of \$19 million, \$48 million, \$60 million and \$158 million at June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010 there were no loans accounted for under the fair value option past due 90 days or more and still accruing interest.

Loans are classified as U.S. or non-U.S. based upon the domicile of the borrower.

<sup>(2)</sup> Balances do not include past due consumer credit card, business card loans, consumer loans secured by real estate where repayments are insured by the Federal Housing Administration, individually insured long-term credit protection agreements and in general, consumer loans not secured by real estate.

<sup>(6)</sup> Total assets and total loans and leases do not include loans accounted for under the fair value option of \$9.6 billion, \$3.7 billion, \$3.3 billion, \$3.7 billion and \$3.9 billion at June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010, respectively.

<sup>(7)</sup> Balances include the allowance for loan and lease losses on purchased credit-impaired loans of \$8.4 billion, \$8.0 billion, \$5.6 billion and \$5.3 billion at June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010, respectively.

<sup>(8)</sup> Allowance for loan and lease losses includes \$19.9 billion, \$22.1 billion, \$22.1 billion, \$23.7 billion and \$24.3 billion allocated to products (primarily Global Card Services portfolios and purchased credit-impaired loans) that are excluded from nonperforming loans and leases at June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010, respectively. Excluding these amounts, allowance for loan and lease losses as a percentage of total nonperforming loans and leases was 63 percent, 60 percent, 62 percent, 62 percent and 63 percent at June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010, respectively.

<sup>(9)</sup> Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The reservable criticized exposure excludes loans held-for-sale, exposure accounted for under the fair value option and other nonreservable exposure.

#### Nonperforming Loans, Leases and Foreclosed Properties Activity $^{\scriptscriptstyle{(1)}}$

(Dollars in millions)	Q	econd puarter 2011	(	First Quarter 2011		Fourth Quarter 2010		Third Quarter 2010	(	Second Quarter 2010
Nonperforming Consumer Loans:										
Balance, beginning of period	\$	20,456	\$	20,854	\$	21,429	\$	21,684	\$	21,557
Additions to nonperforming loans:										
New nonaccrual loans		4,044		4,127		4,568		4,551		5,409
Reductions in nonperforming loans:										
Paydowns and payoffs		(1,003)		(779)		(739)		(917)		(528)
Returns to performing status (2)		(1,311)		(1,340)		(1,841)		(1,469)		(1,816)
Charge-offs (3)		(2,300)		(2,020)		(2,261)		(1,987)		(2,607)
Transfers to foreclosed properties		(408)		(386)		(302)		(433)		(331)
Total net additions (reductions) to nonperforming loans		(978)		(398)		(575)		(255)		127
Total nonperforming consumer loans, end of period		19,478		20,456		20,854		21,429		21,684
Foreclosed properties		1,797		1,331		1,249		1,485		1,744
Total nonperforming consumer loans and foreclosed properties, end of period	\$	21,275	\$	21,787	\$	22,103	\$	22,914	\$	23,428
Nonperforming Commercial Loans and Leases (4):										
Balance, beginning of period	\$	9,131	\$	9,836	\$	10,867	\$	11,413	\$	12,060
Additions to nonperforming loans and leases:										
New nonaccrual loans and leases		1,042		1,299		1,820		1,852		2,256
Advances		52		67		102		83		62
Reductions in nonperforming loans and leases:										
Paydowns and payoffs		(1,023)		(764)		(1,113)		(906)		(1,148)
Sales		(141)		(247)		(228)		(187)		(256)
Return to performing status (5)		(362)		(320)		(465)		(415)		(404)
Charge-offs (6)		(291)		(488)		(767)		(628)		(870)
Transfers to foreclosed properties		(241)		(200)		(304)		(217)		(205)
Transfers to loans held-for-sale		(62)		(52)		(76)		(128)		(82)
Total net reductions in nonperforming loans and leases		(1,026)		(705)	_	(1,031)	-	(546)	_	(647)
Total nonperforming commercial loans and leases, end of period	-	8,105		9,131		9,836		10,867		11,413
Foreclosed properties		678		725		725		775		757
Total nonperforming commercial loans, leases and foreclosed properties, end of period	\$	8,783	S	9,856	S	10,561	\$	11.642	\$	12,170

<sup>(1)</sup> For amounts excluded from nonperforming loans, leases and foreclosed properties, see footnotes to Nonperforming Loans, Leases and Foreclosed Properties table on page 39.

<sup>(2)</sup> Consumer loans may be returned to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected, or when the loan otherwise becomes well-secured and is in the process of collection. Certain troubled debt restructurings are classified as nonperforming at the time of restructure and may only be returned to performing status after considering the borrower's sustained repayment performance for a reasonable period, generally six months.

<sup>3</sup> Our policy is not to classify consumer credit card and consumer loans not secured by real estate as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity and therefore are excluded from this table.

<sup>(4)</sup> Includes U.S. small business commercial activity.

