Bank of America



Supplemental Information Second Quarter 2010

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 thouse

| (Dollars in millions, except per share information; shares in thousand | | | | | | | |
|--|------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Six Mont | | Second | First | Fourth | Third | Second |
| | 2010 | e 30 2009 | Quarter 2010 | Quarter 2010 | Quarter 2009 | Quarter 2009 | Quarter 2009 |
| • | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Income statement | \$26,649 | \$24,127 | \$12,900 | \$13,749 | \$11,559 | \$11,423 | \$11,630 |
| Net interest income Noninterest income | 34,473 | 44,405 | 16,253 | 18,220 | 13,517 | 14,612 | 21,144 |
| Total revenue, net of interest expense | 61,122 | 68,532 | 29,153 | 31,969 | 25,076 | 26,035 | 32,774 |
| Provision for credit losses | 17,910 | 26,755 | 8,105 | 9,805 | 10,110 | 11,705 | 13,375 |
| Noninterest expense, before merger and restructuring charges | 33,999 | 32,428 | 16,745 | 17,254 | 15,852 | 15,712 | 16,191 |
| Merger and restructuring charges | 1,029 | 1,594 | 508 | 521 | 533 | 594 | 829 |
| Income tax expense (benefit) | 1,879 | 284 | 672 | 1,207 | (1,225) | (975) | (845) |
| Net income (loss) | 6,305 | 7.471 | 3,123 | 3,182 | (194) | (1,001) | 3,224 |
| Preferred stock dividends and accretion (1) | 688 | 2,238 | 3,123 | 348 | 5,002 | 1,240 | 805 |
| Net income (loss) applicable to common shareholders | 5,617 | 5,233 | 2,783 | 2,834 | (5,196) | (2,241) | 2,419 |
| | 0.55 | 0.75 | 0.27 | 0.28 | (0.60) | (0.26) | 0.33 |
| Diluted earnings (loss) per common share Average diluted common shares issued and outstanding (2) | 10,020,926 | 6,836,972 | 10,029,776 | 10,005,254 | | ` ' | 7,269,518 |
| Dividends paid per common share (2) | | | | | 8,634,565 | 8,633,834 | |
| Dividends paid per common snare | \$0.02 | \$0.02 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 |
| Performance ratios | | | | | | | |
| Return on average assets | 0.51 9 | 6 0.61 % | 0.50 % | 0.51 % | n/m | n/m | 0.53 % |
| Return on average common shareholders' equity | 5.45 | 6.31 | 5.18 | 5.73 | n/m | n/m | 5.59 |
| Return on average tangible common shareholders' equity (3) | 9.48 | 20.47 | 9.19 | 9.79 | n/m | n/m | 12.68 |
| Return on average tangible shareholders' equity (3) | 9.26 | 10.59 | 8.98 | 9.55 | n/m | n/m | 8.86 |
| At period end | | | | | | | |
| Book value per share of common stock (4) | \$21.45 | \$22.71 | \$21.45 | \$21.12 | \$21.48 | \$22.99 | \$22.71 |
| Tangible book value per share of common stock (3) | 12.14 | 11.66 | 12.14 | 11.70 | 11.94 | 12.00 | 11.66 |
| Market price per share of common stock: | | | | | | | |
| Closing price | \$14.37 | \$13.20 | \$14.37 | \$17.85 | \$15.06 | \$16.92 | \$13.20 |
| High closing price for the period | 19.48 | 14.33 | 19.48 | 18.04 | 18.59 | 17.98 | 14.17 |
| Low closing price for the period | 14.37 | 3.14 | 14.37 | 14.45 | 14.58 | 11.84 | 7.05 |
| Market capitalization | 144,174 | 114,199 | 144,174 | 179,071 | 130,273 | 146,363 | 114,199 |
| Number of banking centers - domestic | 5,900 | 6,109 | 5,900 | 5,939 | 6,011 | 6,008 | 6,109 |
| Number of branded ATMs - domestic | 18,078 | 18,426 | 18,078 | 18,135 | 18,262 | 18,254 | 18,426 |
| Full-time equivalent employees | 283,224 | 282,973 | 283,224 | 283,320 | 283,055 | 282,457 | 282,973 |

⁽¹⁾ Fourth quarter 2009 includes \$4.0 billion of accelerated accretion from redemption of preferred stock issued to the U.S. Treasury.

(2) Due to a net loss applicable to common shareholders for the fourth and third quarters of 2009, no dilutive potential common shares were included in the calculations of diluted earnings per share and average diluted common shares because they were antidilutive.

⁽³⁾ Tangible equity ratios and tangible book value per share of common stock are non-GAAP measures. For corresponding reconciliations of average tangible common shareholders' equity and tangible shareholders' equity to GAAP financial measures, see Exhibit A: Non-GAAP Reconciliations - Reconciliation to GAAP Financial Measures on page 45. We believe the use of these non-GAAP measures provides additional clarity in assessing the results of

⁽⁴⁾ Fourth quarter 2009 book value gives effect to the automatic conversion of common equivalent shares to common shares which occurred during the first quarter of 2010.

Supplemental Financial Data (Dollars in millions)

Fully taxable-equivalent basis data (1)

| | | nths Ende | d | | Second Quarter | | First Quarter | | Fourth Quarter | | Third Quarter | Second Quarter | | |
|--|----------|-----------|----------|---|-------------------|---|------------------|---|-------------------|---|------------------|-------------------|----------|---|
| | 2010 | 2 | 009 | | 2010 | | 2010 | | 2009 | - | 2009 | | 2009 | |
| Net interest income | \$27,267 | 9 | \$24,761 | | \$13,197 | | \$14,070 | | \$11,896 | | \$11,753 | | \$11,942 | |
| Total revenue, net of interest expense | 61,740 | | 69,166 | | 29,450 | | 32,290 | | 25,413 | | 26,365 | | 33,086 | |
| Net interest yield | 2.85 | % | 2.67 | % | 2.77 | % | 2.93 | % | 2.62 | % | 2.61 | % | 2.64 | % |
| Efficiency ratio | 56.73 | | 49.19 | | 58.58 | | 55.05 | | 64.47 | | 61.84 | | 51.44 | |

⁽¹⁾ 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 - Reconciliation to GAAP Financial Measures on page 45).

Consolidated Statement of Income

(Dollars in millions, except per share information; shares in thousands) Six Months Ended Second First Fourth Third Second June 30 Ouarter Ouarter Ouarter Ouarter Ouarter 2010 2010 2010 2009 2009 2009 2009 Interest income Interest and fees on loans and leases \$26.362 \$25,678 \$12,887 \$13,475 \$11,405 \$11.620 \$12,329 6,033 2,917 2,859 3,283 Interest on debt securities 7,113 3,116 2,975 Federal funds sold and securities borrowed or purchased under agreements to resell 1,845 457 448 327 722 690 Trading account assets 3,551 4,380 1.808 1.743 1,721 1.843 1.952 1,363 Other interest income 1,062 1,333 1,338 2,159 2,732 1,097 41,748 Total interest income 39,010 19,131 19,879 17,645 18,523 19,592 Interest expense 2,153 4,625 1,031 1,122 1,472 1,710 2,082 Deposits Short-term borrowings 1,709 3,617 891 818 658 1,237 1,396 Trading account liabilities 1.387 1,029 727 660 591 455 450 Long-term debt 7.112 8,350 3.582 3.530 3.365 3.698 4.034 Total interest expense 12,361 17,621 6,231 6,130 7,100 6,086 7,962 13,749 Net interest income 26,649 24,127 12,900 11,559 11,423 11,630 Noninterest incom 5,014 2,023 1,976 1,782 1,557 2,149 Card income 3,999 Service charges 5,142 5,262 2,576 2,566 2,756 3,020 2,729 Investment and brokerage services 6,019 5 957 2.994 3 025 3.014 2 948 2 994 1.254 Investment banking income 2,559 2,701 1.319 1.240 1.596 1.646 Equity investment income 3,391 7,145 2,766 625 2,026 843 5,943 Trading account profits 6,463 7,365 1,227 5,236 1,475 3,395 2,164 Mortgage banking income 2,398 5.841 898 1,500 1,652 1,298 2.527 Insurance income 1,393 1,350 678 715 707 703 662 Gains on sales of debt securities 771 2,130 734 1,039 1,554 632 Other income (loss) 3,065 3,037 1,861 1,204 (1,884) (1,167) 724 Other-than-temporary impairment losses on available-for-sale debt securities (1): (1.783) (1,824)(462) (1,819)(837) (847) (1,110)Total other-than-temporary impairment losses Less: Portion of other-than-temporary impairment losses recognized in other comprehensive income Net impairment losses recognized in earnings on available-for-sale debt securities (727)(1,397) (126) (601) (642) (797) (1.026)Total noninterest income 34,473 44,405 16,253 18,220 13,517 14,612 21,144 Total revenue, net of interest expense 61,122 68,532 29,153 25,076 Provision for credit losses 17,910 26,755 8,105 9,805 10,110 11,705 13,375 Noninterest expense 17,947 16,558 9,158 Personnel 8,789 7,357 7,613 7,790 2,347 1,238 Occupancy 1,182 1,172 1,339 1,220 1,219 1,226 613 600 Equipment 613 617 616 Marketing 1,020 487 Professional fees 1,161 949 644 439 517 446 770 562 544 1,036 510 Amortization of intangibles 432 516 Data processing 1,280 1,269 632 648 639 621 Telecommunications 689 672 359 330 387 361 345 Other general operating 7,475 7,339 3,592 3,883 3,885 3,767 4,041 508 17,253 Merger and restructuring charges 1,029 1,594 594 829 16,306 Total noninterest expense 35,028 34,022 16,385 17.020 Income (loss) before income taxes 8,184 4,389 (1,419) (1,976) 2,379 come tax expense (benefit) Net income (loss) 1.879 1,207 \$3,182 (975) (845) \$3,224 \$7,471 \$3,123 \$(194) \$(1,001) Preferred stock dividends and accretion 340 \$2,783 5,002 \$(5,196) 805 \$2,419 688 \$5,617 2,238 \$5,233 348 \$2,834 1,240 \$(2,241) Net income (loss) applicable to common shareholders Per common share information Earnings (loss) \$0.56 \$0.75 \$0.28 \$0.28 \$(0.60) \$(0.26) \$0.33 Diluted earnings (loss) 0.55 0.75 0.27 0.28 (0.60)(0.26) 0.33 Dividends paid 0.02 0.02 0.01 0.01 0.01 0.01 0.01 Average common shares issued and outstanding 9,570,166 6,808,262 9,956,773 9,177,468 8,634,565 8,633,834 7,241,515 Average diluted common shares issued and outstanding 10.020.926 6.836.972 10.029.776 10.005.254 8.634.565 8.633.834 7.269.518

⁽¹⁾ In 2010, the amount of other-than-temporary impairment remaining in other comprehensive income for the individual quarters does not necessarily equal the year-to-date amount as the amount of other-than-temporary impairment remaining in other comprehensive income for the year-to-date period relates to securities on which other-than-temporary impairment was recognized in income in any quarter during the year-to-date period.

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

Bank of America Corporation and Subsidiaries Consolidated Balance Sheet

| Allowance for loan and lease losses | (Dollars in millions) | | | • |
|--|---|-----------|---------------------------------------|-----------|
| Assets \$151,034 \$144,794 \$10,306 Cash and cash equivalents \$151,034 \$144,794 \$14,036 Finde deposits placed and other short-term investments 20,718 20,256 25,710 Federal funds sold and securities borrowed or purchased under agreements to resell 247,667 197,038 184,685 Trading account assets 83,331 77,577 101,707 Debt securities 314,765 316,020 257,519 All and standard seases 435 340 9,719 Total debt securities 315,200 316,360 267,238 Loans and leases 956,177 976,042 942,248 Allowance for loan and lease losses 45,255 46,855 436,255 468,255 <th></th> <th>June 30</th> <th>March 31</th> <th>June 30</th> | | June 30 | March 31 | June 30 |
| Cash and cash equivalents \$151,034 \$144,794 \$140,366 Time deposits placed and other short-term investments 20,718 20,256 25,710 Federal funds sold and securities borrowed or purchased under agreements to resell 247,667 197,38 184,685 Trading account assets 197,376 206,018 175,934 Derivative assets 83,331 77,577 101,070 Debt securities 314,765 316,020 257,519 Held-to-maturity, at cost 315,200 316,020 257,519 Held-to-maturity, at cost 315,200 316,020 257,519 Total debt securities 315,200 316,020 257,519 Total debt securities 315,200 316,020 257,519 Total debt securities 956,177 976,042 942,248 Allowance for loan and lease losses 452,255 46,835 33,785 Loans and leases, net of allowance 19,022 929,07 908,453 Fomisses and equipment, net 14,536 15,141 15,667 Mortings servicing rights (includes \$1 | | 2010 | 2010 | 2009 |
| Time deposits placed and other short-term investments 20,718 20,256 25,710 Federal funds sold and securities borrowed or purchased under agreements to resell 247,667 197,038 184,885 Trading account assets 197,376 206,018 175,934 Derivative assets 83,31 77,577 101,707 Detrivative assets 314,765 316,020 257,519 Held-to-maturity, at cost 435 340 9,719 Total debt securities 315,200 316,360 267,238 Loans and leases 452,525 79,6042 942,248 Allowance for loan and lease losses 452,525 79,6042 942,248 Allowance for loan and lease losses 452,525 292,07 908,463 Premises and equipment, net 11,536 15,147 15,667 Mortgage servicing rights (includes \$14,745,\$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,875 Goodwill 85,001 85,801 85,305 82,466 Interpretation of the receivables 86,466 83,363 80,976 | Assets | | | |
| Federal funds sold and securities borrowed or purchased under agreements to resell 247,667 197,038 184,685 Trading account assets 197,376 206,018 175,934 Derivative assets 83,331 77,577 101,707 Debt securities: Total abel for-sale 314,765 316,020 257,519 Held-to-maturity at cost 435 340 9,719 Total debt securities 315,200 315,300 26,360 267,238 Loans and leases 956,177 976,042 942,248 Allowance for loan and lease losses 45,255 (46,835) (33,785) Loans and leases, net of allowance 910,922 292,077 908,463 Premises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 85,801 86,305 86,246 Interpretation of the receivables 38,046 35,366 50,946 Loans held-for-sale 38,046 35,366 50,946 Other assets \$2,338,700 \$2,254,394 | Cash and cash equivalents | \$151,034 | \$144,794 | \$140,366 |
| Trading account assets 197,376 206,018 175,934 Derivative assets 83,331 77,577 101,070 Debt securities: 314,765 316,020 257,519 Available-for-sale 315,00 316,020 257,519 Held-to-maturity, at cost 435 340 9,719 Total debt securities 356,177 976,042 942,248 Loans and leases 956,177 976,042 942,248 Allowance for loan and lease losses (45,255) (46,835) 33,850 Loans and leases, net of allowance 910,922 929,207 908,463 Premises and equipment, net 115,041 19,146 18,887 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Coans held-for-sale 38,46 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$1,867 <td< td=""><td>Time deposits placed and other short-term investments</td><td>20,718</td><td>20,256</td><td>25,710</td></td<> | Time deposits placed and other short-term investments | 20,718 | 20,256 | 25,710 |
| Derivative assets 83,331 77,577 101,707 Debt securities: 314,765 316,020 257,519 Available-for-sale 435 340 9,719 Beld-to-maturity, at cost 435 340 9,719 Total debt securities 315,200 316,360 267,238 Loans and leases 452,555 46,835 33,785 Loans and leases, net of allowance 910,922 929,07 908,463 Permises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,857 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Other assets 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$1,867 \$11,826 \$2,333,870 \$2,234,304 Perivative ass | Federal funds sold and securities borrowed or purchased under agreements to resell | 247,667 | 197,038 | 184,685 |
| Debt securities: Available-for-sale 314,765 316,020 257,519 1406 1435 340 9,719 1406 1435 340 9,719 1406 1435 340 9,719 1406 1435 340 9,719 1406 1435 340 9,719 1406 1435 340 9,719 1406 1435 315,200 316,300 267,238 20ans and leases 956,177 976,042 942,248 248 248 248 245 | Trading account assets | 197,376 | 206,018 | 175,934 |
| Available-for-sale Held-to-maturity, at cost 314,765 316,020 257,519 Held-to-maturity, at cost 435 340 9,719 Total debts securities 315,200 316,300 267,238 Loans and leases 956,177 976,042 492,228 Allowance for loan and lease losses (45,255) (46,835) (33,785) Loans and leases, net of allowance 910,922 929,207 908,463 Premises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 18,694 196,282 184,306 Total assets \$10,675 \$11,826 Perivative assets \$1,967 \$11,826 Perivative assets \$1,270 129,432 Loans and leases | Derivative assets | 83,331 | 77,577 | 101,707 |
| Held-to-maturity, at cost | Debt securities: | | | |
| Total debt securities 315,200 316,360 267,238 Loans and leases 956,177 976,042 942,248 Allowance for loan and lease losses (45,255) (46,835) (33,785) Loans and leases, net of allowance 910,922 929,207 908,463 Premises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,857 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 | Available-for-sale | 314,765 | 316,020 | 257,519 |
| Loans and leases 956,177 976,042 942,248 Allowance for loan and lease losses (45,255) (46,835) (33,785) Loans and leases, net of allowance 910,922 929,207 908,463 Premises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,857 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and | Held-to-maturity, at cost | 435 | 340 | 9,719 |
| Allowance for loan and lease losses | Total debt securities | 315,200 | 316,360 | 267,238 |
| Loans and leases, net of allowance 910,922 929,207 908,463 Premises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,857 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets 186,944 196,282 184,306 Total assets \$10,675 \$11,826 Loans and leases \$1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Loans and leases | 956,177 | 976,042 | 942,248 |
| Premises and equipment, net 14,536 15,147 15,667 Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,857 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 \$2,254,394 Available-for-sale debt securities 1,863 4,194 | Allowance for loan and lease losses | (45,255) | (46,835) | (33,785) |
| Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) 15,041 19,146 18,857 Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) \$10,675 \$11,826 Derivative assets \$1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans held-for-sale 3,416 5,471 Loans held-for-sale 9,059 9,637 | Loans and leases, net of allowance | 910,922 | 929,207 | 908,463 |
| Goodwill 85,801 86,305 86,246 Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 122,700 129,432 Loans and leases 10,533 (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Premises and equipment, net | 14,536 | 15,147 | 15,667 |
| Intangible assets 10,796 11,548 13,245 Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Mortgage servicing rights (includes \$14,745, \$18,842 and \$18,535 measured at fair value) | 15,041 | 19,146 | 18,857 |
| Loans held-for-sale 38,046 35,386 50,994 Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 122,700 129,432 Loans and leases (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Goodwill | 85,801 | 86,305 | 86,246 |
| Customer and other receivables 86,466 83,636 80,976 Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Intangible assets | 10,796 | 11,548 | 13,245 |
| Other assets 186,944 196,282 184,306 Total assets \$2,363,878 \$2,338,700 \$2,254,394 Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Loans held-for-sale | 38,046 | 35,386 | 50,994 |
| Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Customer and other receivables | 86,466 | 83,636 | 80,976 |
| Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral) Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Other assets | 186,944 | 196,282 | 184,306 |
| Trading account assets \$10,675 \$11,826 Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | Total assets | , | \$2,338,700 | • |
| Derivative assets 1,863 4,194 Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | | \$10.CZZ | ¢11.026 | |
| Available-for-sale debt securities 9,493 12,074 Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | | | , , | |
| Loans and leases 122,700 129,432 Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | | · / | | |
| Allowance for loan and lease losses (10,533) (11,140) Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | | | , , , , , , , , , , , , , , , , , , , | |
| Loans and leases, net of allowance 112,167 118,292 Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | | · / | | |
| Loans held-for-sale 3,416 5,471 All other assets 9,059 9,637 | | | | - |
| All other assets 9,059 9,637 | | | | - |
| · · · · · · · · · · · · · · · · · · · | | , | | |
| | Total assets of consolidated VIEs | 146,673 | \$161,494 | = |