<sup>(5)</sup> Commercial loans and leases may be restored to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected or when the loan otherwise becomes well-secured and is in the process of collection. Troubled debt restructurings are generally classified as performing after a sustained period of demonstrated payment performance.

becomes well-secured and is in the process of collection. Troubled debt restructurings are generally classified as performing after a sustained period of demonstrated payment performanc.

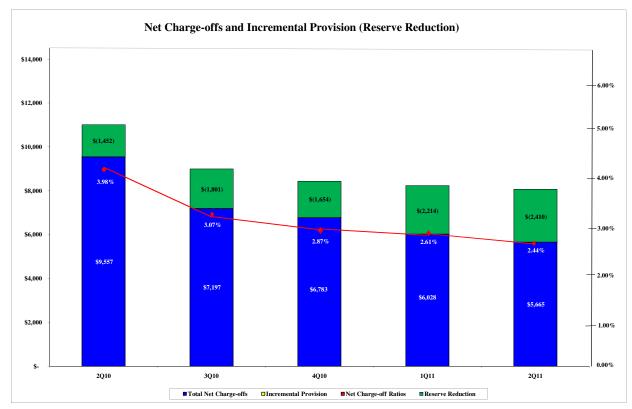
(6) Business card loans are not classified as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity and accordingly are excluded from this table.

#### $\underline{\textbf{Quarterly Net Charge-offs and}} \ \textbf{Net Charge-off Ratios}^{\ (1)}$

(Dollars in millions)	g		г.	rst	Fou	41	Th	• •	Seco	1
	Seco Ouar		Pii Qua		Fou Oua			arter	Oua	
	201		20		20		20		20	
Net Charge-offs	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Residential mortgage	\$ 1,104	1.67	% \$ 905	1.40 %	\$ 970	1.51 %	\$ 660	1.10 %	\$ 971	1.57 %
Home equity	1,263	3.84	1,179	3.51	1,271	3.61	1,372	3.80	1,741	4.71
Discontinued real estate	26	0.84	20	0.61	11	0.35	17	0.48	19	0.54
U.S. credit card	1,931	7.29	2,274	8.39	2,572	9.05	2,975	10.24	3,517	11.88
Non-U.S. credit card	429	6.31	402	5.91	339	4.90	295	4.32	942	13.64
Direct/Indirect consumer	366	1.64	525	2.36	641	2.78	707	2.93	879	3.58
Other consumer	43	6.44	40	5.93	50	6.96	80	10.68	73	10.01
Total consumer	5,162	3.27	5,345	3.38	5,854	3.62	6,106	3.81	8,142	4.96
U.S. commercial (2)	60	0.14	(21)	(0.05)	210	0.47	206	0.47	179	0.41
Commercial real estate	163	1.43	288	2.42	347	2.67	410	2.93	645	4.03
Commercial lease financing	(8)	(0.15)	1	0.02	20	0.38	19	0.34	(3)	(0.06)
Non-U.S. commercial	13	0.13	103	1.22	8	0.10	12	0.17	66	0.98
	228	0.32	371	0.54	585	0.83	647	0.91	887	1.23
U.S. small business commercial	275	7.78	312	8.68	344	9.13	444	11.38	528	12.94
Total commercial	503	0.68	683	0.94	929	1.25	1,091	1.46	1,415	1.86
Total net charge-offs	\$ 5,665	2.44	\$ 6,028	2.61	\$ 6,783	2.87	\$ 7,197	3.07	\$ 9,557	3.98
By Business Segment										
Deposits	\$ 36	23.58	% \$ 34	21.34 %	\$ 40	25.64 %	\$ 70	39.43 %	\$ 66	35.64 %
Global Card Services	2,879	7.37	3,342	8.34	3,693	8.79	4,230	9.83	5,672	12.85
Consumer Real Estate Services	1,213	4.16	1,114	3.75	1,183	3.76	1,323	4.11	1,664	5.11
Global Commercial Banking	321	0.68	514	1.08	639	1.30	730	1.45	960	1.86
Global Banking & Markets	(9)	(0.03)	(3)	(0.01)	25	0.10	52	0.22	87	0.38
Global Wealth & Investment Management	129	0.50	88	0.36	131	0.52	112	0.45	115	0.47
All Other	1,096	1.70	939	1.47	1,072	1.69	680	1.13	993	1.55
Total net charge-offs	\$ 5,665	2.44	\$ 6,028	2.61	\$ 6,783	2.87	\$ 7,197	3.07	\$ 9,557	3.98

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

Loans are classified as U.S. or non-U.S. based upon the domicile of the borrower.



<sup>(2)</sup> Excludes U.S. small business commercial loans.