Consolidated Balance Sheet (continued)

| (Dollars in millions) | | | |
|--|-------------|-------------|-------------|
| | June 30 | March 31 | June 30 |
| _ | 2010 | 2010 | 2009 |
| Liabilities | | | |
| Deposits in domestic offices: | | | |
| Noninterest-bearing | \$258,988 | \$255,470 | \$248,757 |
| Interest-bearing | 640,807 | 643,943 | 650,725 |
| Deposits in foreign offices: | | | |
| Noninterest-bearing | 5,791 | 5,614 | 4,560 |
| Interest-bearing | 68,881 | 71,075 | 66,700 |
| Total deposits | 974,467 | 976,102 | 970,742 |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | 307,211 | 270,601 | 263,639 |
| Trading account liabilities | 89,982 | 82,532 | 50,000 |
| Derivative liabilities | 62,789 | 46,927 | 51,300 |
| Commercial paper and other short-term borrowings | 73,358 | 85,406 | 96,236 |
| Accrued expenses and other liabilities (includes \$1,413, \$1,521 and \$1,992 of reserve for unfunded | | | |
| lending commitments) | 132,814 | 135,656 | 120,138 |
| Long-term debt | 490,083 | 511,653 | 447,187 |
| Total liabilities | 2,130,704 | 2,108,877 | 1,999,242 |
| Shareholders' equity | | | |
| Preferred stock, \$0.01 par value; authorized - 100,000,000 shares; issued and outstanding - 3,960,660 , 3,960,660 | | | |
| and 5,760,731 shares | 17,993 | 17,964 | 58,660 |
| Common stock and additional paid-in capital, \$0.01 par value; authorized - 12,800,000,000, 11,300,000,000 and | | | |
| 10,000,000,000 shares; issued and outstanding - 10,033,016,719, 10,032,001,150 and 8,651,459,122 shares | 149,175 | 149,048 | 128,717 |
| Retained earnings | 70,497 | 67,811 | 79,210 |
| Accumulated other comprehensive income (loss) | (4,447) | (4,929) | (11,227) |
| Other | (44) | (71) | (208) |
| Total shareholders' equity | 233,174 | 229,823 | 255,152 |
| Total liabilities and shareholders' equity | \$2,363,878 | \$2,338,700 | \$2,254,394 |
| Total shareholders' equity | 233,174 | | 229,823 |
| Liabilities of consolidated VIEs included in total liabilities above | | | |
| Commercial paper and other short-term borrowings | \$18,549 | \$21,631 | |
| Long-term debt | 85,186 | 90,329 | |
| All other liabilities | 1,835 | 5,135 | |
| Total liabilities of consolidated VIEs | \$105,570 | \$117,095 | |

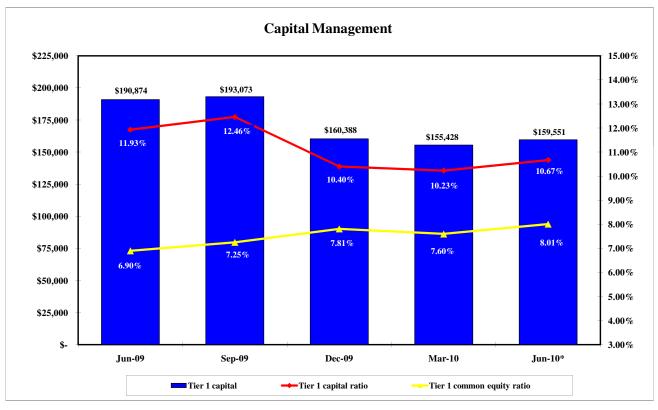
 $\label{lem:conform} \textit{Certain prior period amounts have been reclassified to conform to current period presentation.}$

Capital Management

| (Dollars in millions) | | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|------------|
| | Second | First | Fourth | Third | Second |
| | Quarter | Quarter | Quarter | Quarter | Quarter |
| | 2010 (1) | 2010 | 2009 | 2009 | 2009 |
| Risk-based capital: | | | | | · <u> </u> |
| Tier 1 common | \$119,716 | \$115,520 | \$120,394 | \$112,357 | \$110,383 |
| Tier 1 capital | 159,551 | 155,428 | 160,388 | 193,073 | 190,874 |
| Total capital | 220,827 | 219,913 | 226,070 | 258,568 | 255,701 |
| Risk-weighted assets | 1,494,990 | 1,519,723 | 1,542,517 | 1,548,962 | 1,599,569 |
| Tier 1 common equity ratio (2) | 8.01 % | 7.60 % | 7.81 % | 7.25 % | 6.90 % |
| Tier 1 capital ratio | 10.67 | 10.23 | 10.40 | 12.46 | 11.93 |
| Total capital ratio | 14.77 | 14.47 | 14.66 | 16.69 | 15.99 |
| Tier 1 leverage ratio | 6.69 | 6.46 | 6.91 | 8.39 | 8.21 |
| Tangible equity ratio (3) | 6.16 | 6.03 | 6.42 | 7.55 | 7.39 |
| Tangible common equity ratio (3) | 5.36 | 5.23 | 5.57 | 4.82 | 4.67 |

⁽¹⁾ Preliminary data on risk-based capital.

⁽³⁾ 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. For corresponding reconciliations of tangible shareholders' equity and tangible assets to GAAP financial measures, see Exhibit A: Non-GAAP Reconciliations - Reconciliation to GAAP Financial Measures on page 45. We believe the use of these non-GAAP measures provide additional clarity in assessing the results of the Corporation.



^{*}Preliminary data on risk-based capital

Outstanding Common Stock

No common shares were repurchased in the second quarter of 2010.

There is no existing Board authorized share repurchase program.

⁽²⁾ Tier 1 common equity ratio equals Tier 1 capital excluding preferred stock (except for Common Equivalent Securities at December 31, 2009), trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.

Core Net Interest Income

| | | Six Months Ended June 30 2010 2009 | | | Second First Quarter Quarter 2010 2010 | | | Fourth Quarter 2009 | | Third Quarter 2009 | | Second Quarter 2009 | | | |
|--|-------------|--------------------------------------|-------------|---|--|-------------|---|---------------------------|---|--------------------------|---|---------------------------|---|-------------|---|
| Net interest income (1) | | - | | | • | | | | | | | | | | |
| As reported | \$27,267 | | \$24,761 | | | \$13,197 | | \$14,070 | | \$11,896 | | \$11,753 | | \$11,942 | |
| Impact of market-based net interest income (2) | (2,235) | | (3,416) | | | (1,049) | | (1,186) | | (1,305) | | (1,394) | | (1,522) | |
| Core net interest income | 25,032 | • | 21,345 | | | 12,148 | | 12,884 | | 10,591 | | 10,359 | | 10,420 | |
| Impact of securitizations (3) | n/a | | 5,483 | | | n/a | | n/a | | 2,474 | | 2,567 | | 2,734 | |
| Core net interest income (4) | \$25,032 | | \$26,828 | | | \$12,148 | | \$12,884 | | \$13,065 | | \$12,926 | | \$13,154 | |
| Average earning assets | | | | | | | | | | | | | | | |
| As reported | \$1,921,864 | | \$1,861,954 | | | \$1,910,790 | | \$1,933,060 | | \$1,807,898 | | \$1,790,000 | | \$1,811,981 | |
| Impact of market-based earning assets (2) | (524,054) | | (483,086) | | | (520,825) | | (527,319) | | (490,561) | | (468,838) | | (476,431) | |
| Core average earning assets | 1,397,810 | - | 1,378,868 | | | 1,389,965 | | 1,405,741 | | 1,317,337 | , | 1,321,162 | | 1,335,550 | |
| Impact of securitizations (5) | n/a | | 88,845 | | | n/a | | n/a | | 75,337 | | 81,703 | | 86,154 | |
| Core average earning assets (4) | \$1,397,810 | | \$1,467,713 | | | \$1,389,965 | | \$1,405,741 | | \$1,392,674 | | \$1,402,865 | | \$1,421,704 | |
| Net interest yield contribution (1,6) | | | | | | | | | | | | | | | |
| As reported | 2.85 | % | 2.67 | % | | 2.77 | % | 2.93 | % | 2.62 | % | 2.61 | % | 2.64 | % |
| Impact of market-based activities (2) | 0.75 | | 0.44 | | | 0.73 | | 0.76 | | 0.59 | | 0.52 | | 0.49 | |
| Core net interest yield on earning assets | 3.60 | | 3.11 | | 1 | 3.50 | | 3.69 | | 3.21 | | 3.13 | | 3.13 | |
| Impact of securitizations | n/a | | 0.56 | | | n/a | | n/a | | 0.53 | | 0.54 | | 0.58 | |
| Core net interest yield on earning assets (4) | 3.60 | % | 3.67 | % | | 3.50 | % | 3.69 | % | 3.74 | % | 3.67 | % | 3.71 | % |

⁽¹⁾ Fully taxable-equivalent basis
(2) Represents the impact of market-based amounts included in Global Banking & Markets.
(3) Represents the impact of securitizations utilizing actual bond costs which is different from the business segment view which utilizes funds transfer pricing methodologies.
(4) The 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods are presented on a managed basis.
(5) Represents average securitized loans less accrued interest receivable and certain securitized bonds retained.

⁽⁶⁾ Calculated on an annualized basis.

n/a = not applicable

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

| (Dollars in millions) | Second Quarter 2010 | | | First Q | uarter 2010 | | Second Quarter 2009 | | | |
|--|---------------------|--------------|----------------|---------------------|--------------|----------------|---------------------|--------------|----------------|--|
| | | Interest | | | Interest | | | Interest | | |
| | Average | Income/ | Yield/ | Average | Income/ | Yield/ | Average | Income/ | Yield/ | |
| | Balance | Expense | Rate | Balance | Expense | Rate | Balance | Expense | Rate | |
| Earning assets | | | | | | | | | | |
| Time deposits placed and other short-term investments | \$30,741 | \$176 | 2.30 % | \$27,600 | \$153 | 2.25 % | \$25,604 | \$169 | 2.64 9 | |
| Federal funds sold and securities borrowed or purchased | | | | | | | | | | |
| under agreements to resell | 263,564 | 457 | 0.70 | 266,070 | 448 | 0.68 | 230,955 | 690 | 1.20 | |
| Trading account assets | 213,927 | 1,865 | 3.49 | 214,542 | 1,795 | 3.37 | 199,820 | 2,028 | 4.07 | |
| Debt securities (1) | 314,299 | 2,966 | 3.78 | 311,136 | 3,173 | 4.09 | 255,159 | 3,353 | 5.26 | |
| Loans and leases (2): | | | | | | | | | | |
| Residential mortgage (3) | 247,715 | 2,982 | 4.82 | 243,833 | 3,100 | 5.09 | 253,803 | 3,489 | 5.50 | |
| Home equity | 148,219 | 1,537 | 4.15 | 152,536 | 1,586 | 4.20 | 156,599 | 1,722 | 4.41 | |
| Discontinued real estate | 13,972 | 134 | 3.84 | 14,433 | 153 | 4.24 | 18,309 | 303 | 6.61 | |
| Credit card - domestic Credit card - foreign | 118,738 27,706 | 3,121 854 | 10.54 12.37 | 125,353 29,872 | 3,370 906 | 10.90 12.30 | 51,721 18,825 | 1,380 501 | 10.70 10.66 | |
| 2 | | | | | | | | | | |
| Direct/Indirect consumer (4) | 98,549 | 1,233 | 5.02 | 100,920 | 1,302 | 5.23 | 100,302 | 1,532 | 6.12 | |
| Other consumer (5) | 2,958 | 46 | 6.32 | 3,002 | 48 | 6.35 | 3,298 | 63 | 7.77 | |
| Total consumer | 657,857 | 9,907 | 6.03 | 669,949 | 10,465 | 6.30 | 602,857 | 8,990 | 5.97 | |
| Commercial - domestic | 195,144 | 2,005 | 4.12 | 202,662 | 1,970 | 3.94 | 231,639 | 2,176 | 3.77 | |
| Commercial real estate (6) | 64,218 | 541 | 3.38 | 68,526 | 575 | 3.40 | 75,559 | 627 | 3.33 | |
| Commercial lease financing | 21,271 | 261 | 4.90 | 21,675 | 304 | 5.60 | 22,026 | 260 | 4.72 | |
| Commercial - foreign | 28,564 | 256 | 3.59 | 28,803 | 264 | 3.72 | 34,024 | 360 | 4.24 | |
| Total commercial | 309,197 | 3,063 | 3.97 | 321,666 | 3,113 | 3.92 | 363,248 | 3,423 | 3.78 | |
| Total loans and leases | 967,054 | 12,970 | 5.38 3.29 | 991,615 | 13,578 | 5.53 | 966,105 | 12,413 | 5.15 | |
| Other earning assets | 121,205 | 994 | | 122,097 | 1,053 | 3.50 | 134,338 | 1,251 | 3.73 | |
| Total earning assets (7) | 1,910,790 | 19,428 | 4.08 | 1,933,060 | 20,200 | 4.22 | 1,811,981 | 19,904 | 4.40 | |
| Cash and cash equivalents Other assets, less allowance for loan and lease losses | 209,686 369,269 | | | 196,911 379,789 | | | 204,354 403,982 | | | |
| Total assets | \$2,489,745 | | | \$2,509,760 | | | \$2,420,317 | | | |
| Total assets | φ2,402,743 | | | \$2,309,700 | | | \$2,420,317 | | | |
| Interest-bearing liabilities | | | | | | | | | | |
| Domestic interest-bearing deposits: | | | | | | | | | | |
| Savings | \$37,290 | \$43 | 0.46 % | \$35,126 | \$43 | 0.50 % | \$34,367 | \$54 | 0.63 | |
| NOW and money market deposit accounts | 442,262 | 372 | 0.34 | 416,110 | 341 | 0.33 | 342,570 | 376 | 0.44 | |
| Consumer CDs and IRAs | 147,425 | 441 | 1.20 | 166,189 | 567 | 1.38 | 229,392 | 1,409 | 2.46 | |
| Negotiable CDs, public funds and other time deposits | 17,355 | 59 | 1.36 | 19,763 | 63 | 1.31 | 39,100 | 124 | 1.28 | |
| Total domestic interest-bearing deposits | 644,332 | 915 | 0.57 | 637,188 | 1,014 | 0.65 | 645,429 | 1,963 | 1.22 | |
| Foreign interest-bearing deposits: | | | | | | | | | | |
| Banks located in foreign countries | 19,994 | 34 | 0.70 | 18,338 | 32 | 0.70 | 19,261 | 37 | 0.76 | |
| Governments and official institutions | 4,990 | 3 | 0.26 | 6,493 | 3 | 0.21 | 7,379 | 4 | 0.22 | |
| Time, savings and other | 51,176 | 79 | 0.62 | 54,104 | 73 | 0.55 | 54,307 | 78 | 0.58 | |
| Total foreign interest-bearing deposits | 76,160 720,492 | 116 1,031 | 0.61 | 78,935 | 108 | 0.55 | 80,947 | 119 | 0.59 | |
| Total interest-bearing deposits Federal funds purchased, securities loaned or sold under | /20,492 | 1,031 | 0.57 | 716,123 | 1,122 | 0.64 | 726,376 | 2,082 | 1.15 | |
| agreements to repurchase and other short-term borrowings | 454,051 | 891 | 0.79 | 508,332 | 818 | 0.65 | 503,451 | 1,396 | 1.11 | |
| Trading account liabilities | 100,021 | 727 | 2.92 | 90,134 | 660 | 2.97 | 62,778 | 450 | 2.87 | |
| Long-term debt | 497,469 | 3,582 | 2.88 | 513,634 | 3,530 | 2.77 | 444,131 | 4,034 | 3.64 | |
| Total interest-bearing liabilities (7) | 1,772,033 | 6,231 | 1.41 | 1,828,223 | 6,130 | 1.35 | 1,736,736 | 7,962 | 1.84 | |
| Noninterest-bearing sources: | 1,772,033 | 0,231 | 1.41 | 1,020,223 | 0,130 | 1.33 | 1,730,730 | 7,902 | 1.04 | |
| Noninterest-bearing sources. Noninterest-bearing deposits | 271,123 | | | 264.892 | | | 248,516 | | | |
| Other liabilities | 213,128 | | | 186,754 | | | 192,198 | | | |
| Shareholders' equity | 233,461 | | | 229,891 | | | 242,867 | | | |
| Total liabilities and shareholders' equity | \$2,489,745 | | | \$2,509,760 | | | \$2,420,317 | | | |
| Net interest spread | Ψ=,402,743 | | 2.67 % | ψ <u>2,50</u> 5,700 | | 2.87 % | ψ2, 720,317 | | 2.56 | |
| Impact of noninterest-bearing sources | | | 0.10 | | | 0.06 | | | 0.08 | |
| | | 612.105 | | | £14.05C | | | 611.046 | 2.64 | |
| Net interest income/yield on earning assets | | \$13,197 | 2.77 % | | \$14,070 | 2.93 % | | \$11,942 | 2. | |

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Includes foreign residential mortgages of \$506 million and \$538 million for the second and first quarters of 2010, and \$650 million in the second quarter of 2009.

⁽⁴⁾ Includes foreign consumer loans of \$7.7 billion and \$8.1 billion for the second and first quarters of 2010, and \$8.0 billion in the second quarter of 2009.

⁽⁵⁾ Includes consumer finance loans of \$2.1 billion and \$2.2 billion for the second and first quarters of 2010, and \$2.5 billion in the second quarter of 2009; other foreign consumer loans of \$679 million and \$664 million in the second and first quarters of 2010, and \$640 million in the second quarter of 2009; and consumer overdrafts of \$155 million and \$132 million for the second and first quarters of 2010, and \$185 million in the second quarter of 2009.

⁽⁶⁾ Includes domestic commercial real estate loans of \$61.6 billion and \$65.6 billion in the second and first quarters of 2010, and \$72.8 billion in the second quarter of 2009, and foreign commercial real estate loans of \$2.6 billion and \$3.0 billion in the second and first quarters of 2010, and \$2.8 billion in the second quarter of 2009.

⁽⁷⁾ Interest income includes the impact of interest rate risk management contracts, which decreased interest income on the underlying assets \$479 million and \$272 million in the second and first quarters of 2010, and \$11 million in the second quarter of 2009. Interest expense includes the impact of interest rate risk management contracts, which decreased interest expense on the underlying liabilities \$829 million and \$970 million in the second and first quarters of 2010, and \$550 million in the second quarter of 2009.

$Quarterly\ Average\ Balances\ and\ Interest\ Rates\ -\ Fully\ Taxable-equivalent\ Basis\ -\ Isolating\ Hedge\ Income/Expense\ ^{(1)}$

| (Dollars in millions) | Second Quarter 2010 | | First C | Quarter 2010 | | Second Quarter 2009 | | | | |
|---|------------------------|-----------------|--------------|--------------|-------------------|---------------------|--------------|------------------------|-----------------|----------------|
| | Second | Interest | | _ | 11130 | Interest | | Бесона | Interest | |
| | Average | Income/ | Yield/ | | Average | Income/ | Yield/ | Average | Income/ | Yield/ |
| | Balance | Expense | Rate | _ | Balance | Expense | Rate | Balance | Expense | Rate |
| Earning assets Time deposits placed and other short-term investments | \$30,741 | \$177 | 2.31 % | 7. | \$27,600 | \$153 | 2.25 % | \$25,604 | \$172 | 2.69 % |
| Federal funds sold and securities borrowed or purchased under | \$30,741 | \$1// | 2,31 % | ne . | \$27,000 | \$133 | 2.23 % | \$23,004 | \$172 | 2.09 % |
| agreements to resell (2) | 263,564 | 384 | 0.58 | | 266,070 | 368 | 0.56 | 230,955 | 628 | 1.09 |
| Trading account assets (2) | 213,927 | 1,916 | 3,59 | | 214,542 | 1,833 | 3.45 | 199,820 | 2,028 | 4.07 |
| Debt securities (2) | 314,299 | 3,431 | 4.38 | | 311,136 | 3,454 | 4.45 | 255,159 | 3,387 | 5.31 |
| Loans and leases: | , | | | | | | | | | |
| Residential mortgage | 247,715 | 2,982 | 4.82 | | 243,833 | 3,100 | 5.09 | 253,803 | 3,489 | 5.50 |
| Home equity | 148,219 | 1,537 | 4.15 | | 152,536 | 1,586 | 4.20 | 156,599 | 1,722 | 4.41 |
| Discontinued real estate | 13,972 | 134 | 3.84 | | 14,433 | 153 | 4.24 | 18,309 | 303 | 6.61 |
| Credit card - domestic | 118,738 | 3,121 | 10.54 | | 125,353 | 3,370 | 10.90 | 51,721 | 1,380 | 10.70 |
| Credit card - foreign | 27,706 | 854 | 12.37 | | 29,872 | 906 | 12.30 | 18,825 | 501 | 10.66 |
| Direct/Indirect consumer | 98,549 | 1,233 | 5.02 | | 100,920 | 1,302 | 5.23 | 100,302 | 1,532 | 6.12 |
| Other consumer | 2,958 657,857 | 9,907 | 6.32 6.03 | _ | 3,002 669,949 | 10,465 | 6.35 6.30 | 3,298 602,857 | 8,990 | 7.77 5.97 |
| Total consumer Commercial - domestic ⁽²⁾ | 195,144 | 2,040 | 4.19 | _ | 202,662 | 2,003 | 4.01 | 231,639 | 2,212 | 3.83 |
| Commercial real estate | 64,218 | 2,040 541 | 3.38 | | 68,526 | 2,003 575 | 3.40 | 75,559 | 627 | 3.33 |
| Commercial lease financing | 21,271 | 261 | 4.90 | | 21,675 | 304 | 5.60 | 22,026 | 260 | 4.72 |
| Commercial - foreign | 28,564 | 256 | 3.59 | | 28,803 | 264 | 3.72 | 34,024 | 360 | 4.24 |
| Total commercial | 309,197 | 3,098 | 4.02 | _ | 321,666 | 3,146 | 3.96 | 363,248 | 3,459 | 3.82 |
| Total loans and leases | 967,054 | 13,005 | 5.39 | _ | 991,615 | 13,611 | 5.54 | 966,105 | 12,449 | 5.16 |
| Other earning assets | 121,205 | 994 | 3.29 | _ | 122,097 | 1,053 | 3.50 | 134,338 | 1,251 | 3.73 |
| Total earning assets - excluding hedge impact | 1,910,790 | 19,907 | 4.17 | _ | 1,933,060 | 20,472 | 4.27 | 1,811,981 | 19,915 | 4.40 |
| Net hedge expense on assets | | (479) | | _ | -,,,, | (272) | | -,0,, | (11) | |
| Total earning assets - including hedge impact | 1,910,790 | 19,428 | 4.08 | _ | 1,933,060 | 20,200 | 4.22 | 1,811,981 | 19,904 | 4.40 |
| Cash and cash equivalents | 209,686 | 17,420 | 4.00 | _ | 196,911 | 20,200 | 4.22 | 204,354 | 17,704 | 4.40 |
| Other assets, less allowance for loan and lease losses | 369,269 | | | | 379,789 | | | 403,982 | | |
| Total assets | \$2,489,745 | | | | \$2,509,760 | | | \$2,420,317 | | |
| | • | | | _ | | | | | | _ |
| Interest-bearing liabilities | | | | | | | | | | |
| Domestic interest-bearing deposits: | \$2 7 200 | 0.42 | 0.46 6 | | 625 126 | 6.10 | 0.50 6 | 624.267 | 054 | 0.62.61 |
| Savings | \$37,290 | \$43 | 0.46 % | %o | \$35,126 | \$43 | 0.50 % | \$34,367 | \$54 | 0.63 % |
| NOW and money market deposit accounts | 442,262 | 372 | 0.34 | | 416,110 | 341 | 0.33 | 342,570 | 376 | 0.44 |
| Consumer CDs and IRAs (2) Negotiable CDs, public funds and other time deposits (2) | 147,425 | 395 | 1.07 | | 166,189 | 523 | 1.28 | 229,392 | 1,350 | 2.36 |
| Total domestic interest-bearing deposits | 17,355 644,332 | 55 865 | 1.27 0.54 | _ | 19,763 637,188 | 967 | 1.23 0.62 | 39,100 645,429 | 119 | 1.24 1.18 |
| Foreign interest-bearing deposits: | 044,332 | 002 | 0.54 | _ | 037,188 | 707 | 0.02 | 043,429 | 1,099 | 1.10 |
| Banks located in foreign countries (2) | 19,994 | 17 | 0.34 | | 18,338 | 15 | 0.33 | 19,261 | 24 | 0.48 |
| Governments and official institutions | 4,990 | 3 | 0.26 | | 6,493 | 3 | 0.33 | 7,379 | 4 | 0.48 |
| Time, savings and other | 51,176 | 79 | 0.62 | | 54,104 | 73 | 0.55 | 54,307 | 78 | 0.58 |
| Total foreign interest-bearing deposits | 76,160 | 99 | 0.52 | _ | 78,935 | 91 | 0.47 | 80,947 | 106 | 0.52 |
| Total interest-bearing deposits | 720,492 | 964 | 0.54 | _ | 716,123 | 1,058 | 0.60 | 726,376 | 2,005 | 1.11 |
| Federal funds purchased, securities loaned or sold under agreements | | | | | | | - | | | |
| to repurchase and other short-term borrowings (2) | 454,051 | 815 | 0.72 | | 508,332 | 716 | 0.57 | 503,451 | 1,157 | 0.92 |
| Trading account liabilities | 100,021 | 727 | 2.92 | | 90,134 | 660 | 2.97 | 62,778 | 450 | 2.87 |
| Long-term debt (2) | 497,469 | 4,554 | 3.67 | | 513,634 | 4,666 | 3.66 | 444,131 | 4,900 | 4.42 |
| Total interest-bearing liabilities - excluding hedge impact | 1,772,033 | 7,060 | 1.60 | _ | 1,828,223 | 7,100 | 1.57 | 1,736,736 | 8,512 | 1.96 |
| Net hedge income on liabilities | | (829) | | | | (970) | _ | | (550) | |
| Total interest-bearing liabilities - including hedge impact | 1,772,033 | 6,231 | 1.41 | | 1,828,223 | 6,130 | 1.35 | 1,736,736 | 7,962 | 1.84 |
| Noninterest-bearing sources: | | | | | | | | | | |
| Noninterest-bearing deposits | 271,123 | | | | 264,892 | | | 248,516 | | |
| Other liabilities | 213,128 | | | | 186,754 | | | 192,198 | | |
| Shareholders' equity | 233,461 \$2,489,745 | | | _ | \$2,509,760 | | | 242,867 \$2,420,317 | | |
| Total liabilities and shareholders' equity | \$2,489,745 | | 2.57 | _ | \$2,509,760 | | 2.70 | \$2,420,317 | | 2.44 |
| Net interest spread Impact of noninterest-bearing sources | | | 0.12 | | | | 0.09 | | | 0.08 |
| - | | 12.047 | | 7 | | 12.272 | | | 11.402 | |
| Net interest income/yield on earning assets - excluding hedge impact | | 12,847 | 0.08 | 70 | | 13,372 | 2.79 % | | 11,403 | 2.52 % |
| Net impact of hedge income (expense) Net interest income/yield on earning assets | - | 350 \$13,197 | 2.77 % | 7. | | 698 \$14,070 | 2.93 % | | 539 \$11.942 | 0.12 2.64 % |
| Net meerest meonie/yield on earning assets | | \$13,197 | 4.11 % | - | | \$14,070 | 2.93 % | | \$11,942 | 2.04 % |

⁽¹⁾ This table presents a non-GAAP financial measure. The impact of interest rate risk management derivatives is shown separately. Interest income and interest expense amounts, and the yields and rates have been adjusted. Management believes this presentation is useful to investors because it adjusts for the impact of our hedging decisions and provides a better understanding of our hedging activities. The impact of interest rate risk management derivatives is not material to the average balances presented above.

 $Interest\ income\ excludes\ the\ impact\ of\ interest\ rate\ risk\ management\ contracts,\ which\ increased\ (decreased)\ interest\ income\ on:$

| | Second Quarter 2010 | First Quarter 2010 | Second Quarter 2009 |
|--|---------------------|--------------------|---------------------|
| Time deposits placed and other short-term investments | \$(1) | \$ - | \$(3) |
| Federal funds sold and securities borrowed or purchased under | | | |
| agreements to resell | 73 | 80 | 62 |
| Trading account assets | (51) | (38) | - |
| Debt securities | (465) | (281) | (34) |
| Commercial - domestic | (35) | (33) | (36) |
| Net hedge expense on assets | \$(479) | \$(272) | \$(11) |
| Interest expense excludes the impact of interest rate risk management of Consumer CDs and IRAs | \$ 46 | \$ 44 | \$ 59 |
| | \$ 4 0 | 3 44 | \$ 39 |
| Negotiable CDs, public funds and other time deposits | 17 | 3 | 3 |
| Banks located in foreign countries | 17 | 17 | 13 |
| Federal funds purchased and securities loaned or sold under agreements to | | | |
| repurchase and other short-term borrowings | 76 | 102 | 239 |
| Long-term debt | (972) | (1,136) | (866) |
| Net hedge income on liabilities | \$(829) | \$(970) | \$(550) |

 $^{(2) \}textit{ The impact of interest rate risk management derivatives on interest income and interest expense is presented below.}$

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

| | | : | Six Months End | led June 30 | | |
|--|---------------------|-----------------|----------------|------------------------|----------------|--------------|
| | | 2010 | | | 2009 | |
| | | Interest | | | Interest | |
| | Average | Income/ | Yield/ | Average | Income/ | Yield/ |
| Earning assets | Balance | Expense | Rate | Balance | Expense | Rate |
| Time deposits placed and other short-term investments | \$29,179 | \$329 | 2.27 % | \$25,879 | \$360 | 2.80 |
| Federal funds sold and securities borrowed or purchased under | Ψ23,173 | ψ323 | 2.27 % | Ψ25,075 | Ψ500 | 2.00 |
| agreements to resell | 264,810 | 905 | 0.69 | 237,581 | 1,845 | 1.56 |
| Trading account assets | 214,233 | 3,660 | 3.43 | 218,481 | 4,527 | 4.16 |
| Debt securities (1) | 312,727 | 6,139 | 3.93 | 270,618 | 7,255 | 5.37 |
| Loans and leases (2): | 012,121 | 0,225 | 0.50 | 270,010 | 7,200 | 0.07 |
| Residential mortgage (3) | 245,785 | 6,082 | 4.95 | 250 421 | 7,169 | 5.53 |
| Home equity | , | , | 4.95 | 259,431 | | 3.33 4.48 |
| Discontinued real estate | 150,365 14,201 | 3,123 287 | 4.18 | 157,582 18,845 | 3,509 689 | 7.31 |
| Credit card - domestic | 122,027 | 6,491 | 10.73 | 55,320 | 2,981 | 10.87 |
| Credit card - domestic Credit card - foreign | 28,783 | 1,760 | 12.33 | 33,320 17,847 | 2,981 955 | 10.87 |
| ē | | , | | , | | |
| Direct/Indirect consumer (4) | 99,728 | 2,535 | 5.13 | 100,521 | 3,216 | 6.45 |
| Other consumer (5) | 2,981 | 94 | 6.34 | 3,351 | 127 | 7.63 |
| Total consumer | 663,870 | 20,372 | 6.17 | 612,897 | 18,646 | 6.11 |
| Commercial - domestic | 198,882 | 3,975 | 4.03 | 236,135 | 4,661 | 3.98 |
| Commercial real estate (6) | 66,361 | 1,116 | 3.39 | 73,892 | 1,177 | 3.21 |
| Commercial lease financing | 21,472 | 565 | 5.26 | 22,041 | 539 | 4.89 |
| Commercial - foreign | 28,682 | 520 | 3.65 | 35,070 | 822 | 4.73 |
| Total commercial | 315,397 | 6,176 | 3.94 | 367,138 | 7,199 | 3.95 |
| Total loans and leases | 979,267 121,648 | 26,548 2,047 | 5.45 3.39 | 980,035 129,360 | 25,845 | 5.30 3.98 |
| Other earning assets | | | _ | | 2,550 | |
| Total earning assets (7) | 1,921,864 | 39,628 | 4.16 | 1,861,954 178,822 | 42,382 | 4.57 |
| Cash and cash equivalents Other assets, less allowance for loan and lease losses | 203,334 374,499 | | | , | | |
| Total assets | \$2,499,697 | | | 428,676 \$2,469,452 | | |
| | +=,, | | | +=,, | | |
| Interest-bearing liabilities | | | | | | |
| Domestic interest-bearing deposits: | | | | | | |
| Savings | \$36,214 | \$86 | 0.48 % | \$33,378 | \$112 | 0.68 |
| NOW and money market deposit accounts | 429,258 | 713 | 0.33 | 342,620 | 816 | 0.48 |
| Consumer CDs and IRAs | 156,755 | 1,008 | 1.30 | 232,792 | 3,119 | 2.70 |
| Negotiable CDs, public funds and other time deposits | 18,552 | 122 | 1.33 | 35,216 | 273 | 1.56 |
| Total domestic interest-bearing deposits | 640,779 | 1,929 | 0.61 | 644,006 | 4,320 | 1.35 |
| Foreign interest-bearing deposits: | 40.4=4 | | | | | |
| Banks located in foreign countries | 19,171 | 66 | 0.70 | 22,638 | 85 | 0.75 |
| Governments and official institutions | 5,737 | 6 | 0.23 | 8,607 | 10 | 0.23 |
| Time, savings and other | 52,633 | 152 | 0.58 | 56,332 | 210 | 0.76 |
| Total foreign interest-bearing deposits | 77,541 | 224 | 0.58 | 87,577 | 305 | 0.70 |
| Total interest-bearing deposits | 718,320 | 2,153 | 0.60 | 731,583 | 4,625 | 1.27 |
| Federal funds purchased and securities loaned or sold under | 401.041 | 1,709 | 0.72 | 547.446 | 2.617 | 1.33 |
| agreements to repurchase and other short-term borrowings | 481,041 95,105 | 1,709 | 2.94 | 66,111 | 3,617 1,029 | 3.14 |
| Trading account liabilities | , | , | 2.82 | , | | 3.76 |
| Long-term debt Total interest bearing liabilities (7) | 505,507 | 7,112 | _ | 445,545 | 8,350 | |
| Total interest-bearing liabilities (7) | 1,799,973 | 12,361 | 1.38 | 1,790,685 | 17,621 | 1.98 |
| Noninterest-bearing sources: | 269 024 | | | 227.022 | | |
| Noninterest-bearing deposits Other liabilities | 268,024 200,014 | | | 237,933 204,979 | | |
| Shareholders' equity | 231,686 | | | 235,855 | | |
| Total liabilities and shareholders' equity | \$2,499,697 | | | \$2,469,452 | | |
| Net interest spread | φ ω, π22,021 | | 2.78 % | φ ω, τυΣ,τυΣ | | 2.59 |
| Impact of noninterest-bearing sources | | | 0.07 | | | 0.08 |
| | | | 0.07 | | | 0.00 |

⁽¹⁾ 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.

\$27,267

2.85 %

\$24,761

2.67 %

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

Net interest income/yield on earning assets

⁽²⁾ 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.

⁽³⁾ Includes foreign residential mortgages of \$522 million and \$639 million for the six months ended June 30, 2010 and 2009.

⁽⁴⁾ Includes foreign consumer loans of \$7.9 billion and \$7.5 billion for the six months ended June 30, 2010 and 2009.

⁽⁵⁾ Includes consumer finance loans of \$2.2 billion and \$2.5 billion, other foreign consumer loans of \$671 million and \$618 million, and consumer overdrafts of \$144 million and \$217 million for the six months ended June 30, 2010 and 2009.

⁽⁶⁾ Includes domestic commercial real estate loans of \$63.6 billion and \$71.9 billion, and foreign commercial real estate loans of \$2.8 billion and \$2.0 billion for the six months ended June 30, 2010 and 2009.