#### Year-to-Date Net Charge-offs and Net Charge-off Ratios (1)

(Dollars in millions)

		Six Months En	ded June 30	
	201	.1	201	10
Net Charge-offs	Amount	Percent	Amount	Percent
Residential mortgage	\$ 2,009	1.54 %	\$ 2,040	1.67 %
Home equity	2,442	3.68	4,138	5.55
Discontinued real estate	46	0.73	40	0.57
U.S. credit card	4,205	7.85	7,480	12.36
Non-U.S. credit card	831	6.11	1,573	11.02
Direct/Indirect consumer	891	2.00	1,988	4.02
Other consumer	83	6.19	131	8.90
Total consumer	10,507	3.32	17,390	5.28
U.S. commercial (2)	39	0.05	465	0.52
Commercial real estate	451	1.93	1,260	3.83
Commercial lease financing	(7)	(0.06)	18	0.17
Non-U.S. commercial	116	0.64	91	0.68
	599	0.43	1,834	1.26
U.S. small business commercial	587	8.24	1,130	13.59
Total commercial	1,186	0.81	2,964	1.92
Total net charge-offs	\$ 11,693	2.53	\$ 20,354	4.21
By Business Segment				
Deposits	\$ 70	22.45 %	\$ 109	41.53 %
Global Card Services	6,221	7.86	11,682	12.88
Consumer Real Estate Services	2,327	3.95	3,981	6.07
Global Commercial Banking	835	0.88	2,037	1.95
Global Banking & Markets	(12)	(0.02)	230	0.50
Global Wealth & Investment Management	217	0.43	234	0.48
All Other	2,035	1.59	2,081	1.64
Total net charge-offs	\$ 11,693	2.53	\$ 20,354	4.21

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

Loans are classified as U.S. or non-U.S. based upon the domicile of the borrower.

<sup>(2)</sup> Excludes U.S. small business commercial loans.

#### Allocation of the Allowance for Credit Losses by Product Type

			June 30, 20	011			March 31, 20	11		June 30, 2010	
				Percent of Loans				Percent of Loans			Percent of Loans
			Percent of	and Leases			Percent of	and Leases		Percent of	and Leases
Allowance for loan and lease losses	Amo	unt	Total	Outstanding (1)	Aı	mount	Total	Outstanding (1)	Amount	Total	Outstanding (1)
Residential mortgage	\$ 5	5,845	15.66 %	2.19 %	\$	5,369	13.48 %	2.05 %	\$ 5,086	11.24 %	2.07 %
Home equity	13	3,111	35.14	10.03		12,857	32.27	9.62	12,840	28.37	8.78
Discontinued real estate	1	1,997	5.35	16.64		1,871	4.69	14.74	912	2.02	6.62
U.S. credit card	7	7,540	20.21	7.20		9,100	22.84	8.50	12,384	27.36	10.61
Non-U.S.credit card	1	1,771	4.75	6.80		2,069	5.19	7.60	2,197	4.85	8.32
Direct/Indirect consumer	1	1,475	3.95	1.63		1,939	4.87	2.17	2,929	6.47	2.98
Other consumer		145	0.39	5.25		163	0.41	5.92	182	0.41	6.08
Total consumer	31	1,884	85.45	5.04		33,368	83.75	5.26	36,530	80.72	5.62
U.S. commercial (2)	2	2,792	7.48	1.46		3,156	7.92	1.67	4,495	9.93	2.35
Commercial real estate	2	2,314	6.20	5.26		2,904	7.29	6.18	3,593	7.94	5.83
Commercial lease financing		99	0.27	0.46		124	0.31	0.57	269	0.60	1.26
Non-U.S.commercial		223	0.60	0.52		291	0.73	0.79	368	0.81	1.32
Total commercial (3)	5	5,428	14.55	1.82		6,475	16.25	2.20	8,725	19.28	2.89
Allowance for loan and lease losses	37	7,312	100.00 %	4.00		39,843	100.00 %	4.29	45,255	100.00 %	4.75
Reserve for unfunded lending commitments		897				961			1,413	·	
Allowance for credit losses (4)	\$ 38	3,209			\$	40,804			\$ 46,668		

<sup>(1)</sup> Ratios are calculated as allowance for loan and lease losses as a percentage of loans and lease sutstanding excluding loans accounted for under the fair value option for each loan and lease category. Loans accounted for under the fair value option include residental mortgage loans of \$1.2 billion and discontinued real estate loans of \$4.0 billion at June 30, 2011. They also include U.S. commercial loans of \$1.6 billion, \$1.4 billion and \$2.1 billion, non-U.S. commercial loans of \$2.8 billion, \$2.3 billion and \$1.7 billion, and commercial real estate loans of \$11 million, \$68 million and and \$11.4 million at June 30, 2010, respectively.
(2) Includes allowance for U.S. small business commercial loans of \$1.0 billion, \$1.4 billion and \$1.2 billion and \$1.2 billion and \$1.4 billion at June 30, 2010, respectively.
(3) Includes allowance for loan and lease losses for impaired commercial loans of \$7.8 million, \$996 million and \$1.4 billion at June 30, 2011, March 31, 2011 and June 30, 2010, respectively.
(4) Includes \$8.4 billion, \$8.0 billion and \$5.3 billion of allowance for credit losses related to purchased credit-impaired loans at June 30, 2011, March 31, 2011 and June 30, 2010, respectively.