⁽⁷⁾ Interest income includes the impact of interest rate risk management contracts, which decreased interest income on the underlying assets \$751 million and \$72 million for the six months ended June 30, 2010 and 2009. Interest expense includes the impact of interest rate risk management contracts, which decreased interest expense on the underlying liabilities \$1.8 billion and \$1.1 billion for the six months ended June 30, 2010 and 2009.

Year-to-Date Average Balances and Interest Rates - Fully Taxable-equivalent Basis - Isolating Hedge Income/Expense (1)

| | ·- | 2010 | | | 2009 | | |
|---|----------|----------|--------|----------|----------|--------|--|
| | | Interest | | | Interest | | |
| | Average | Income/ | Yield/ | Average | Income/ | Yield/ | |
| | Balance | Expense | Rate | Balance | Expense | Rate | |
| Earning assets | | | | | | | |
| Time deposits placed and other short-term investments (2) | \$29,179 | \$330 | 2.28 % | \$25,879 | \$363 | 2.8 | |
| Federal funds sold and securities borrowed or purchased under | | | | | | | |
| agreements to resell (2) | 264,810 | 752 | 0.57 | 237,581 | 1,786 | 1.5 | |
| T (2) | 214 222 | 2.740 | 2.52 | 210 401 | 4.507 | 4.1 | |

Six Months Ended June 30

| | Balance | Expense | Rate | Balance | Expense | Rate |
|--|------------------------|---------|-------------|------------------------|---------|-------|
| Earning assets | | | | | | |
| Time deposits placed and other short-term investments (2) | \$29,179 | \$330 | 2.28 % | \$25,879 | \$363 | 2.82 |
| Federal funds sold and securities borrowed or purchased under | | | | | | |
| agreements to resell (2) | 264,810 | 752 | 0.57 | 237,581 | 1,786 | 1.51 |
| Trading account assets (2) | 214,233 | 3,749 | 3.52 | 218,481 | 4,527 | 4.16 |
| Debt securities (2) | 312,727 | 6,885 | 4.44 | 270,618 | 7,317 | 5.42 |
| Loans and leases: | . , | ., | | | | |
| Residential mortgage | 245,785 | 6,082 | 4.95 | 259,431 | 7,169 | 5.53 |
| Home equity | 150,365 | 3,123 | 4.18 | 157,582 | 3,509 | 4.48 |
| Discontinued real estate | 14,201 | 287 | 4.05 | 18,845 | 689 | 7.31 |
| Credit card - domestic | 122,027 | 6,491 | 10.73 | 55,320 | 2,981 | 10.87 |
| Credit card - foreign | 28,783 | 1,760 | 12.33 | 17,847 | 955 | 10.79 |
| Direct/Indirect consumer | 99,728 | 2,535 | 5.13 | 100,521 | 3,216 | 6.45 |
| Other consumer | 2,981 | 94 | 6.34 | 3,351 | 127 | 7.63 |
| Total consumer | 663,870 | 20,372 | 6.17 | 612,897 | 18,646 | 6.11 |
| Commercial - domestic (2) | 198,882 | 4,043 | 4.10 | 236,135 | 4,727 | 4.04 |
| Commercial real estate | 66,361 | 1,116 | 3.39 | 73,892 | 1,177 | 3.21 |
| Commercial lease financing | 21,472 | 565 | 5.26 | 22,041 | 539 | 4.89 |
| Commercial - foreign | 28,682 | 520 | 3.65 | 35,070 | 822 | 4.73 |
| Total commercial | 315,397 | 6,244 | 3.99 | 367,138 | 7,265 | 3.99 |
| Total loans and leases | 979,267 | 26,616 | 5.48 | 980,035 | 25,911 | 5.32 |
| Other earning assets | 121,648 | 2,047 | 3.39 | 129,360 | 2,550 | 3.98 |
| Total earning assets - excluding hedge impact | 1,921,864 | 40,379 | 4.23 | 1,861,954 | 42,454 | 4.58 |
| Net hedge expense on assets | | (751) | - | | (72) | |
| Total earning assets - including hedge impact | 1,921,864 | 39,628 | 4.16 | 1,861,954 | 42,382 | 4.57 |
| Cash and cash equivalents | 203,334 | | | 178,822 | | |
| Other assets, less allowance for loan and lease losses Total assets | 374,499 \$2,499,697 | | | 428,676 \$2,469,452 | | |
| Interest-bearing liabilities Domestic interest-bearing deposits: | | | | | | |
| Savings | \$36,214 | \$86 | 0.48 % | \$33,378 | \$112 | 0.68 |
| NOW and money market deposit accounts (2) | 429,258 | 713 | 0.33 | 342,620 | 817 | 0.48 |
| Consumer CDs and IRAs (2) | 156,755 | 918 | 1.18 | 232,792 | 2,996 | 2.60 |
| Negotiable CDs, public funds and other time deposits (2) | 18,552 | 115 | 1.25 | 35,216 | 265 | 1.53 |
| Total domestic interest-bearing deposits | 640,779 | 1,832 | 0.58 | 644,006 | 4,190 | 1.31 |
| Foreign interest-bearing deposits: | | | | | | |
| Banks located in foreign countries (2) | 19,171 | 32 | 0.34 | 22,638 | 65 | 0.57 |
| Governments and official institutions | 5,737 | 6 | 0.23 | 8,607 | 10 | 0.23 |
| Time, savings and other | 52,633 | 152 | 0.58 | 56,332 | 210 | 0.76 |
| Total foreign interest-bearing deposits | 77,541 | 190 | 0.49 | 87,577 | 285 | 0.66 |
| Total interest-bearing deposits | 718,320 | 2,022 | 0.57 | 731,583 | 4,475 | 1.23 |
| Federal funds purchased and securities loaned or sold under | | | | | | |
| agreements to repurchase and other short-term borrowings (2) | 481,041 | 1,531 | 0.64 | 547,446 | 3,072 | 1.13 |
| Trading account liabilities | 95,105 | 1,387 | 2.94 | 66,111 | 1,029 | 3.14 |
| Long-term debt (2) | 505,507 | 9,220 | 3.68 | 445,545 | 10,107 | 4.56 |
| Total interest-bearing liabilities - excluding hedge impact | 1,799,973 | 14,160 | 1.59 | 1,790,685 | 18,683 | 2.10 |
| Net hedge income on liabilities | | (1,799) | | | (1,062) | |
| Total interest-bearing liabilities - including hedge impact | 1,799,973 | 12,361 | 1.38 | 1,790,685 | 17,621 | 1.98 |
| Noninterest-bearing sources: | 2/8 024 | | | 227.022 | | |
| Noninterest-bearing deposits Other liabilities | 268,024 200,014 | | | 237,933 204,979 | | |
| Shareholders' equity | 231,686 | | | 235,855 | | |
| Total liabilities and shareholders' equity | \$2,499,697 | | | \$2,469,452 | | |
| Net interest spread | φ2,439,097 | | 2.64 | 92,407,432 | | 2.48 |
| Impact of noninterest-bearing sources | | | 0.10 | | | 0.08 |
| | | | 0.10 | | | 0.00 |

⁽¹⁾ This table presents a non-GAAP financial measure. The impact of interest rate risk management derivatives is shown separately. Interest income and interest expense amounts, and the yields and rates have been adjusted. Management believes this presentation is useful to investors because it adjusts for the impact of our hedging decisions and provides a better understanding of our hedging activities. The impact of interest rate risk management $derivatives \ is \ not \ material \ to \ the \ average \ balances \ presented \ above.$

\$26,219

\$27,267

1.048

2.74 %

2.85 %

0.11

\$23,771

\$24,761

2.56 %

0.11

2.67

Interest income excludes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

| | Six Months Ended June 30 | | | | |
|--|--------------------------|--------|--|--|--|
| | 2010 | 2009 | | | |
| Time deposits placed and other short-term investments | \$(1) | \$(3) | | | |
| Federal funds sold and securities borrowed or purchased under agreements to resell | 153 | 59 | | | |
| Trading account assets | (89) | - | | | |
| Debt securities | (746) | (62) | | | |
| Commercial - domestic | (68) | (66) | | | |
| Net hedge expense on assets | \$(751) | \$(72) | | | |

Interest expense excludes the impact of interest rate risk management contracts, which increased (decreased) interest expense on:

| NOW and money market deposit accounts | \$ - | (\$1) |
|---|-----------|-----------|
| Consumer CDs and IRAs | 90 | 123 |
| Negotiable CDs, public funds and other time deposits | 7 | 8 |
| Banks located in foreign countries | 34 | 20 |
| Federal funds purchased and securities loaned or sold under | | |
| agreements to repurchase and other short-term borrowings | 178 | 545 |
| Long-term debt | (2,108) | (1,757) |
| Net hedge income on liabilities | \$(1,799) | \$(1,062) |

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

Net interest income/yield on earning assets - excluding hedge impact

Net impact of hedge income (expense)

Net interest income/yield on earning assets

⁽²⁾ The impact of interest rate risk management derivatives on interest income and interest expense is presented below.

Debt Securities and Available-for-Sale Marketable Equity Securities

(Dollars in millions)

| | June 30, 2010 | | | | | | | |
|---|---------------|------------|------------|-----------|--|--|--|--|
| | · | Gross | Gross | | | | | |
| | Amortized | Unrealized | Unrealized | Fair | | | | |
| | Cost | Gains | Losses | Value | | | | |
| Available-for-sale debt securities | | | | | | | | |
| U.S. Treasury and agency securities | \$50,630 | \$476 | \$(722) | \$50,384 | | | | |
| Mortgage-backed securities: | | | | | | | | |
| Agency | 148,618 | 5,025 | (62) | 153,581 | | | | |
| Agency collateralized mortgage obligations | 40,139 | 816 | (85) | 40,870 | | | | |
| Non-agency residential | 29,795 | 597 | (1,032) | 29,360 | | | | |
| Non-agency commercial | 6,327 | 840 | (39) | 7,128 | | | | |
| Foreign securities | 3,703 | 70 | (823) | 2,950 | | | | |
| Corporate bonds | 6,249 | 181 | (63) | 6,367 | | | | |
| Other taxable securities (1) | 17,176 | 73 | (537) | 16,712 | | | | |
| Total taxable securities | 302,637 | 8,078 | (3,363) | 307,352 | | | | |
| Tax-exempt securities | 7,462 | 96 | (145) | 7,413 | | | | |
| Total available-for-sale debt securities | \$310,099 | \$8,174 | \$(3,508) | \$314,765 | | | | |
| Held-to-maturity debt securities | 435 | | - | 435 | | | | |
| Total debt securities | \$310,534 | \$8,174 | \$(3,508) | \$315,200 | | | | |
| Available-for-sale marketable equity securities (2) | \$181 | \$30 | \$(32) | \$179 | | | | |

| | | March 31, 2010 | | | | | | | |
|---|-----------|---------------------|---------------------|-----------|--|--|--|--|--|
| | Amortized | Gross Unrealized | Gross Unrealized | Fair | | | | | |
| | Cost | Gains | Losses | Value | | | | | |
| Available-for-sale debt securities | | | | | | | | | |
| U.S. Treasury and agency securities | \$40,664 | \$291 | \$(212) | \$40,743 | | | | | |
| Mortgage-backed securities: | | | | | | | | | |
| Agency | 150,356 | 2,791 | (578) | 152,569 | | | | | |
| Agency collateralized mortgage obligations | 43,403 | 320 | (250) | 43,473 | | | | | |
| Non-agency residential | 35,008 | 655 | (2,685) | 32,978 | | | | | |
| Non-agency commercial | 6,971 | 947 | (48) | 7,870 | | | | | |
| Foreign securities | 3,826 | 41 | (744) | 3,123 | | | | | |
| Corporate bonds | 6,780 | 162 | (85) | 6,857 | | | | | |
| Other taxable securities (1) | 19,914 | 84 | (539) | 19,459 | | | | | |
| Total taxable securities | 306,922 | 5,291 | (5,141) | 307,072 | | | | | |
| Tax-exempt securities | 9,041 | 74 | (167) | 8,948 | | | | | |
| Total available-for-sale debt securities | \$315,963 | \$5,365 | \$(5,308) | \$316,020 | | | | | |
| Held-to-maturity debt securities | 340 | - | - | 340 | | | | | |
| Total debt securities | \$316,303 | \$5,365 | \$(5,308) | \$316,360 | | | | | |
| Available-for-sale marketable equity securities (2) | \$2,937 | \$3,679 | \$(42) | \$6,574 | | | | | |

⁽¹⁾ Includes asset-backed securities

⁽²⁾ Represents those available-for-sale marketable equity securities that are recorded in other assets on the Consolidated Balance Sheet.

Quarterly Results by Business Segment (Dollars in millions)

| (Dollars in millions) | | | | Second Qua | mton 2010 | | | |
|--|------------------------|----------------------|-----------------------------|---------------------------|-----------------------|----------------------|----------------------|-----------------------------|
| | _ | | | Second Qua | Global | Global | | |
| | Total Corporation | Deposits | Global Card Services (1) | Home Loans & Insurance | Commercial Banking | Banking & Markets | GWIM | All Other ⁽¹⁾ |
| Net interest income (2) | \$13,197 | \$2,115 | \$4,439 | \$1,000 | \$2,118 | \$1,976 | \$1,385 | \$164 |
| Noninterest income | 16,253 | 1,489 | 2,422 | 1,795 | 660 | 4,029 | 2,946 | 2,912 |
| Total revenue, net of interest expense | 29,450 | 3,604 | 6,861 | 2,795 | 2,778 | 6,005 | 4,331 | 3,076 |
| Provision for credit losses | 8,105 | 61 | 3,795 | 2,390 | 623 | (133) | 121 | 1,248 |
| Noninterest expense Income (loss) before income taxes | 17,253 4,092 | 2,496 1,047 | 1,799 | (2,412) | 1,246 | 4,790 1,348 | 3,370 840 | 1,072 756 |
| Income tax expense (benefit) (2) | 969 | 382 | 461 | (878) | 456 | 421 | 484 | (357) |
| Net income (loss) | \$3,123 | \$665 | \$806 | \$(1,534) | \$790 | \$927 | \$356 | \$1,113 |
| Average | | | | | | | | |
| Total loans and leases | \$967,054 | n/m | \$177,571 | \$130,664 | \$206,111 | \$95,902 | \$99,007 | \$257,245 |
| Total assets (3) | 2,489,745 | \$440,628 | 186,195 | 229,168 | 302,636 | 774,792 | 265,908 | n/m |
| Total deposits Allocated equity | 991,615 233,461 | 415,670 24,212 | n/m 40,517 | n/m 26,346 | 145,221 41,971 | 113,165 53,117 | 229,272 23,515 | 64,201 23,783 |
| • • | 233,401 | 24,212 | 40,317 | 20,340 | 41,971 | 33,117 | 23,313 | 23,763 |
| Period end Total loans and leases | \$956,177 | n/m | \$173,021 | \$129,798 | \$203,173 | \$95,647 | \$99,351 | \$254,615 |
| Total assets (3) | 2,363,878 | \$436,935 | 183,334 | 225,492 | 303,848 | 712,219 | 259,734 | n/m |
| Total deposits | 974,467 | 411,682 | n/m | n/m | 147,251 | 106,091 | 229,551 | 56,983 |
| | | | | First Quart | er 2010 | | | |
| | - | | | This Quant | Global | Global | | |
| | Total | | Global Card | Home Loans | Commercial | Banking & | | All |
| N (2) | Corporation | Deposits | Services (1) | & Insurance | Banking | Markets | GWIM | Other (1) |
| Net interest income (2) Noninterest income | \$14,070 18,220 | \$2,146 1,487 | \$4,818 1,985 | \$1,213 2,411 | \$2,213 817 | \$2,146 7,605 | \$1,391 2,778 | \$143 1,137 |
| Total revenue, net of interest expense | 32,290 | 3,633 | 6,803 | 3,624 | 3,030 | 9,751 | 4,169 | 1,280 |
| Provision for credit losses | 9,805 | 37 | 3,535 | 3,600 | 926 | 247 | 242 | 1,218 |
| Noninterest expense | 17,775 | 2,498 | 1,757 | 3,329 | 967 | 4,370 | 3,191 | 1,663 |
| Income (loss) before income taxes | 4,710 | 1,098 | 1,511 | (3,305) | 1,137 | 5,134 | 736 | (1,601) |
| Income tax expense (benefit) (2) Net income (loss) | 1,528 \$3,182 | \$688 | <u>564</u> \$947 | (1,233) \$(2,072) | \$713 | 1,916 \$3,218 | 275 \$461 | (828) \$(773) |
| , , | | | | +(=,=,=) | | | | +() |
| Average Total loans and leases | \$991,615 | n/m | \$189,307 | \$133,745 | \$213,841 | \$99,027 | \$99,038 | \$256,151 |
| Total assets (3) | 2,509,760 | \$439,070 | 195,845 | 234,116 | 294,856 | 782,126 | 256,286 | n/m |
| Total deposits | 981,015 | 414,169 | n/m | n/m | 143,369 | 104,113 | 224,514 | 70,417 |
| Allocated equity | 229,891 | 24,116 | 43,170 | 27,280 | 42,645 | 55,053 | 21,978 | 15,649 |
| Period end | | | | | | | | |
| Total loans and leases | \$976,042 | n/m | \$181,763 | \$132,428 | \$211,255 | \$95,588 | \$98,538 | \$255,851 |
| Total assets ⁽³⁾ Total deposits | 2,338,700 976,102 | \$442,525 417,541 | 190,996 n/m | 224,570 n/m | 301,423 145,454 | 690,772 105,117 | 261,330 230,044 | n/m 56,467 |
| Total deposits | 570,102 | 417,541 | 11/111 | 11/111 | 143,434 | 103,117 | 230,044 | 30,407 |
| | | | | Second Qua | | | | |
| | Total | | Global Card | Home Loans | Global Commercial | Global Banking & | | All |
| | Corporation | Deposits | Services (1) | & Insurance | Banking | Markets | GWIM | Other (1) |
| Net interest income (2) | \$11,942 | \$1,729 | \$4,976 | \$1,199 | \$1,979 | \$2,366 | \$1,288 | \$(1,595) |
| Noninterest income Total revenue, net of interest expense | 21,144 33,086 | 1,748 3,477 | 2,286 7,262 | 3,264 4,463 | 2,843 | 8,045 10,411 | 2,674 3,962 | 2,263 |
| | | | | | | | | 000 |
| Provision for credit losses Noninterest expense | 13,375 17,020 | 87 2,593 | 7,655 1,936 | 2,726 2,834 | 2,081 970 | 588 3,920 | 238 3,142 | 1,625 |
| Income (loss) before income taxes | 2,691 | 797 | (2,329) | (1,097) | (208) | 5,903 | 582 | (957) |
| Income tax expense (benefit) (2) | (533) | 263 | (743) | (371) | (144) | 2,000 | 186 | (1,724) |
| Net income (loss) | \$3,224 | \$534 | \$(1,586) | \$(726) | \$(64) | \$3,903 | \$396 | \$767 |
| Average Total leans and leases | 8077 107 | , | ¢015 000 | ¢121 500 | \$224.255 | ¢116.510 | \$101.746 | \$165.550 |
| Total loans and leases Total assets (3) | \$966,105 2,420,317 | n/m \$440,039 | \$215,808 231,927 | \$131,509 232,253 | \$234,355 278,267 | \$116,513 780,910 | \$101,746 237,591 | \$165,558 n/m |
| Total deposits | 974,892 | 415,502 | 231,927 n/m | 232,233 n/m | 125,805 | 102,650 | 257,391 | 89,527 |
| Allocated equity | 242,867 | 23,381 | 41,775 | 16,128 | 43,476 | 49,670 | 18,113 | 50,324 |
| Period end | | | | | | | | |
| Total loans and leases | \$942,248 | n/m | \$211,325 | \$131,120 | \$230,131 | \$108,320 | \$100,852 | \$159,977 |
| Total assets (3) | 2,254,394 | \$445,936 421,651 | 227,905 | 234,277 | 275,213 | 695,735 | 233,792 | n/m 84 226 |
| Total deposits | 970,742 | 421,651 | n/m | n/m | 128,348 | 104,124 | 207,580 | 84,226 |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 period for Global Card Services is presented on a managed basis with a corresponding offset in All Other.