#### Exhibit A: Non-GAAP Reconciliations

#### **Bank of America Corporation and Subsidiaries**

#### **Reconciliations to GAAP Financial Measures**

(Dollars in millions)

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

The Corporation also evaluates its business based on the following ratios that utilize tangible equity, a non-GAAP measure. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of common shareholders' equity plus any Common Equivalent Securities less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible common equity ratio represents common shareholders' equity plus any Common Equivalent Securities less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible common equity ratio represents common shareholders' equity plus any Common Equivalent Securities less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible equity ratio represents total shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible equity ratio represents total shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible asset (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible asset (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common shareholders' equity less goodwill and intangible asset (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common shareholders

In certain presentations, earnings and diluted earnings per common share, the efficiency ratio, return on average assets, return on common shareholders' equity, return on average tangible common shareholders' equity and return on average tangible shareholders' equity are calculated excluding the impact of goodwill impairment charges of \$2.6 billion recorded in the second quarter of 2011, and \$2.0 billion and \$10.4 billion recorded in the fourth and third quarters of 2010. Accordingly, these are non-GAP measures.

See the tables below and on page 45 for reconciliations of these non-GAAP measures with financial measures defined by GAAP for the three months ended June 30, 2011, March 31, 2011, December 31, 2010, September 30, 2010 and June 30, 2010 and June 30, 2011 and 2010. The Corporation believes the use of these non-GAAP measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate supplemental financial data differently.

	s	Six Months E June 30	nded		Second Quarter	(	First Quarter		Fourth Quarter		Third Quarter	(	Second Quarter
	2011	1	2010	l	2011		2011		2010		2010		2010
Reconciliation of net interest income to net interest income on a fully	taxable-equivaler	nt basis											
Net interest income	\$ 23	3,425 \$	26,649	\$	11,246	\$	12,179	\$	12,439	\$	12,435	\$	12,900
Fully taxable-equivalent adjustment		465	618		247		218		270		282		297
Net interest income on a fully taxable-equivalent basis	\$ 23	3,890 \$	27,267	\$	11,493	\$	12,397	\$	12,709	\$	12,717	\$	13,197
Reconciliation of total revenue, net of interest expense to total revenue	ie, net of interest of	expense or	ı a fully taxal	ole-equi	valent bas	is							
Total revenue, net of interest expense	\$ 40	0,113 \$	61,122	\$	13,236	\$	26,877	\$	22,398	\$	26,700	\$	29,153
Fully taxable-equivalent adjustment		465	618		247		218		270		282		297
Total revenue, net of interest expense on a fully taxable-equivalent basis	\$ 40	0,578 \$	61,740	\$	13,483	\$	27,095	\$	22,668	\$	26,982	\$	29,450
Reconciliation of total noninterest expense to total noninterest expense	se, excluding good	dwill impa	irment charg	es									
Total noninterest expense	\$ 43	3,139 \$	35,028	\$	22,856	\$	20,283	\$	20,864	\$	27,216	\$	17,253
Goodwill impairment charges	(2	2,603)	-		(2,603)				(2,000)		(10,400)		-
Total noninterest expense, excluding goodwill impairment charges	\$ 40	0,536	35,028	\$	20,253	\$	20,283	\$	18,864	\$	16,816	\$	17,253
Reconciliation of income tax expense (benefit) to income tax expense	(benefit) on a full	ly taxable-	equivalent ba	<u>ısis</u>									
Income tax expense (benefit)	\$ (3	3,318) \$	1,879	\$	(4,049)	\$	731	\$	(2,351)	\$	1,387	\$	672
Fully taxable-equivalent adjustment		465	618		247		218		270		282		297
Income tax expense (benefit) on a fully taxable-equivalent basis	\$ (2	2,853) \$	2,497	\$	(3,802)	\$	949	\$	(2,081)	\$	1,669	\$	969
Reconciliation of net income (loss) to net income (loss), excluding goo	dwill impairment	t charges											
Net income (loss)	\$ (6	6,777) \$	6,305	\$	(8,826)	\$	2,049	\$	(1,244)	\$	(7,299)	\$	3,123
Goodwill impairment charges		2,603	_		2,603		-		2,000		10,400		-
Net income (loss), excluding goodwill impairment charges	\$ (4	4,174) \$	6,305	\$	(6,223)	\$	2,049	\$	756	\$	3,101	\$	3,123
Reconciliation of net income (loss) applicable to common shareholder	rs to net income (l	loss) appli	cable to comr	non sha	reholders,	exclu	ding goody	will im	pairment	charg	es		
Net income (loss) applicable to common shareholders	\$ (7	7,388) \$	5,617	\$	(9,127)	\$	1,739	\$	(1,565)	\$	(7,647)	\$	2,783
Goodwill impairment charges	1	2,603		l	2,603		-		2,000		10,400		-
Net income (loss) applicable to common shareholders, excluding													
goodwill impairment charges	\$ (4	4,785) \$	5,617	\$	(6,524)	\$	1,739	\$	435	\$	2,753	\$	2,783

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

#### Bank of America Corporation and Subsidiaries

#### Reconciliations to GAAP Financial Measures (Dollars in millions)

	Six 2011	Months En June 30	2010		Second Quarter 2011		First Quarter 2011		Fourth Quarter 2010		Third Quarter 2010		Second Quarter 2010
Reconciliation of average common shareholders' equity to avera	ge tangible com	mon sha	reholders' e	quity									
Common shareholders' equity	\$ 216,3	67 \$	207,975	\$	218,505	\$	214,206	\$	218,728	\$	215,911	\$	215,468
Common Equivalent Securities		-	5,848		-		-		-		-		-
Goodwill	(73,8	34)	(86,225)		(73,748)		(73,922)		(75,584)		(82,484)		(86,099)
Intangible assets (excluding mortgage servicing rights)	(9,5	80)	(11,559)		(9,394)		(9,769)		(10,211)		(10,629)		(11,216)
Related deferred tax liabilities	2,9		3,446		2,932		3,035		3,121		3,214		3,395
Tangible common shareholders' equity	\$ 135,9	36 \$	119,485	\$	138,295	\$	133,550	\$	136,054	\$	126,012	\$	121,548
Reconciliation of average shareholders' equity to average tangib	le shareholders	' equity											
Shareholders' equity	\$ 232,9	30 S	231,695	\$	235,067	\$	230,769	s	235,525	s	233,978	\$	233,461
Goodwill	(73.8		(86,225)	Ψ	(73,748)	Ψ	(73,922)		(75,584)	Ψ	(82,484)	Ψ	(86,099)
Intangible assets (excluding mortgage servicing rights)	(9,5	. ,	(11,559)		(9,394)		(9,769)		(10,211)		(10,629)		(11,216)
Related deferred tax liabilities	2,9		3,446		2,932		3,035		3,121		3,214		3,395
Tangible shareholders' equity	\$ 152,4	99 \$	137,357	\$	154,857	\$	150,113	\$	152,851	\$	144,079	\$	139,541
Reconciliation of period end common shareholders' equity to per	iod end tangibl	e commo	on sharehold	ers' eq	<u>uity</u>								
Common shareholders' equity	\$ 205,6	14 \$	215,181	\$	205,614	\$	214,314	\$	211,686	\$	212,391	\$	215,181
Goodwill	(71,0	74)	(85,801)		(71,074)		(73,869)		(73,861)		(75,602)		(85,801)
Intangible assets (excluding mortgage servicing rights)	(9,1	76)	(10,796)		(9,176)		(9,560)		(9,923)		(10,402)		(10,796)
Related deferred tax liabilities	2,8		3,215		2,853		2,933		3,036		3,123		3,215
Tangible common shareholders' equity	\$ 128,2	17 \$	121,799	\$	128,217	\$	133,818	\$	130,938	\$	129,510	\$	121,799
Reconciliation of period end shareholders' equity to period end to	angible shareh	olders' e	<u>quity</u>										
Shareholders' equity	\$ 222,1	76 \$	233,174	\$	222,176	\$	230,876	s	228,248	s	230,495	\$	233,174
Goodwill	(71,0		(85,801)		(71,074)		(73,869)		(73,861)		(75,602)		(85,801)
Intangible assets (excluding mortgage servicing rights)	(9,1	76)	(10,796)		(9,176)		(9,560)		(9,923)		(10,402)		(10,796)
Related deferred tax liabilities	2,8	53	3,215		2,853		2,933		3,036		3,123		3,215
Tangible shareholders' equity	\$ 144,7	79 \$	139,792	\$	144,779	\$	150,380	\$	147,500	\$	147,614	\$	139,792
Reconciliation of period end assets to period end tangible assets													
Assets	\$ 2,261,3	19 \$	2,368,384	\$	2,261,319	\$	2,274,532	\$	2,264,909	\$	2,339,660	\$	2,368,384
Goodwill	(71,0	74)	(85,801)	1	(71,074)		(73,869)		(73,861)		(75,602)		(85,801)
Intangible assets (excluding mortgage servicing rights)	(9,1	76)	(10,796)		(9,176)		(9,560)		(9,923)		(10,402)		(10,796)
Related deferred tax liabilities	2,8		3,215		2,853		2,933		3,036		3,123		3,215
Tangible assets	\$ 2,183,9	22 \$	2,275,002	\$	2,183,922	\$	2,194,036	\$	2,184,161	\$	2,256,779	\$	2,275,002

Appendix: Selected Slides from the Second Quarter 2011 Earnings Release Presentation

## **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

<sup>&</sup>lt;sup>1</sup> Represents a non-GAAP financial measure. Refer to page 6 for list of all adjusting items.