⁽²⁾ Fully taxable-equivalent basis

⁽³⁾ Total assets include asset allocations to match liabilities (i.e., deposits).

 $n/m = not \ meaningful$

Year-to-Date Results by Business Segment

(Dollars in millions)

| | | | : | Six Months Ended | June 30, 2010 | | | |
|--|----------------------|-----------|-----------------------------|---------------------------|---------------------------------|--------------------------------|----------|------------------|
| | Total Corporation | Deposits | Global Card Services (1) | Home Loans & Insurance | Global Commercial Banking | Global Banking & Markets | GWIM | All Other (1) |
| Net interest income (2) | \$27,267 | \$4,261 | \$9,257 | \$2,213 | \$4,331 | \$4,122 | \$2,776 | \$307 |
| Noninterest income | 34,473 | 2,976 | 4,407 | 4,206 | 1,477 | 11,634 | 5,724 | 4,049 |
| Total revenue, net of interest expense | 61,740 | 7,237 | 13,664 | 6,419 | 5,808 | 15,756 | 8,500 | 4,356 |
| Provision for credit losses | 17,910 | 98 | 7,330 | 5,990 | 1,549 | 114 | 363 | 2,466 |
| Noninterest expense | 35,028 | 4,994 | 3,556 | 6,146 | 1,876 | 9,160 | 6,561 | 2,735 |
| Income (loss) before income taxes | 8,802 | 2,145 | 2,778 | (5,717) | 2,383 | 6,482 | 1,576 | (845) |
| Income tax expense (benefit) (2) | 2,497 | 792 | 1,025 | (2,111) | 880 | 2,337 | 759 | (1,185) |
| Net income (loss) | \$6,305 | \$1,353 | \$1,753 | \$(3,606) | \$1,503 | \$4,145 | \$817 | \$340 |
| Average | | | | | | | | |
| Total loans and leases | \$979,267 | n/m | \$183,407 | \$132,196 | \$209,955 | \$97,456 | \$99,023 | \$256,700 |
| Total assets (3) | 2,499,697 | \$439,854 | 190,993 | 231,628 | 298,767 | 778,439 | 261,124 | n/m |
| Total deposits | 986,344 | 414,924 | n/m | n/m | 144,300 | 108,664 | 226,906 | 67,291 |
| Allocated equity | 231,686 | 24,164 | 41,836 | 26,811 | 42,306 | 54,080 | 22,751 | 19,738 |
| Period end | | | | | | | | |
| Total loans and leases | \$956,177 | n/m | \$173,021 | \$129,798 | \$203,173 | \$95,647 | \$99,351 | \$254,615 |
| Total assets (3) | 2,363,878 | \$436,935 | 183,334 | 225,492 | 303,848 | 712,219 | 259,734 | n/m |
| Total deposits | 974,467 | 411,682 | n/m | n/m | 147,251 | 106,091 | 229,551 | 56,983 |
| | | | | Six Months Ended | Juna 20, 2000 | | | |
| | - | | | Six Monuis Ended | Global | Global | | |
| | Total | | Global Card | Home Loans | Commercial | Banking & | | All |
| | Corporation | Deposits | Services (1) | & Insurance | Banking | Markets | GWIM | Other (1) |
| Net interest income (2) | \$24,761 | \$3,598 | \$10,174 | \$2,391 | \$3,960 | \$5,148 | \$2,942 | \$(3,452) |
| Noninterest income | 44,405 | 3,251 | 4,535 | 7,308 | 1,592 | 14,203 | 5,182 | 8,334 |
| Total revenue, net of interest expense | 69,166 | 6,849 | 14,709 | 9,699 | 5,552 | 19,351 | 8,124 | 4,882 |
| Provision for credit losses | 26,755 | 175 | 15,876 | 6,098 | 3,868 | 913 | 492 | (667) |
| Noninterest expense | 34,022 | 4,895 | 3,982 | 5,491 | 1,944 | 8,613 | 6,256 | 2,841 |
| Income (loss) before income taxes | 8,389 | 1,779 | (5,149) | (1,890) | (260) | 9,825 | 1,376 | 2,708 |
| Income tax expense (benefit) (2) | 918 | 631 | (1,806) | (669) | (160) | 3,405 | 486 | (969) |
| Net income (loss) | \$7,471 | \$1,148 | \$(3,343) | \$(1,221) | \$(100) | \$6,420 | \$890 | \$3,677 |
| Average | | | | | | | | |

\$219,888

237,214

40,885

\$211,325

227,905

n/m

\$235,695

270,444

122,175

41,608

\$230,131

275,213

128,348

\$128,543

225,718

n/m

15,503

\$131,120

234,277

\$118,940

807,940

103,325

47,792

\$108,320

695,735

104,124

\$445,936

n/m

\$420,634

395,999

23,402

n/m

Total loans and leases

Total assets (3)

Total deposits

Total assets (3)

Total deposits

Period end Total loans and leases

Allocated equity

 $Certain\ prior\ period\ amounts\ have\ been\ reclassified\ among\ the\ segments\ to\ conform\ to\ the\ current\ period\ presentation.$

\$980,035

2,469,452

969,516

235,855

\$942,248

2,254,394

970,742

\$170,119

n/m

90,597

49,299

\$159,977

n/m

84,226

\$106,116

258,003

233,049

17,366

\$100,852

233,792

207,580

^{421,651} (1) The 2010 period is presented in accordance with new consolidation guidance. The 2009 period for Global Card Services is presented on a managed basis with a corresponding offset in All Other.

⁽²⁾ Fully taxable-equivalent basis

⁽³⁾ Total assets include asset allocations to match liabilities (i.e., deposits).

Deposits Segment Results (1)

(Dollars in millions

| Net interest income ⁽²⁾ Noninterest income: Service charges All other income (loss) Total noninterest income Total revenue, net of interest expense | Six Months June 3 2010 \$4,261 2,974 2 2,976 7,237 | | Second Quarter 2010 \$2,115 1,494 (5) 1,489 3,604 | First Quarter 2010 \$2,146 1,480 7 1,487 3,633 | Fourth Quarter 2009 \$1,764 1,645 - 1,645 3,409 | Third Quarter 2009 \$1,726 1,904 2 1,906 3,632 | Second Quarter 2009 \$1,729 1,747 1 1,748 3,477 |
|--|--|-------------------------|--|---|--|---|--|
| Provision for credit losses | 98 | 175 | 61 | 37 | 75 | 93 | 87 |
| Noninterest expense | 4,994 | 4,895 | 2,496 | 2,498 | 2,330 | 2,287 | 2,593 |
| Income before income taxes | 2,145 | 1,779 | 1,047 | 1,098 | 1,004 | 1,252 | 797 |
| Income tax expense ⁽²⁾ | 792 | 631 | 382 | 410 | 396 | 439 | 263 |
| Net income | \$1,353 | \$1,148 | \$665 | \$688 | \$608 | \$813 | \$534 |
| Net interest yield ⁽²⁾ Return on average equity Efficiency ratio ⁽²⁾ | 2.08 % 11.29 68.99 | 1.84 % 9.89 71.47 | 2.05 % 11.01 69.24 | 2.11 % 11.57 68.75 | 1.69 10.10 68.36 | % 1.64 13.62 62.97 | % 1.68 % 9.16 74.59 |
| Average Total earning assets (3) Total assets (3) Total deposits Allocated equity | \$413,290 | \$394,374 | \$414,179 | \$412,390 | \$414,798 | \$416,637 | \$413,674 |
| | 439,854 | 420,634 | 440,628 | 439,070 | 441,478 | 443,271 | 440,039 |
| | 414,924 | 395,999 | 415,670 | 414,169 | 416,534 | 418,512 | 415,502 |
| | 24,164 | 23,402 | 24,212 | 24,116 | 23,876 | 23,688 | 23,381 |
| Period end Total earning assets (3) Total assets (3) Total deposits | \$410,922 | \$420,004 | \$410,922 | \$416,174 | \$417,713 | \$415,075 | \$420,004 |
| | 436,935 | 445,936 | 436,935 | 442,525 | 444,612 | 441,585 | 445,936 |
| | 411,682 | 421,651 | 411,682 | 417,541 | 419,583 | 416,951 | 421,651 |

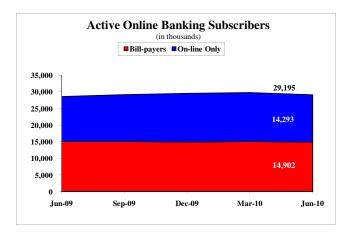
⁽¹⁾ Deposits includes the net impact of migrating customers and their related deposit balances between the Merrill Lynch Global Wealth Management (MLGWM) business within Global Wealth & Investment Management (GWIM) and Deposits. Subsequent to the date of migration, the associated net interest income, service charges and noninterest expense are recorded in the business to which deposits were transferred.

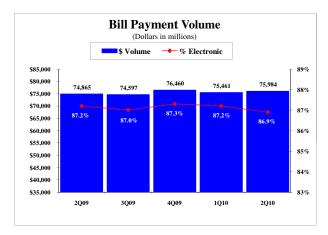
⁽²⁾ Fully taxable-equivalent basis

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

Deposits Key Indicators

| (Dollars in millions, except as noted) | | | | | | | |
|--|------------|------------|-----------|-----------|-----------|-----------|------------|
| | Six Months | Ended | Second | First | Fourth | Third | Second |
| | June 3 | 30 | Quarter | Quarter | Quarter | Quarter | Quarter |
| | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Average deposit balances | | | | | | | |
| Checking | \$146,497 | \$130,541 | \$149,198 | \$143,767 | \$138,997 | \$136,605 | \$135,357 |
| Savings | 34,412 | 31,034 | 35,467 | 33,345 | 31,995 | 32,374 | 32,488 |
| MMS | 119,457 | 84,751 | 122,089 | 116,796 | 108,848 | 98,659 | 91,275 |
| CDs and IRAs | 111,223 | 146,304 | 105,598 | 116,911 | 133,714 | 147,844 | 152,828 |
| Foreign and other | 3,335 | 3,369 | 3,318 | 3,350 | 2,980 | 3,030 | 3,554 |
| Total average deposit balances | \$414,924 | \$395,999 | \$415,670 | \$414,169 | \$416,534 | \$418,512 | \$415,502 |
| Total balances migrated to (from) MLGWM | \$2,454 | \$(40,480) | \$(555) | \$3,009 | \$(33) | \$(2,920) | \$(34,340) |
| Deposit spreads (excludes noninterest costs) | | | | | | | |
| Checking | 3.82 % | 4.12 % | 3.82 % | 3.82 % | 3.82 % | 3.93 % | 4.07 % |
| Savings | 3.72 | 3.88 | 3.70 | 3.73 | 3.67 | 3.83 | 3.87 |
| MMS | 0.81 | 0.23 | 0.84 | 0.77 | 0.59 | 0.58 | 0.55 |
| CDs and IRAs | 0.17 | 0.07 | 0.22 | 0.12 | 0.02 | (0.01) | 0.05 |
| Foreign and other | 4.14 | 3.70 | 4.14 | 4.15 | 3.45 | 3.46 | 3.68 |
| Total deposit spreads | 1.95 | 1.75 | 2.01 | 1.90 | 1.73 | 1.72 | 1.78 |
| Online banking (end of period) | | | | | | | |
| Active accounts (units in thousands) | 29,195 | 28,649 | 29,195 | 29,850 | 29,600 | 29,209 | 28,649 |
| Active billpay accounts (units in thousands) | 14,902 | 15,115 | 14,902 | 15,078 | 14,966 | 15,107 | 15,115 |





Bank of America has the largest active online banking customer base with 29.2 million subscribers.

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

 $14.9\ million$ active bill pay users paid \$76.0 billion worth of bills this quarter.

Bank of America Corporation and Subsidiaries Global Card Services Segment Results $^{(1)}$

(Dollars in millions)

| Net interest income ⁽²⁾ Noninterest income: Card income All other income Total noninterest income Total revenue, net of interest expense | Six Month June 2010 \$9,257 3,781 626 4,407 13,664 | | Second Quarter 2010 \$4,439 1,900 522 2,422 6,861 | First Quarter 2010 \$4,818 1,881 104 1,985 6,803 | Fourth Quarter 2009 \$4,878 2,093 115 2,208 7,086 | Third Quarter 2009 \$4,920 2,183 147 2,330 7,250 | Second Quarter 2009 \$4,976 2,163 123 2,286 7,262 |
|---|--|--|--|---|--|---|--|
| Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (2) Net income (loss) Net interest yield (2) | 7,330 3,556 2,778 1,025 \$1,753 | 15,876 3,982 (5,149) (1,806) \$(3,343) 9,34 % | 3,795 1,799 1,267 461 \$806 | 3,535 1,757 1,511 564 \$947 | 6,854 1,899 (1,667) (659) \$(1,008) | 6,823 1,936 (1,509) (541) \$(968) | 7,655 1,936 (2,329) (743) \$(1,586) |
| Return on average equity Efficiency ratio (2) Balance sheet | 8.45 | n/m | 7.98 | 8.90 | n/m | n/m | n/m |
| | 26.02 | 27.07 | 26.20 | 25.84 | 26.79 | 26.71 | 26.66 |
| Average Total loans and leases Total earning assets Total assets Allocated equity | \$183,407 | \$219,888 | \$177,571 | \$189,307 | \$199,756 | \$208,650 | \$215,808 |
| | 183,579 | 219,771 | 177,868 | 189,353 | 199,383 | 208,287 | 215,575 |
| | 190,993 | 237,214 | 186,195 | 195,845 | 215,447 | 224,165 | 231,927 |
| | 41,836 | 40,885 | 40,517 | 43,170 | 41,696 | 40,652 | 41,775 |
| Period end Total loans and leases Total earning assets Total assets | \$173,021 | \$211,325 | \$173,021 | \$181,763 | \$196,289 | \$202,860 | \$211,325 |
| | 173,497 | 211,054 | 173,497 | 182,267 | 196,046 | 202,653 | 211,054 |
| | 183,334 | 227,905 | 183,334 | 190,996 | 212,668 | 219,642 | 227,905 |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods are presented on a managed basis. (See Exhibit A: Non-GAAP Reconciliations - Global Card Services - Reconciliation on page 46).

n/m = not meaningful

⁽²⁾ Fully taxable-equivalent basis

Bank of America Corporation and Subsidiaries Global Card Services Key Indicators (1)

| Credit Card Data Color C | (Dollars in millions) | Six Months June 3 | • | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
|---|---|----------------------|-----------|-------------------|------------------|-------------------|------------------|-------------------|
| | | | | - | - | - | - | - |
| Average Securitization impact Signature Signat | Credit Card Data (2) | 2010 | 2009 | 2010 | 2010 | 2007 | 2007 | 2007 |
| Securitization impact May \$102,337 May \$104, \$35,225 \$31,040 \$70,200 \$102,040 \$73,167 \$146,444 \$155,225 \$102,598 \$168,400 \$312,930 \$172,392 \$104 \$71,2592 \$71,2592 | | | | | | | | |
| Hold credit card outstandings \$150,810 \$73,167 \$146,444 \$155,225 \$70,93 \$70,940 \$70,536 \$70 \$1 | S | | | | | | | |
| Total credit card outstandings Period card S150,810 S175,524 Period card Scentization impact Charge-offs S Scentization impact Data Collegency S Scentization impact Scentization impact Data Collegency S Scentization impact Data Collegency S Scentization impact Data Collegency S Scentization impact Data S2,728 S184,130 S195,155 S184,130 S195,355 S100,832 S184,130 S195,355 S100,832 S100,832 S184,130 S195,355 S100,832 S100,83 | | | | | | | | |
| Securitization impact Ma | | | | | | | | |
| Held credit card outstandings \$143,130 69,377 \$143,130 \$149,555 \$71,109 70,206 69,377 Charge-off S \$80,000 \$145,000 \$145,000 \$145,000 \$149,555 \$160,824 \$164,534 \$169,815 Charge-off S \$90,83 \$3,676 \$44,459 \$44,594 \$1,941 \$2,169 \$2,064 Total credit card net losses \$90,83 \$3,676 \$44,459 \$44,594 \$1,941 \$2,169 \$2,064 Total credit card net losses \$90,83 \$3,676 \$44,459 \$44,594 \$44,507 \$54,477 \$55,077 Charge-off S \$80,000 \$10,000 | Period end | | | | | | | |
| Total credit card outstandings Statist St | * | | , | | | , | | , |
| Credit Ouality Charge-offs Securitization impact Main S. S. 1.65 S. Main Na S. S. 1.65 S. Main S. S. 1.65 S. S. Main S | | | | | | | | |
| Charge-offs Securitzation impact Securi | Total credit card outstandings | \$143,130 | \$169,815 | \$143,130 | \$149,555 | \$160,824 | \$164,534 | \$169,815 |
| Held net charge-offs | | | | | | | | |
| Total credit card net losses | Securitization impact | | \$5,165 | n/a | n/a | \$2,926 | \$3,308 | \$2,983 |
| Charge-offs % Securitization impact Inda O.03 % Inda I.2.21 % I.2.00 % I.0.80 % I.2.13 I.7.4 I.7.4 I.7.4 I.7.5 I.7.4 I.7.5 I.7.4 I.7.5 I.7.4 I.7.5 I.7.4 I.7.5 I.7.4 I.7.5 I.7 | | | | | | | | |
| Securitization impact M/a 0.03 % M/a 1.02 % 0.07 % 0.00 Held net charge-offs 12.11 % 10.13 12.21 % 12.00 % 10.86 % 12.13 11.74 Total credit card net losses 12.11 % 10.16 % 12.21 % 12.00 % 11.88 % 12.90 % 11.73 39+ Delinquency \$ | Total credit card net losses | \$9,053 | \$8,841 | \$4,459 | \$4,594 | \$4,867 | \$5,477 | \$5,047 |
| Held net charge-offs 12.11 % 10.13 12.21 % 12.00 % 10.86 12.13 11.74 10.16 control credit card net losses 12.11 % 10.16 % 12.21 % 12.00 % 11.88 % 12.90 % 11.73 11.73 11.74 10.16 control credit card net losses 12.11 % 10.16 % 12.21 % 12.00 % 11.18 % 12.90 % 11.73 11.73 11.73 11.74 12.00 % 11.18 % 12.90 % 11.73 11.73 11.74 11.75 12.00 % 11.18 % 12.90 % 11.73 11.74 11.75 10.86 control card net losses 12.10 % 12.10 % 11.74 11.75 10.86 control card net losses 12.10 % 12.10 % 11.74 11.75 12.00 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11.18 % 11.34 % 11. | Charge-offs % | | | | | | | |
| Total credit card net losses | Securitization impact | | 0.03 % | n/a | | 1.02 % | 0.77 % | (0.01) % |
| Securitization impact Secu | | | | | | | | |
| Securitization impact N/a S7,748 N/a N/a S6,599 S7,047 S7,748 Held delinquency S8,212 S12,969 S8,212 S10,125 4,961 5,054 5,221 Total delinquency S8,212 S12,969 S8,212 S10,125 S11,560 S12,101 S12,969 | Total credit card net losses | 12.11 % | 10.16 % | 12.21 % | 12.00 % | 11.88 % | 12.90 % | 11.73 % |
| Held delinquency \$8,212 \$12,969 \$8,212 \$10,125 \$4,961 \$5,054 \$5,221 \$104 delinquency \$8,212 \$10,125 \$11,560 \$12,101 \$12,969 \$30+ Delinquency \$8,212 \$10,125 \$11,560 \$12,101 \$12,969 \$30+ Delinquency \$1,74 \$0,11 \$1,75 \$1,74 \$1,75 \$1,74 \$1,75 \$1,74 \$1,75 \$1,75 \$1,74 \$1,75 | 30+ Delinquency \$ | | | | | | | |
| Total delinquency S8,212 S12,969 S8,212 S10,125 S11,560 S12,101 S12,969 | Securitization impact | | \$7,748 | | | | \$7,047 | \$7,748 |
| 30+ Delinquency % Securitization impact Held delinquency 5.74 % 7.53 Total delinquency 5.74 % 7.64 % 5.74 % 6.77 % 6.98 7.20 7.53 Total delinquency 5.74 % 7.64 % 5.74 % 6.77 % 7.19 % 7.35 % 7.64 90+ Delinquency \$ Securitization impact | 1 2 | | | | | | | |
| Securitization impact n/a 0.11 % n/a n/a 0.21 % 0.15 % 0.11 | Total delinquency | \$8,212 | \$12,969 | \$8,212 | \$10,125 | \$11,560 | \$12,101 | \$12,969 |
| Held delinquency | 30+ Delinquency % | | | | | | | |
| Total delinquency S.74 W T.64 W S.74 W G.77 W T.19 W T.35 W T.64 | * | | | | | | | 0.11 % |
| 90+ Delinquency \$ Securitization impact | 1 2 | | | | | | | |
| Securitization impact N/a \$4,263 N/a N/a \$3,550 \$3,600 \$4,263 Held delinquency \$4,526 2,894 \$4,526 \$5,572 2,657 2,593 2,894 Total delinquency \$4,526 \$7,157 \$4,526 \$5,572 \$6,207 \$6,193 \$7,157 90+ Delinquency \$ | Total delinquency | 5.74 % | 7.64 % | 5.74 % | 6.77 % | 7.19 % | 7.35 % | 7.64 % |
| Held delinquency | | | | | | | | |
| Total delinquency S4,526 S7,157 S4,526 S5,572 S6,207 S6,193 S7,157 | <u>*</u> | | | | | | | |
| 90+ Delinquency % Securitization impact n/a 0.04 % n/a n/a 0.12 % 0.07 % 0.04 Held delinquency 3.16 % 4.17 Total delinquency 3.16 % 4.21 % 3.16 % 3.73 % 3.74 % 3.69 4.17 Cother Global Card Services Key Indicators Credit card data Gross interest yield 11.04 % 11.51 % 10.89 % 11.18 % 11.34 % 11.18 % 11.33 Risk adjusted margin 1.58 2.94 1.33 1.83 1.47 0.26 1.28 New account growth (in thousands) 1,414 2.188 670 745 994 1,014 957 Purchase volumes \$102,600 \$100,000 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 | | | | | | | | |
| No. | Total delinquency | \$4,526 | \$7,157 | \$4,526 | \$5,572 | \$6,207 | \$6,193 | \$7,157 |
| Held delinquency 3.16 % 4.17 3.16 % 3.73 % 3.74 3.69 4.17 | 90+ Delinquency % | | | | | | | |
| Credit card data 11.04 11.58 2.94 1.33 1.83 1.47 0.26 1.28 New account growth (in thousands) 1,414 2,188 670 745 994 1,014 957 Purchase volumes \$102,600 \$100,000 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 | Securitization impact | | 0.04 % | n/a | | 0.12 % | 0.07 % | 0.04 % |
| Other Global Card Services Key Indicators Credit card data Gross interest yield 11.04 % 11.51 % 10.89 % 11.18 % 11.34 % 11.18 % 11.33 1.1.18 % 11.34 % 11.18 % 11.33 1.1.18 % 11.33 1.83 1.47 0.26 1.28 1.28 670 745 994 1.014 9957 1.014 957 Purchase volumes \$102,600 \$100,000 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 Debit Card Data | | | | | | | | |
| Credit card data Gross interest yield 11.04 % 11.51 % 10.89 % 11.18 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.13 % 11.24 % 11.23 1.23 1.23 1.24 9.24 </td <td>Total delinquency</td> <td>3.16 %</td> <td>4.21 %</td> <td>3.16 %</td> <td>3.73 %</td> <td>3.86 %</td> <td>3.76 %</td> <td>4.21 %</td> | Total delinquency | 3.16 % | 4.21 % | 3.16 % | 3.73 % | 3.86 % | 3.76 % | 4.21 % |
| Gross interest yield 11.04 % 11.51 % 10.89 % 11.18 % 11.34 % 11.18 % 11.38 % 11.33 1.83 1.47 0.26 1.28 1.28 1.28 670 745 994 1,014 957 957 957 953,924 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 Debit Card Data | Other Global Card Services Key Indicators | | | | | | | |
| Risk adjusted margin 1.58 2.94 1.33 1.83 1.47 0.26 1.28 New account growth (in thousands) 1,414 2,188 670 745 994 1,014 957 Purchase volumes \$102,600 \$100,000 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 Debit Card Data | | 11.04 6 | 11.51 0 | 10.00 % | 11 10 6 | 11 24 .04 | 11 10 0 | 11.33 % |
| New account growth (in thousands) 1,414 2,188 670 745 994 1,014 957 Purchase volumes \$102,600 \$100,000 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 Debit Card Data | • | | | | | | | |
| Purchase volumes \$102,600 \$100,000 \$53,924 \$48,677 \$54,875 \$53,031 \$51,944 Debit Card Data | , . | | | | | | | |
| Debit Card Data | | | | | | | | |
| | | Ψ10 2,000 | ¥100,000 | 400,727 | ψ.0,077 | Ψυ 1,010 | Ψυυ,0υ1 | Ψυ 1,777 |
| Debit nurchase volumes \$115.203 \$106.291 \$59.136 \$56.067 \$57.186 \$54.764 \$55.158 | Debit Card Data Debit purchase volumes | \$115,203 | \$106,291 | \$59,136 | \$56,067 | \$57,186 | \$54,764 | \$55,158 |

 $n/a = not \ applicable$

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods are presented on a managed basis.
(2) Credit Card includes U.S., Europe and Canada consumer credit card and does not include business card, debit card and unsecured consumer lending.

Home Loans & Insurance Segment Results

| (Dollars in millions; except as noted) | | | Second | | | | | |
|---|----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----|
| | | Six Months Ended | | First | Fourth | Third | Second | |
| | June 3 2010 | 2009 | Quarter 2010 | Quarter 2010 | Quarter 2009 | Quarter 2009 | Quarter 2009 | |
| Net interest income (1) | | | | | | | | |
| | \$2,213 | \$2,391 | \$1,000 | \$1,213 | \$1,275 | \$1,309 | \$1,199 | |
| Noninterest income: | 2.661 | 6.001 | 1.020 | 1.641 | 1.016 | 1 424 | 2.661 | |
| Mortgage banking income | 2,661 | 6,081 | 1,020 | 1,641 590 | 1,816 618 | 1,424 594 | 2,661 | |
| Insurance income | 1,151 | 1,134 | 561 | | | | 553 | |
| All other income Total noninterest income | 394 | 93 | 214 | 180 | 82 | 86 | 3 264 | |
| | 4,206 | 7,308 | 1,795 | 2,411 | 2,516 | 2,104 | 3,264 | |
| Total revenue, net of interest expense | 6,419 | 9,699 | 2,795 | 3,624 | 3,791 | 3,413 | 4,463 | |
| Provision for credit losses | 5,990 | 6,098 | 2,390 | 3,600 | 2,249 | 2,897 | 2,726 | |
| Noninterest expense | 6,146 | 5,491 | 2,817 | 3,329 | 3,164 | 3,049 | 2,834 | |
| Loss before income taxes | (5,717) | (1,890) | (2,412) | (3,305) | (1,622) | (2,533) | (1,097) | |
| Income tax benefit (1) | (2,111) | (669) | (878) | (1,233) | (628) | (898) | (371) | |
| Net loss | \$(3,606) | \$(1,221) | \$(1,534) | \$(2,072) | \$(994) | \$(1,635) | \$(726) | |
| Net interest yield (1) | 2.36 % | 2.53 % | 2.13 % | 2.58 % | 2.64 % | 2.59 % | 2.43 % | 76 |
| Efficiency ratio (1) | 95.73 | 56.62 | 100.78 | 91.85 | 83.47 | 89.33 | 63.50 | |
| Balance sheet | | | | | | | | |
| Average | | | | | | | | |
| Total loans and leases | \$132,196 | \$128,543 | \$130,664 | \$133,745 | \$132,326 | \$132,599 | \$131,509 | |
| Total earning assets | 189,468 | 190,272 | 188,146 | 190,805 | 191,544 | 200,426 | 197,651 | |
| Total assets | 231,628 | 225,718 | 229,168 | 234,116 | 232,827 | 236,086 | 232,253 | |
| Allocated equity | 26,811 | 15,503 | 26,346 | 27,280 | 26,214 | 24,737 | 16,128 | |
| Period end | | | | | | | | |
| Total loans and leases | \$129,798 | \$131,120 | \$129,798 | \$132,428 | \$131,302 | \$134,255 | \$131,120 | |
| Total earning assets | 188,091 | 197,419 | 188,091 | 183,898 | 188,349 | 197,550 | 197,419 | |
| Total assets | 225,492 | 234,277 | 225,492 | 224,570 | 232,588 | 234,725 | 234,277 | |
| Period end (in billions) | | | | | | | | |
| Mortgage servicing portfolio (2) | \$2,127.6 | \$2,111.9 | \$2,127.6 | \$2,143.7 | \$2,150.8 | \$2,148.3 | \$2,111.9 | |

⁽¹⁾ Fully taxable-equivalent basis

⁽²⁾ Servicing of residential mortgage loans, home equity lines of credit, home equity loans and discontinued real estate mortgage loans.

Home Loans & Insurance Key Indicators (Dollars in millions, except as noted)

| | Six Months June | 30 | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
|---|--------------------|-----------|-------------------|------------------|-------------------|------------------|-------------------|
| | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Mortgage servicing rights at fair value rollforward: | | | | | | | |
| Beginning balance | \$19,465 | \$12,733 | \$18,842 | \$19,465 | \$17,539 | \$18,535 | \$14,096 |
| Merrill Lynch balance, January 1, 2009 | - | 209 | - | - | - | - | - |
| Net additions | 2,013 | 2,955 | 882 | 1,131 | 1,035 | 1,738 | 1,706 |
| Impact of customer payments | (2,037) | (2,291) | (981) | (1,056) | (1,089) | (1,111) | (1,098) |
| Other changes in MSR fair value | (4,696) | 4,929 | (3,998) | (698) | 1,980 | (1,623) | 3,831 |
| Ending balance | \$14,745 | \$18,535 | \$14,745 | \$18,842 | \$19,465 | \$17,539 | \$18,535 |
| Capitalized mortgage servicing rights | | | | | | <u> </u> | |
| (% of loans serviced) | 86 bps | 109 bps | 86 | bps 110 b | ps 113 b | ps 102 bps | 109 bps |
| Mortgage loans serviced for investors (in billions) | \$1,706 | \$1,703 | \$1,706 | \$1,717 | \$1,716 | \$1,726 | \$1,703 |
| Loan production: | | | | | | | |
| Home Loans & Insurance | | | | | | | |
| First mortgage | \$136,106 | \$181,519 | \$69,141 | \$66,965 | \$83,503 | \$89,484 | \$103,021 |
| Home equity | 3,602 | 5,843 | 1,831 | 1,771 | 2,420 | 2,225 | 2,920 |
| Total Corporation (1) | 3,002 | 5,045 | 1,001 | 1,771 | 2,420 | 2,223 | 2,720 |
| First mortgage | 141,440 | 195,863 | 71,938 | 69,502 | 86,588 | 95,654 | 110,645 |
| Home equity | 4,164 | 7,688 | 2,137 | 2,027 | 2,787 | 2,739 | 3,650 |
| rione equity | 4,104 | 7,088 | 2,137 | 2,027 | 2,787 | 2,739 | 5,050 |
| Mortgage banking income | | | | | | | |
| Production income | \$937 | \$3,323 | \$180 | \$757 | \$1,060 | \$1,118 | \$1,674 |
| Servicing income: | | | | | | | |
| Servicing fees | 3,214 | 3,029 | 1,647 | 1,567 | 1,601 | 1,596 | 1,511 |
| Impact of customer payments | (2,037) | (2,291) | (981) | (1,056) | (1,089) | (1,111) | (1,098) |
| Fair value changes of MSRs, net of economic hedge results (2) | 209 | 1,757 | 12 | 197 | 95 | (313) | 447 |
| Other servicing-related revenue | 338 | 263 | 162 | 176 | 149 | 134 | 127 |
| Total net servicing income | 1,724 | 2,758 | 840 | 884 | 756 | 306 | 987 |
| Total Home Loans & Insurance mortgage banking income | 2,661 | 6,081 | 1,020 | 1,641 | 1,816 | 1,424 | 2,661 |
| Other business segments' mortgage banking loss (3) | (263) | (240) | (122) | (141) | (164) | (126) | (134) |
| Total consolidated mortgage banking income | \$2,398 | \$5,841 | \$898 | \$1,500 | \$1,652 | \$1,298 | \$2,527 |
| | | | | | | | |

⁽¹⁾ In addition to loan production in Home Loans & Insurance, the remaining first mortgage and home equity loan production is primarily in GWIM.
(2) Includes sale of mortgage servicing rights.
(3) Includes the effect of transfers of mortgage loans from Home Loans & Insurance to the ALM portfolio included in All Other.

Global Commercial Banking Segment Results

| (Dollars in millions) | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Six Month | s Ended | Second | First | Fourth | Third | Second |
| | June | | Quarter | Quarter | Quarter | Quarter | Quarter |
| | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Net interest income (1) | \$4,331 | \$3,960 | \$2,118 | \$2,213 | \$2,082 | \$2,012 | \$1,979 |
| Noninterest income: | | | | | | | |
| Service charges | 1,071 | 1,023 | 528 | 543 | 522 | 533 | 512 |
| All other income | 406 | 569 | 132 | 274 | 212 | 227 | 352 |
| Total noninterest income | 1,477 | 1,592 | 660 | 817 | 734 | 760 | 864 |
| Total revenue, net of interest expense | 5,808 | 5,552 | 2,778 | 3,030 | 2,816 | 2,772 | 2,843 |
| Provision for credit losses | 1,549 | 3,868 | 623 | 926 | 1,843 | 2,057 | 2,081 |
| Noninterest expense | 1,876 | 1,944 | 909 | 967 | 930 | 959 | 970 |
| Income (loss) before income taxes | 2,383 | (260) | 1,246 | 1,137 | 43 | (244) | (208) |
| Income tax expense (benefit) (1) | 880 | (160) | 456 | 424 | 74 | (84) | (144) |
| Net income (loss) | \$1,503 | \$(100) | \$790 | \$713 | \$(31) | \$(160) | \$(64) |
| Net interest yield (1) | 3.26 % | 3.36 % | 3.13 | % 3.39 | % 3.04 | % 3.05 | % 3.23 % |
| Return on average equity | 7.16 | n/m | 7.55 | 6.78 | n/m | n/m | n/m |
| Efficiency ratio (1) | 32.31 | 35.00 | 32.74 | 31.92 | 33.03 | 34.61 | 34.12 |
| Balance sheet | | | | | | | |
| Average | | | | | | | |
| Total loans and leases | \$209,955 | \$235,695 | \$206,111 | \$213,841 | \$219,239 | \$225,994 | \$234,355 |
| Total earning assets (2) | 267,890 | 237,932 | 271,370 | 264,370 | 271,266 | 261,876 | 245,586 |
| Total assets (2) | 298,767 | 270,444 | 302,636 | 294,856 | 301,771 | 292,878 | 278,267 |
| Total deposits | 144,300 | 122,175 | 145,221 | 143,369 | 143,089 | 131,548 | 125,805 |
| Allocated equity | 42,306 | 41,608 | 41,971 | 42,645 | 42,307 | 42,193 | 43,476 |
| Period end | | | | | | | |
| Total loans and leases | \$203,173 | \$230,131 | \$203,173 | \$211,255 | \$215,237 | \$221,543 | \$230,131 |
| Total earning assets (2) | 272,691 | 243,771 | 272,691 | 271,098 | 264,745 | 253,557 | 243,771 |
| Total assets (2) | 303,848 | 275,213 | 303,848 | 301,423 | 295,829 | 284,869 | 275,213 |
| Total deposits | 147,251 | 128,348 | 147,251 | 145,454 | 146,905 | 133,214 | 128,348 |