## **Deposits**

		Inc/(Dec)	
\$ in millions	2Q11	1Q11	2Q10
Net interest income <sup>1</sup>	\$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%

- 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

<sup>&</sup>lt;sup>1</sup> Fully taxable-equivalent basis.

## Global Wealth & Investment Management

		Inc/(Dec)	
\$ in millions	2Q11	1Q11	2Q10
Net interest income <sup>1</sup>	\$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%

- 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 5<sup>th</sup> consecutive quarter of loan growth
- Provision expense increased from decline in residential mortgage valuations
- 8<sup>th</sup> consecutive quarter of increased client facing associates driven by the addition of more than 500 financial advisors in 2Q11

<sup>&</sup>lt;sup>1</sup> Fully taxable-equivalent basis.

## **Global Commercial Banking**

		Inc/(Dec)	
\$ in millions	2Q11	1Q11	2Q10
Net interest income <sup>1</sup>	\$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%

- 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

<sup>&</sup>lt;sup>1</sup> Fully taxable-equivalent basis.

## **Global Banking and Markets**

		Inc/(Dec)	
\$ in millions	2Q11	1Q11	2Q10
Net interest income <sup>1</sup>	\$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%

- 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

<sup>&</sup>lt;sup>1</sup> Fully taxable-equivalent basis.

## **Consumer Real Estate Services (CRES)**

		2Q11	
\$ in millions	2Q11 reported results	Less Mortgage- related and Other Selected Adjustments	Adjusted 2Q11 CRES Less Selected Items <sup>1</sup>
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 <sup>2</sup>	(6,949)	(6,439)	(510)
Net loss	(\$14,520)	(\$13,566)	(\$954)
•			

		1Q11	
\$ in millions	1Q11 reported results	Less Mortgage- related and Other Selected Adjustments	Adjusted 1Q11 CRES Less Selected Items <sup>1</sup>
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 <sup>2</sup>	(1,421)	(1,184)	(237)
Net loss	(\$2,415)	(\$2,016)	(\$399)
-			$\overline{}$

Selected CRES related items (\$ in millions) 3	2Q11	1Q11
Representation and warranties provision	(\$14,037)	(\$1,013)
MSR write-down <sup>4</sup>	(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

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

- 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

## Home Loans Business (within CRES)

	2Q11				
\$ in millions	Home Loans	Less Mortgage- related and Other Selected Adjustments	Home Loans less Selected Items <sup>1</sup>		
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		

	1Q11				
\$ in millions	Home Loans	Home Loans less Selected Items <sup>1</sup>			
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) <sup>3</sup>	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 <sup>4</sup>

- 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

<sup>&</sup>lt;sup>1</sup> Represents a non-GAAP financial measure.

<sup>&</sup>lt;sup>2</sup> Fully taxable-equivalent basis.

<sup>&</sup>lt;sup>3</sup> Items shown are on a pre-tax basis.

<sup>&</sup>lt;sup>4</sup> CRES consists of Home Loans, Legacy Asset Servicing and Other; see page 32 for additional information on Other.

## Legacy Asset Servicing Business (within CRES)

	2Q11				
\$ in millions	Legacy Asset Services	Less Mortgage- related and Other Selected Adjustments	Legacy Asset Services less Selected Items <sup>1</sup>		
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 <sup>2</sup>	(6,924)	(6,145)	(779)		
Net loss	(\$11,877)	(\$10,462)	(\$1,415)		

	1Q11				
\$ in millions	Less Mortgage- Legacy Asset related and Other Services Selected Adjustments		Legacy Asset Services less Selected Items <sup>1</sup>		
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 <sup>2</sup>	(1,464)	(989)	(475)		
Net loss	(\$2,488)	(\$1,683)	(\$805)		

Selected mortgage-related items (\$ in millions) <sup>3</sup>	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	
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

- 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

<sup>&</sup>lt;sup>1</sup> Represents a non-GAAP financial measure.

<sup>&</sup>lt;sup>2</sup> Fully taxable-equivalent basis.

<sup>&</sup>lt;sup>3</sup> Items shown are on a pre-tax basis. .

# All Other <sup>1</sup>

		Inc/(Dec)	
\$ in millions	2Q11	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

<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> Fully taxable-equivalent basis.

## **Expenses**

#### **2Q11 Noninterest Expense (\$B)**

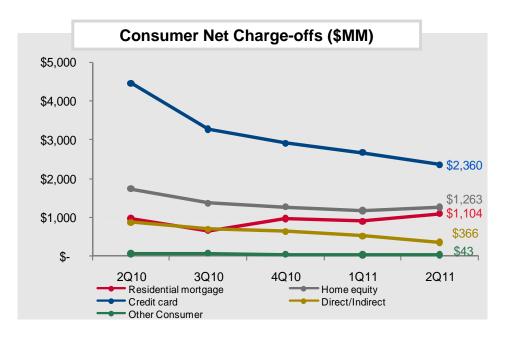
2Q11	1Q11	4Q10
\$22.9	\$20.3	\$20.9
1.9	0.8	0.6
0.7 2.6	0.9	0.2 2.0
	\$22.9 1.9 0.7	\$22.9 \$20.3 1.9 0.8 0.7 0.9