⁽¹⁾ Fully taxable-equivalent basis

 $n/m = not \ meaningful$

⁽²⁾ Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

Global Commercial Banking Key Indicators

| (Dollars in millions) | | | | | | | | | | | | | | |
|---|-----------|-------|-----------|---|-----------|---|-----------|---|-----------|---|-----------|-----|-----------|---|
| | | | Ended | | Second | | First | | Fourth | | Third | | Second | |
| | | une 3 | | | Quarter | | Quarter | | Quarter | | Quarter | | Quarter | |
| | 2010 | | 2009 | | 2010 | | 2010 | | 2009 | | 2009 | | 2009 | _ |
| Revenue, net of interest expense | | | | | | | | | | | | | | |
| by service segment | | | | | | | | | | | | | | |
| Business lending | \$3,535 | | \$3,424 | | \$1,656 | | \$1,879 | | \$1,746 | | \$1,724 | | \$1,801 | |
| Treasury services | 2,273 | | 2,128 | | 1,122 | | 1,151 | | 1,070 | | 1,048 | | 1,042 | |
| Total revenue, net of interest expense (1) | \$5,808 | | \$5,552 | = | \$2,778 | | \$3,030 | | \$2,816 | | \$2,772 | . = | \$2,843 | = |
| Average loans and leases by product | | | | | | | | | | | | | | |
| Commercial - domestic | \$106,160 | | \$124,175 | | \$104,261 | | \$108,081 | | \$111,341 | | \$115,324 | | \$122,107 | |
| Commercial real estate | 55,808 | | 63,357 | | 53,721 | | 57,917 | | 60,351 | | 62,773 | | 64,430 | |
| Direct/Indirect consumer | 45,589 | | 45,334 | | 45,776 | | 45,400 | | 45,001 | | 45,309 | | 45,052 | |
| Other | 2,398 | | 2,829 | | 2,353 | | 2,443 | | 2,546 | | 2,588 | | 2,766 | |
| Total average loans and leases | \$209,955 | | \$235,695 | | \$206,111 | | \$213,841 | | \$219,239 | | \$225,994 | | \$234,355 | - |
| Loan spread | 2.31 | % | 1.96 | % | 2.32 | % | 2.30 | % | 2.18 | % | 2.11 | % | 2.03 | % |
| Credit quality | | | | | | | | | | | | | | |
| Reservable utilized criticized exposure (2) | \$37,613 | | \$39,360 | | \$37,613 | | \$39,586 | | \$41,225 | | \$42,109 | | \$39,360 | |
| | 18.50 | % | 16.73 | % | 18.50 | % | 18.53 | % | 18.75 | % | 18.59 | % | 16.73 | % |
| Nonperforming loans, leases and foreclosed properties (3) | \$10,027 | | \$9,695 | | \$10,027 | | \$10.814 | | \$11,083 | | \$10.412 | | \$9,695 | |
| | 4.92 | % | 4.21 | % | 4.92 | % | 5.10 | % | 5.13 | % | 4.69 | % | 4.21 | % |
| Average deposit balances | | | | | | | | | | | | | | |
| Interest-bearing | \$54,185 | | \$50,441 | | \$54,187 | | \$54,182 | | \$53,862 | | \$49,533 | | \$49,579 | |
| Noninterest-bearing | 90,115 | | 71,734 | | 91,034 | | 89,187 | | 89,227 | | 82,015 | | 76,226 | |
| Total | \$144,300 | • | \$122,175 | _ | \$145,221 | | \$143,369 | - | \$143,089 | • | \$131,548 | _ | \$125,805 | • |

⁽¹⁾ Fully taxable-equivalent basis
(2) 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 and commercial letters of credit.
(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

Global Banking & Markets Segment Results

| Dollars in millions) | Six Month | s Ended | Second | First | Fourth | Third | Second |
|--|--------------------|--------------------|------------------|------------------|------------------|------------------|------------------|
| | June | 30 | Quarter | Quarter | Quarter | Quarter | Quarter |
| | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Net interest income (1) | \$4,122 | \$5,148 | \$1,976 | \$2,146 | \$2,169 | \$2,255 | \$2,366 |
| Noninterest income: | | | | | | | |
| Service charges | 1,048 | 923 | 529 | 519 | 565 | 555 | 441 |
| Investment and brokerage services | 1,299 | 1,476 | 676 | 623 | 596 | 590 | 861 |
| Investment banking income | 2,518 | 2,725 | 1,301 | 1,217 | 1,970 | 1,232 | 1,605 |
| Trading account profits | 6,274 | 7,017 | 1,202 | 5,072 | 1,378 | 3,411 | 2,048 |
| All other income (loss) | 495 | 2,062 | 321 | 174 | (1,059) | (368) | 3,090 |
| Total noninterest income Total revenue, net of interest expense | 11,634 15,756 | 14,203 19,351 | 4,029 6,005 | 7,605 9,751 | 3,450 5,619 | 5,420 7,675 | 8,045 10,411 |
| Provision for credit losses | 114 | 913 | (133) | 247 | 547 | 538 | 588 |
| Noninterest expense | 9,160 | 8,613 | 4,790 | 4,370 | 3,595 | 3,640 | 3,920 |
| Income before income taxes | 6,482 | 9,825 | 1,348 | 5,134 | 1,477 | 3,497 | 5,903 |
| Income tax expense (1) | 2,337 | 3,405 | 421 | 1,916 | 30 | 1,246 | 2,000 |
| Net income | \$4,145 | \$6,420 | \$927 | \$3,218 | \$1,447 | \$2,251 | \$3,903 |
| Return on average equity | 15.46 % | 27.09 % | 7.00 % | 23.70 % | 11.14 % | 17.57 % | 31.52 |
| Efficiency ratio (1) | 58.14 | 44.51 | 79.75 | 44.83 | 63.98 | 47.42 | 37.66 |
| Sales and trading revenue | | | | | | | |
| Fixed income, currency and commodities | \$7,831 | \$7,450 | \$2,316 | \$5,515 | \$1,270 | \$4,004 | \$2,682 |
| Equity income | 2,382 | 2,687 | 852 | 1,530 | 950 | 1,265 | 1,198 |
| Total sales and trading revenue (2) | \$10,213 | \$10,137 | \$3,168 | \$7,045 | \$2,220 | \$5,269 | \$3,880 |
| Balance sheet | | | | | | | |
| Average | | | | | | | |
| Total trading-related assets (3) | \$511,358 | \$521,558 | \$513,204 | \$509,492 | \$494,001 | \$496,326 | \$504,861 |
| Total loans and leases | 97,456 | 118,940 | 95,902 | 99,027 | 99,635 | 105,995 | 116,513 |
| Total market-based earning assets | 524,054 | 483,086 | 520,825 | 527,319 | 490,561 | 468,838 | 476,431 |
| Total earning assets (4) | 617,133 | 598,681 | 610,791 | 623,545 | 585,396 | 570,601 | 587,112 |
| Total assets (4) | 778,439 | 807,940 | 774,792 | 782,126 | 746,564 | 754,344 | 780,910 |
| Total deposits | 108,664 | 103,325 | 113,165 | 104,113 | 108,638 | 104,228 | 102,650 |
| Allocated equity | 54,080 | 47,792 | 53,117 | 55,053 | 51,523 | 50,844 | 49,670 |
| Period end | | | | | | | |
| Total trading-related assets (3) | \$472,079 | \$436,002 | \$472,079 | \$441,087 | \$411,562 | \$448,821 | \$436,002 |
| Total loans and leases | 95,647 | 108,320 | 95,647 | 95,588 | 95,930 | 101,730 | 108,320 |
| Total market-based earning assets | 462,484 | 401,164 | 462,484 | 440,305 | 404,315 | 418,756 | 401,164 |
| Total earning assets (4) | 549,911 | 506,184 | 549,911 | 533,845 | 501,877 | 516,156 | 506,184 |
| Total assets (4) | 712,219 | 695,735 | 712,219 | 690,772 | 653,802 | 703,404 | 695,735 |
| Total deposits | 106,091 | 104,124 | 106,091 | 105,117 | 102,211 | 98,704 | 104,124 |
| Frading-related assets (average) | | | | | | | |
| Trading account securities | \$204,072 | \$204,509 | \$204,142 | \$204,001 | \$200,917 | \$198,732 | \$191,014 |
| Reverse repurchases | 186,618 | 162,216 | 184,146 | 189,118 | 173,574 | 155,608 | 160,630 |
| Securities borrowed | 56,100 | 45,950 | 57,309 | 54,878 | 53,092 | 53,694 | 51,296 |
| Derivative assets | 64,568 | 108,883 | 67,607 | 61,495 | 66,418 | 88,292 | 101,921 |
| Total trading-related assets (3) | \$511,358 | \$521,558 | \$513,204 | \$509,492 | \$494,001 | \$496,326 | \$504,861 |
| (1) Fully taxable-equivalent basis | | | | | | | |
| (2) Sales and trading revenue represents total Global Banking & Markets revenue, | | | | a | | AF | |
| Total Global Banking & Markets revenue, net of interest expense | \$15,756 | \$19,351 | \$6,005 | \$9,751 | \$5,619 | \$7,675 | \$10,411 |
| Total Global Banking revenue, net of interest expense Investment banking income | (4,683) (1,192) | (7,959) (1,305) | (2,391) (596) | (2,292) (596) | (2,173) (908) | (1,885) (635) | (5,928) (820) |
| Investment banking income Fair value option net interest income | (82) | (1,305) | (35) | (396) (47) | (55) | (66) | (820) |
| Revenue (loss) shared | 414 | 139 | 185 | 229 | (263) | 180 | 269 |
| | | | | | | | |
| Loss on sale of prime brokerage business | - | 52 | - | | | | 21 |

⁽³⁾ Includes assets which are not considered earning assets (i.e. derivative assets).

(4) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

Global Banking & Markets Key Indicators

| (Dollars in millions) | Six Mo | nths E | Ended | ı | Second | | First | | Fourth | | Third | | Second | |
|---|----------|--------|----------|---|-----------|---|----------|---|----------|---|----------|---|----------|---|
| | Ju | ine 30 | | | Quarter | | Quarter | | Quarter | | Quarter | | Quarter | |
| | 2010 | | 2009 | | 2010 | _ | 2010 | | 2009 | _ | 2009 | | 2009 | |
| Investment banking income (1) | | | | | | | | | | | | | | |
| Advisory (2) | \$409 | | \$621 | | \$242 | | \$167 | | \$360 | | \$186 | | \$292 | |
| Debt issuance | 1,600 | | 1,599 | | 827 | | 773 | | 805 | | 720 | | 944 | |
| Equity issuance | 662 | _ | 665 | | 318 | _ | 344 | | 893 | _ | 406 | | 508 | |
| | 2,671 | | 2,885 | | 1,387 | | 1,284 | | 2,058 | | 1,312 | | 1,744 | |
| Offset for intercompany fees (3) | (112) | _ | (184) | | (68) | _ | (44) | | (462) | _ | (58) | | (98) | |
| Total investment banking income | \$2,559 | _ | \$2,701 | | \$1,319 | - | \$1,240 | | \$1,596 | | \$1,254 | | \$1,646 | |
| Global Corporate & Investment Banking Key Indicators | | | | | | | | | | | | | | |
| Revenue, net of interest expense - by service segment | | | | | | | | | | | | | | |
| Business lending | \$1,818 | | \$1,494 | | \$870 | | \$948 | | \$747 | | \$602 | | \$633 | |
| Treasury services | 1,385 | | 5,217 | | 712 | | 673 | | 721 | | 751 | | 4,494 | |
| Investment banking related (4) | 1,475 | | 1,226 | | 807 | _ | 668 | _ | 705 | _ | 550 | | 799 | _ |
| Total revenue, net of interest expense | \$4,678 | _ | \$7,937 | | \$2,389 | | \$2,289 | | \$2,173 | • | \$1,903 | | \$5,926 | |
| Average deposit balances | | | | | | | | | | | | | | |
| Interest-bearing | \$52,877 | | \$48,013 | | \$55,116 | | \$50,614 | | \$49,155 | | \$44,141 | | \$44,323 | |
| Noninterest-bearing | 46,798 | | 45,945 | | 49,073 | | 44,497 | | 49,591 | | 51,505 | | 48,372 | |
| Total average deposits | \$99,675 | = | \$93,958 | | \$104,189 | - | \$95,111 | | \$98,746 | | \$95,646 | | \$92,695 | : |
| Loan spread | 1.94 | % | 1.54 | % | 1.94 | % | 1.94 | % | 1.61 | % | 1.61 | % | 1.55 | % |
| Provision for credit losses | \$21 | | \$862 | | \$(190) | | \$211 | | \$295 | | \$441 | | \$588 | |
| Credit quality (5, 6) | | | | | | | | | | | | | | |
| Reservable utilized criticized exposure | \$7,290 | | \$11,542 | | \$7,290 | | \$9,664 | | \$10,989 | | \$11,842 | | \$11,542 | |
| • | 7.29 | % | 10.31 | % | 7.29 | % | 9.69 | % | 10.72 | % | 11.15 | % | 10.31 | % |
| Nonperforming loans, leases and foreclosed properties | \$905 | | \$1,273 | | \$905 | | \$922 | | \$1,240 | | \$1,335 | | \$1,273 | |
| | 1.13 | % | 1.38 | % | 1.13 | % | 1.16 | % | 1.49 | % | 1.53 | % | 1.38 | % |
| Average loans and leases by product | | | | | | | | | | | | | | |
| Commercial - domestic | \$34.879 | | \$49,810 | | \$33,594 | | \$36,178 | | \$39,664 | | \$42,602 | | \$46,870 | |
| Commercial real estate | 33 | | 87 | | 31 | | 36 | | 46 | | 55 | | 73 | |
| Commercial lease financing | 23,472 | | 24.261 | | 23,250 | | 23,696 | | 23,873 | | 24,139 | | 24,207 | |
| Commercial - foreign | 22,305 | | 25,735 | | 22,705 | | 21,901 | | 22,375 | | 23,764 | | 25,853 | |
| Direct/Indirect consumer | 1 | | 4 | | 1 | | 2 | | 2 | | 3 | | 3 | |
| Other | 43 | | 61 | | 42 | | 43 | | 45 | | 55 | | 60 | |
| | \$80,733 | | | | \$79,623 | | | | | | \$90,618 | | \$97,066 | |

⁽¹⁾ Represents total investment banking income for the Corporation, including amounts related to Global Banking & Markets of \$2.5 billion and \$2.7 billion for the six months ended June 30, 2010 and 2009; \$1.3 billion and \$1.6 billion for the second and first quarters of 2010, and \$2.0 billion, \$1.2 billion and \$1.6 billion for the fourth, third and second quarters of 2009, respectively.
(2) Advisory includes fees on debt and equity advisory and mergers and acquisitions.
(3) Represents to effset to fees paid on the Corporation's transactions.
(4) Includes revenue and loss sharing with Global Markets for certain activities and positions.

Incuraces revenue and loss sharing with Global Markets for certain activities and positions.
 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 tetters of credit and bankers' acceptances.
 Nonperforming loans, leases 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 loans and leases plus commercial foreclosed properties.

Bank of America Corporation and Subsidiaries Investment Banking Product Rankings

| | Si | x Months Er | ided | June 30, 2010 |) | |
|------------------------------------|--------------------|-----------------|------|--------------------|-----------------|----|
| | Glob | al | | U.S | 5. | |
| | Product Ranking | Market Share | | Product Ranking | Market Share | |
| High-yield corporate debt | 2 | 10.8 | % | 2 | 15.8 | % |
| Leveraged loans | 1 | 18.3 | | 1 | 23.5 | |
| Mortgage-backed securities | 1 | 17.9 | | 1 | 20.6 | |
| Asset-backed securities | 1 | 14.5 | | 1 | 19.8 | |
| Convertible debt | 3 | 8.9 | | 3 | 13.2 | |
| Common stock underwriting | 3 | 7.1 | | 4 | 9.4 | |
| Investment grade corporate debt | 2 | 6.2 | | 2 | 15.9 | |
| Syndicated loans | 2 | 9.5 | | 1 | 21.3 | i. |
| Net investment banking revenue | 2 | 7.3 | | 1 | 12.6 | |
| Announced mergers and acquisitions | 5 | 13.4 | | 5 | 21.1 | |
| Equity capital markets | 2 | 7.3 | | 3 | 10.3 | |
| Debt capital markets | 3 | 6.9 | | 1 | 11.8 | |

Source: Dealogic data. Figures above include self-led transactions.

- Rankings based on deal volumes except for investment banking revenue rankings which reflect fees.
- 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 only to the investment bank advising the parent company that is domiciled within that region.
- Each advisor receives full credit for the deal amount unless advising a minority stakeholder.

Highlights

Global top 3 rankings in:

High-yield corporate debt Investment grade corporate debt

Leveraged loans Syndicated loans

Mortgage-backed securities Net investment banking revenue

Asset-backed securities Equity capital markets

Convertible debt Debt capital markets

Common stock underwriting

U.S. top 3 rankings in:

High-yield corporate debt

Investment grade corporate debt

Leveraged loans Syndicated loans

Mortgage-backed securities Net investment banking revenue

Asset-backed securities Equity capital markets

Convertible debt Debt capital markets

Excluding self-led deals, global and U.S. leveraged loans, mortgage-backed securities and asset-backed securities rankings were #1. High-yield corporate debt and investment grade corporate debt ranked #2 in the U.S. and globally. Syndicated loans ranked #1 in the U.S. and #2 globally. Convertible debt ranked #3 and common stock underwriting ranked #4 in the U.S. Net investment banking revenue ranked #1 in the U.S. and #2 globally, debt capital markets ranked #2 and equity capital markets ranked #3 in the U.S.

Super Senior Collateralized Debt Obligation Exposure (Dollars in millions)

| | | | June 30, 2010 | | |
|------------|--------------|-----------|---------------|--------------|---------|
| | | Retained | Total | Non- | |
| | Subprime (1) | Positions | Subprime | Subprime (2) | Total |
| Unhedged | \$745 | \$330 | \$1,075 | \$307 | \$1,382 |
| Hedged (3) | 580 | - | 580 | 552 | 1,132 |
| Total | \$1,325 | \$330 | \$1,655 | \$859 | \$2,514 |

⁽¹⁾ Classified as subprime when subprime consumer real estate loans make up at least 35 percent of the ultimate underlying collateral's original net exposure value.

Credit Default Swaps with Monoline Financial Guarantors

| (Dollars in millions) | | | |
|--|-------------------------|----------------------------------|----------------|
| _ | | June 30, 2010 | |
| | Super Senior CDOs | Other Guaranteed Positions | Total |
| Notional | \$3,668 | \$35,235 | \$38,903 |
| Mark-to-market or guarantor receivable | \$2,919 | \$7,292 | \$10,211 |
| Credit valuation adjustment | (2,206) | (3,783) | (5,989) |
| Total = | \$713 | \$3,509 | \$4,222 |
| Credit valuation adjustment % | 76 % | 52 % | 59 % |
| (Writedowns) gains during the three months ended June 30, 2010 | \$(224) | \$115 | \$(109) |
| (Writedowns) gains during the six months ended June 30, 2010 | (333) | 154 | (179) |

⁽²⁾ Includes highly-rated collateralized loan obligations and commercial mortgage-backed securities super senior exposure.