#### 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**

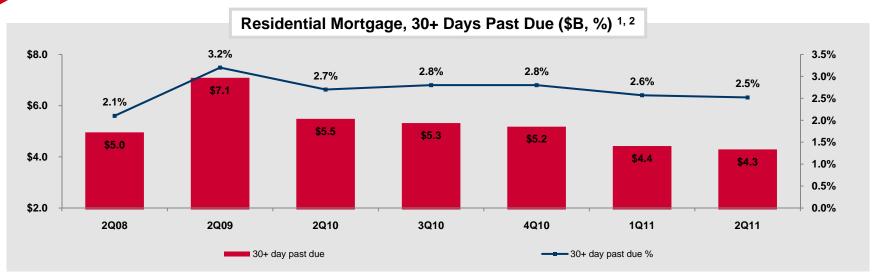
	2Q11 -	Inc/(Dec)			
\$ in millions	20(11 -	1Q11	2Q10		
Net charge-offs	\$5,162	(\$183)	(\$2,980)		
30+ performing delinquencies <sup>1</sup>	13,517	(1,594)	(5,290)		
Nonperforming loans and foreclosed properties	21,275	(512)	(2,153)		
Allowance for loan and lease losses	31,884	(1,484)	(4,646)		
% coverage 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		

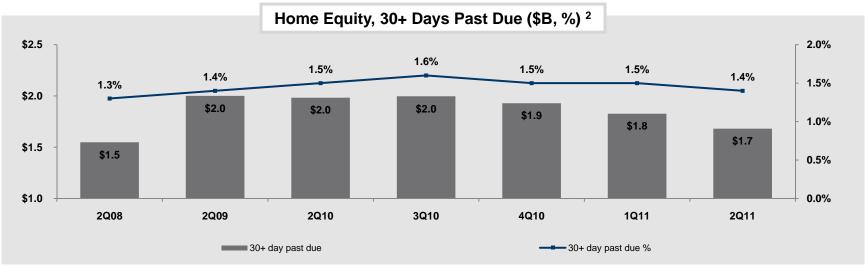


- Net charge-offs declined \$183MM in 2Q11 compared to 1Q11
  - Driven by continued improvement in the U.S. credit card portfolio partially offset by increases in consumer real estate
- 30+ performing delinquencies (excluding fully insured home loans) improved 11% from 1Q11
- Nonperforming loans and foreclosed properties declined 2% from 1Q11
- Total provision expense was \$3.8B (\$5.2B chargeoffs 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)

<sup>&</sup>lt;sup>1</sup> Excludes FHA-insured loans and other loans individually insured under long-term credit protection agreements.

## Residential Mortgage and Home Equity 30+ Day Performing Delinquencies

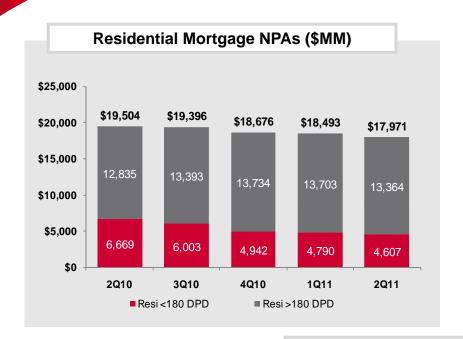


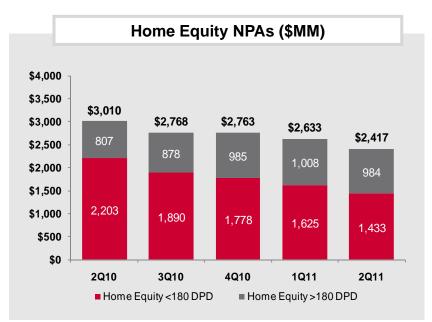


<sup>&</sup>lt;sup>1</sup> Excludes FHA-insured loans and other loans individually insured under long-term credit protection agreements.

<sup>&</sup>lt;sup>2</sup> Excludes PCI loans.

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

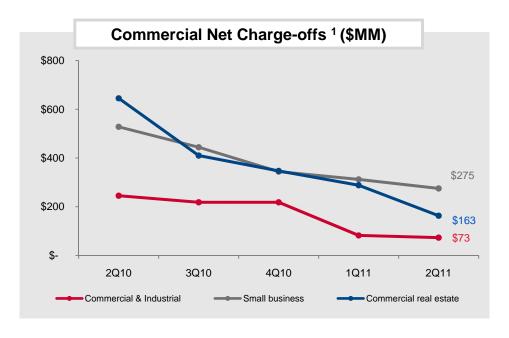




- Consumer Real Estate NPAs continue to show improvement
  - Inflows of nonaccrual loans are steadily declining; down 25% from 2Q10
  - Paydowns and payoffs increasing
  - Charge-offs remain elevated on refreshed valuation losses even though frequency of loss continues to improve
  - Foreclosures have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

## **Commercial Credit Trends**

	2Q11 -	Inc/(Dec)		
\$ in millions	2411	1Q11	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	



- 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

<sup>&</sup>lt;sup>1</sup> Excludes FVO loans.

## **Selected Items in 2Q11**

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

= = = = = = = = = = = = = = = = = = =									
	Pre-tax	Approximate EPS Impact <sup>1</sup>							
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)							

<sup>&</sup>lt;sup>1</sup> Reflects estimated diluted EPS impact

## **2011 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)

<sup>&</sup>lt;sup>1</sup> Fully taxable-equivalent basis.

<sup>&</sup>lt;sup>2</sup> Represents a non-GAAP financial measure.

# Other (within CRES)

		2Q11	
\$ in millions	Other	Less Mortgage- related and Other Selected Adjustments	Other less Selected Items <sup>1</sup>
Total revenue, net of interest expense <sup>2</sup>	(\$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
		1Q11	
\$ in millions	Other	Less Mortgage- related and Other Selected Adjustments	Other less Selected Items <sup>1</sup>
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 <sup>4</sup>	(1,501)	(528)

<sup>&</sup>lt;sup>1</sup> Represents a non-GAAP financial measure.

<sup>&</sup>lt;sup>2</sup> Fully taxable-equivalent basis.

<sup>&</sup>lt;sup>3</sup> Items shown are on a pre-tax basis.

<sup>&</sup>lt;sup>4</sup> Excludes net positive hedge activity of approximately \$628MM and \$531MM in 2Q11 and 1Q11, respectively.

# Impact of FHA and Other Fully Insured Home Loans on Delinquencies <sup>1</sup>

#### 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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 9<sup>th</sup> consecutive quarter, down \$1.6B
  - U.S. credit card of \$831MM led the decline while first- and second-lien mortgages declined as well

<sup>&</sup>lt;sup>1</sup> Includes FHA-insured loans and loans individually insured under long-term credit protection agreements.

<sup>&</sup>lt;sup>2</sup> Excludes PCI loans.

## **Home Loan Asset Quality Key Indicators**

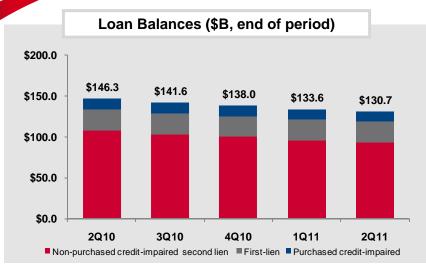
#### **Home Loan Asset Quality Indicators (\$MM)**

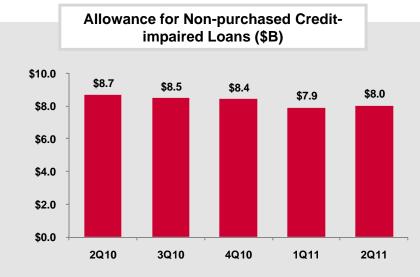
		Residential	Mortgage <sup>1</sup>			Home Equity				Discontinued Real Estate <sup>1</sup>				
	20	11	1Q	11	2Q11 1Q11		2Q11		1Q11					
	As Reported	Excluding Countrywide Purchased Credit- impaired and Fully Insured Loans	As Reported	Excluding Countrywide Purchased Credit- impaired and Fully Insured Loans	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 % of loans	\$5,845 2.19%	\$4,600 2.71%	\$5,369 2.05%	\$4,276 2.49%	\$13,111 10.03%	\$8,037 6.79%	\$12,857 9.62%	\$7,915 6.53%	\$1,997 16.64%	\$78 6.91%	\$1,871 14.74%	\$61 4.39%		
Average refreshed (C)LTV <sup>2</sup>		85		83		88		86		83		80		
90%+ refreshed (C)LTV <sup>2</sup>		38%		36%		47%		44%		32%		28%		
Average refreshed FICO		715		714		725		723		636		637		
% below 620 FICO		15%		15%		12%		13%		47%		46%		

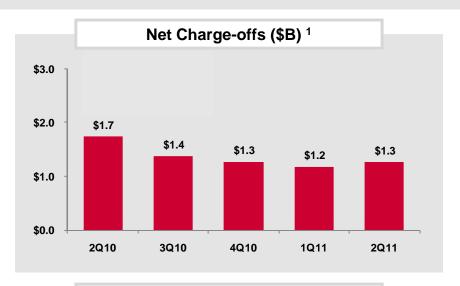
<sup>1</sup> Excludes fair value option loans which were added to the residential mortgage and discontinued real estate portfolios beginning in 2Q11.

<sup>&</sup>lt;sup>2</sup> 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**







#### **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

<sup>&</sup>lt;sup>1</sup> Charge-offs do not include Countrywide PCI portfolio as those losses were considered in establishing the nonaccretable difference in the original purchase accounting.