⁽³⁾ Hedged amounts are presented at carrying value before consideration of the insurance.

Global Wealth & Investment Management Segment Results (1)

(Dollars in millions, except as noted)

| | Six Month | | Second | First | Fourth | Third | Second |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | June 2010 | 2009 | Quarter 2010 | Quarter 2010 | Quarter 2009 | Quarter 2009 | Quarter 2009 |
| Net interest income (2) | \$2,776 | \$2,942 | \$1,385 | \$1,391 | \$1,273 | \$1,329 | \$1,288 |
| Noninterest income: | | . , | . , | | | | . , |
| Investment and brokerage services | 4,391 | 4,158 | 2,241 | 2,150 | 2,161 | 2,104 | 2,028 |
| All other income | 1,333 | 1,024 | 705 | 628 | 1,834 | 438 | 646 |
| Total noninterest income | 5,724 | 5,182 | 2,946 | 2,778 | 3,995 | 2,542 | 2,674 |
| Total revenue, net of interest expense | 8,500 | 8,124 | 4,331 | 4,169 | 5,268 | 3,871 | 3,962 |
| Provision for credit losses | 363 | 492 | 121 | 242 | 53 | 515 | 238 |
| Noninterest expense | 6,561 | 6,256 | 3,370 | 3,191 | 3,144 | 3,003 | 3,142 |
| Income before income taxes | 1,576 | 1,376 | 840 | 736 | 2,071 | 353 | 582 |
| Income tax expense (2) | 759 | 486 | 484 | 275 | 774 | 118 | 186 |
| Net income | \$817 | \$890 | \$356 | \$461 | \$1,297 | \$235 | \$396 |
| Net interest yield (2) | 2.44 % | 2.64 % | 2.36 % | 2.51 % | 2.28 % | 2.53 % | 2.52 % |
| Return on average equity | 7.25 | 10.33 | 6.08 | 8.50 | 26.79 | 4.95 | 8.77 |
| Efficiency ratio (2) | 77.18 | 77.00 | 77.77 | 76.56 | 59.67 | 77.60 | 79.26 |
| Balance sheet | | | | | | | |
| Average | | | | | | | |
| Total loans and leases | \$99,023 | \$106,116 | \$99,007 | \$99,038 | \$100,238 | \$101,155 | \$101,746 |
| Total earning assets (3) | 229,835 | 225,060 | 234,981 | 224,631 | 221,870 | 208,696 | 205,234 |
| Total assets (3) | 261,124 | 258,003 | 265,908 | 256,286 | 252,486 | 239,349 | 237,591 |
| Total deposits | 226,906 | 233,049 | 229,272 | 224,514 | 223,055 | 214,992 | 215,381 |
| Allocated equity | 22,751 | 17,366 | 23,515 | 21,978 | 19,209 | 18,802 | 18,113 |
| Period end | | | | | | | |
| Total loans and leases | \$99,351 | \$100,852 | \$99,351 | \$98,538 | \$99,571 | \$99,281 | \$100,852 |
| Total earning assets (3) | 228,262 | 203,878 | 228,262 | 229,150 | 221,114 | 217,934 | 203,878 |
| Total assets (3) | 259,734 | 233,792 | 259,734 | 261,330 | 254,472 | 248,469 | 233,792 |
| Total deposits | 229,551 | 207,580 | 229,551 | 230,044 | 224,839 | 220,481 | 207,580 |
| CT (4) | | | | | | | |
| Client assets (4) | \$602.206 | \$705.21 <i>6</i> | ¢(02.20< | ¢750 701 | 6740.052 | 6720 021 | \$705.21 <i>6</i> |
| Assets under management Client brokerage assets ⁽⁵⁾ | \$603,306 1,375,264 | \$705,216 1,281,014 | \$603,306 1,375,264 | \$750,721 1,423,576 | \$749,852 1,401,063 | \$739,831 1,362,423 | \$705,216 1,281,014 |
| Assets in custody | 1,375,264 | 1,281,014 | 1,375,204 | 1,423,376 | 1,401,063 | 1,362,423 | 1,281,014 |
| Client deposits | 229,553 | 207,581 | 229,553 | 230,041 | 224,840 | 220,482 | 207,581 |
| Less: Client brokerage assets and assets in | 227,000 | 207,301 | <i></i> | 250,071 | 224,040 | 220,702 | 207,301 |
| custody included in assets under management | (347,268) | (307,619) | (347,268) | (360,945) | (346,682) | (331,953) | (307,619) |
| Total net client assets | \$1,992,412 | \$2,022,179 | \$1,992,412 | \$2,188,098 | \$2,172,943 | \$2,133,076 | \$2,022,179 |
| | | | | | | | |

⁽¹⁾ GWIM services clients through three primary businesses: Merrill Lynch Global Wealth Management (MLGWM); U.S. Trust, Bank of America Private Wealth Management (U.S. Trust); and Retirement & Philanthropic Services.

⁽²⁾ Fully taxable-equivalent basis

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

⁽⁴⁾ Assets under management and total net client assets include the Columbia Management long-term asset management business through the date of sale on May 1, 2010.

⁽⁵⁾ Client brokerage assets include non-discretionary brokerage and fee-based assets.

Global Wealth & Investment Management Business Results

| (Dollars in millions) | | Three M | onths Ended June 30, 20 | 010 | |
|---|----------------|---------------------------------|--------------------------|---------------------------|------------|
| | | Merrill Lynch | | Retirement & | |
| | | Global Wealth | | Philanthropic | |
| | Total | Management (1) | U.S. Trust | Services | Other (2) |
| Net interest income (3) | \$1,385 | \$1,089 | \$356 | \$22 | \$(82) |
| Noninterest income: | | | | | |
| Investment and brokerage services | 2,241 | 1,697 | 289 | 221 | 34 |
| All other income | 705 | 458 | 11 | 31 | 205 |
| Total noninterest income | 2,946 | 2,155 | 300 | 252 | 239 |
| Total revenue, net of interest expense | 4,331 | 3,244 | 656 | 274 | 157 |
| Provision for credit losses | 121 | 35 | 86 | - | - |
| Noninterest expense | 3,370 | 2,707 | 443 | 207 | 13 |
| Income before income taxes | 840 | 502 | 127 | 67 | 144 |
| Income tax expense (3) | 484 | 186 | 47 | 25 | 226 |
| Net income (loss) | \$356 | \$316 | \$80 | \$42 | \$(82) |
| Net interest yield (3) | 2.36 % | 2.25 (/ | 2.96 (1 | 226 # | , |
| - | 6.08 | 2.27 % 13.85 | 2.86 % 5.56 | 3.26 % n/m | n/m n/m |
| Return on average equity | | | | | |
| Efficiency ratio (3) | 77.77 | 83.45 | 67.51 | 75.56 | n/m |
| Average - total loans and leases | \$99,007 | \$49,022 | \$49,983 | n/m | n/m |
| Average - total deposits | 229,272 | 185,967 | 40,778 | \$2,500 | n/m |
| Period end - total assets (4) | 259,734 | 201,410 | 52,993 | 2,799 | n/m |
| | | | onths Ended March 31, 20 | 010 | |
| | | Merrill Lynch | | Retirement & | |
| | Total | Global Wealth Management (1) | II C Tenet | Philanthropic Services | Other (2) |
| Net interest income (3) | \$1,391 | \$1,106 | U.S. Trust \$361 | \$22 | |
| Noninterest income: | \$1,391 | \$1,100 | \$301 | \$22 | \$(98) |
| Investment and brokerage services | 2,150 | 1,630 | 269 | 219 | 32 |
| All other income | 628 | 427 | 11 | 27 | 163 |
| Total noninterest income | 2,778 | 2,057 | 280 | 246 | 195 |
| Total revenue, net of interest expense | 4,169 | 3,163 | 641 | 268 | 97 |
| D. C. C. Pol | 242 | 50 | 104 | | |
| Provision for credit losses | 242 | 58 | 184 | 200 | - 40 |
| Noninterest expense Income before income taxes | 3,191 736 | 2,535 570 | <u>400</u> 57 | 208 | 48 |
| | | | | | |
| Income tax expense (3) Net income | 275 \$461 | \$359 | \$36 | \$38 | 21 \$28 |
| | | | | | |
| Net interest yield (3) | 2.51 % | 2.44 % | 2.88 % | 3.30 % | n/m |
| Return on average equity | 8.50 | 15.98 | 2.72 | n/m | n/m |
| Efficiency ratio (3) | 76.56 | 80.14 | 62.33 | 77.45 | n/m |
| Average - total loans and leases | \$99,038 | \$48,290 | \$50,748 | n/m | n/m |
| Average - total deposits | 224,514 | 180,819 | 41,257 | \$2,416 | n/m |
| Period end - total assets (4) | 261,330 | 207,700 | 53,467 | 2,752 | n/m |
| | | Three M | onths Ended June 30, 20 | 09 | |
| | | Merrill Lynch | | Retirement & | |
| | m : | Global Wealth | | Philanthropic | 0.1 (2) |
| Net interest income (3) | Total | Management (1) | U.S. Trust | Services | Other (2) |
| Net interest income: Noninterest income: | \$1,288 | \$1,037 | \$330 | \$21 | \$(100) |
| | 2.020 | 1 470 | 206 | 106 | 67 |
| Investment and brokerage services | 2,028 | 1,479 | 286 | 196 | 67 99 |
| All other income | 2.674 | 1,973 | 297 | 238 | 166 |
| Total noninterest income Total revenue, net of interest expense | 2,674 3,962 | 3,010 | 627 | 259 | 166 |
| Provision for credit losses | 220 | 154 | 0.4 | | |
| | 238 | 154 | 84 | 100 | - |
| Noninterest expense | 3,142 | 2,496 | 442 | 177 | 27 |
| Income before income taxes | 582 | 360 | 101 | 82 | 39 |
| Income tax expense (benefit) (3) | 186 | 133 | 37 | 30 | (14) |
| Net income | \$396 | \$227 | \$64 | \$52 | \$53 |
| Net interest yield (3) | 2.52 % | 2.47 % | 2.50 % | 3.31 % | n/m |
| Return on average equity | 8.77 | 11.32 | 5.05 | n/m | n/m |
| Efficiency ratio (3) | 70.26 | 02.00 | 70.42 | 69.20 | , |

⁽¹⁾ MLGWM includes the impact of migrating customers and their related deposit and loan balances to or from Deposits, Home Loans & Insurance and the ALM portfolio. Subsequent to the date of migration, the associated net interest income, noninterest income and noninterest expense are recorded in the business to which the customers migrated. During the three months ended June 30, 2010 and 2009, total deposits of \$555 million and \$34.3 billion were migrated from MLGWM to Deposits. During the three months ended March 31, 2010, total deposits of \$3.0 billion were migrated to MLGWM from Deposits. In addition, during the three months ended June 30, 2010, March 31, 2010 and June 30, 2009, total loans of \$19 million, \$598

79.26

\$101,746

215,381

233,792

82.90

\$48,866

174,330

181,708

70.42

\$52,876

38,554

56,669

68.39

n/m

\$2,473

2,289

n/m

n/m

n/m

n/m

Average - total loans and leases

Average - total deposits

Period end - total assets (4)

Efficiency ratio (3)

million and \$3.5 billion were migrated from MLGWM to Home Loans & Insurance and the ALM portfolio.
(2) Other includes the results of BofA Global Capital Management (the former Columbia cash management business) and BlackRock Inc.

⁽³⁾ Fully taxable-equivalent basis

⁽⁴⁾ Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

Global Wealth & Investment Management Business Results

| | | Six Month | s Ended June 30, | 2010 | | | |
|---|---|---|--|------------------|--|---|--|
| | - | Merrill Lynch | / | | Retirement & | | |
| | | Global Wealth | | | Philanthropic | | |
| | Total | Management (1) | U.S. Trust | | Services | | Other (2) |
| Net interest income (3) | \$2,776 | \$2,195 | \$717 | _ | \$44 | _ | \$(180) |
| Noninterest income: | | | | | | | |
| Investment and brokerage services | 4,391 | 3,327 | 558 | | 440 | | 66 |
| All other income | 1,333 | 885 | 22 | | 58 | | 368 |
| Total noninterest income | 5,724 | 4,212 | 580 | | 498 | | 434 |
| Total revenue, net of interest expense | 8,500 | 6,407 | 1,297 | _ | 542 | _ | 254 |
| Provision for credit losses | 363 | 93 | 270 | | - | | <u>-</u> |
| Noninterest expense | 6,561 | 5,242 | 843 | | 415 | | 61 |
| Income before income taxes | 1,576 | 1,072 | 184 | | 127 | | 193 |
| Income tax expense (3) | 759 | 397 | 68 | | 47 | | 247 |
| Net income (loss) | \$817 | \$675 | \$116 | _ | \$80 | _ | \$(54) |
| Net interest yield (3) | 2.44 % | 2.35 % | 2.87 | % | 3.28 | % | n/m |
| Return on average equity | 7.25 | 14,91 | 4.19 | | n/m | | n/m |
| Efficiency ratio (3) | 77.18 | 81.82 | 64.95 | | 76.49 | | n/m |
| Average - total loans and leases | \$99,023 | \$48,658 | \$50,364 | | n/m | | n/m |
| Average - total deposits | 226,906 | 183,407 | 41,016 | | \$2,458 | | n/m |
| Period end - total assets (4) | 259,734 | 201,410 | 52,993 | | 2,799 | | n/m |
| | • | | | | | | |
| | | | ns Ended June 30, 2 | 2009 | | | |
| | | Six Month Merrill Lynch Global Wealth | ns Ended June 30, 2 | 2009 | Retirement & Philanthropic | | |
| | Total | Merrill Lynch | U.S. Trust | 2009 | Retirement & Philanthropic Services | | Other (2) |
| Net interest income ⁽³⁾ | Total \$2,942 | Merrill Lynch Global Wealth | | 2009 | Philanthropic | _ | Other (2) \$(201) |
| Net interest income ⁽³⁾ Noninterest income: | | Merrill Lynch Global Wealth Management (1) | U.S. Trust | 2009 | Philanthropic Services | _ | |
| | | Merrill Lynch Global Wealth Management (1) | U.S. Trust | 2009 | Philanthropic Services | | |
| Noninterest income: | \$2,942 4,158 | Merrill Lynch Global Wealth Management (1) \$2,416 | U.S. Trust \$685 | 2009 | Philanthropic Services \$42 | | \$(201) |
| Noninterest income: Investment and brokerage services | \$2,942 | Merrill Lynch Global Wealth Management (1) \$2,416 | U.S. Trust \$685 | 2009 | Philanthropic Services \$42 | | \$(201) 147 |
| Noninterest income: Investment and brokerage services All other income | \$2,942 4,158 1,024 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 | U.S. Trust \$685 562 25 | 2009 | Philanthropic Services \$42 392 71 | | \$(201) 147 34 |
| Noninterest income: Investment and brokerage services All other income Total noninterest income | \$2,942 4,158 1,024 5,182 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 | U.S. Trust \$685 562 25 587 | 2009 | Philanthropic Services \$42 392 71 463 | _ | \$(201) 147 34 181 |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense | \$2,942 4,158 1,024 5,182 8,124 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 | U.S. Trust \$685 562 25 587 1,272 | <u></u> | Philanthropic Services \$42 392 71 463 | | \$(201) 147 34 181 |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses | \$2,942 4,158 1,024 5,182 8,124 492 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 | U.S. Trust \$685 562 25 587 1,272 115 | 2009 | Philanthropic Services \$42 392 71 463 505 | | \$(201) 147 34 181 (20) - 59 |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense | \$2,942 4,158 1,024 5,182 8,124 492 6,256 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 | U.S. Trust \$685 562 25 587 1,272 115 899 | | Philanthropic Services \$42 392 71 463 505 | | \$(201) 147 34 181 (20) |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 | U.S. Trust \$685 562 25 587 1,272 115 899 258 | 2009 | Philanthropic Services \$42 392 71 463 505 | | \$(201) 147 34 181 (20) - 59 (79) |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (3) Net income (loss) | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 486 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 390 | U.S. Trust \$685 562 25 587 1,272 115 899 258 95 | _ _ _ _ | Philanthropic Services \$42 392 71 463 505 - 362 143 53 | | \$(201) 147 34 181 (20) - 59 (79) (52) |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (3) | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 486 \$890 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 390 \$664 | U.S. Trust \$685 562 25 587 1,272 115 899 258 95 \$163 | _ _ _ _ | Philanthropic Services \$42 392 71 463 505 - 362 143 53 \$90 | | \$(201) 147 34 181 (20) - 59 (79) (52) \$(27) |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (3) Net income (loss) Net interest yield (3) Return on average equity | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 486 \$890 2.64 % 10.33 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 390 \$664 2.59 % 17.58 | U.S. Trust \$685 562 25 587 1,272 115 899 258 95 \$163 | _ _ _ _ | Philanthropic Services \$42 392 71 463 505 - 362 143 53 \$90 3.54 n/m | | \$(201) 147 34 181 (20) - 59 (79) (52) \$(27) |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (3) Net income (loss) Net interest yield (3) Return on average equity Efficiency ratio (3) | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 486 \$890 2,64 % 10,33 77,00 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 390 \$664 2.59 % 17.58 77.52 | U.S. Trust \$685 562 25 587 1,272 115 899 258 95 \$163 2.60 6.59 70.67 | _ _ _ _ | Philanthropic Services \$42 392 71 463 505 - 362 143 53 \$90 3.54 n/m 71.67 | | \$(201) 147 34 181 (20) - 59 (79) (52) \$(27) n/m n/m |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (3) Net income (loss) Net interest yield (3) Return on average equity Efficiency ratio (3) Average - total loans and leases | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 486 \$890 2,64 % 10,33 77,00 \$106,116 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 390 \$664 2.59 % 17.58 77.52 \$53,264 | U.S. Trust \$685 562 25 587 1,272 115 899 258 95 \$163 2.60 6.59 70.67 \$52,850 | _ _ _ _ | Philanthropic Services \$42 392 71 463 505 - 362 143 53 \$90 3.54 n/m 71.67 n/m | | \$(201) 147 34 181 (20) 59 (79) (52) \$(27) n/m n/m |
| Noninterest income: Investment and brokerage services All other income Total noninterest income Total revenue, net of interest expense Provision for credit losses Noninterest expense Income (loss) before income taxes Income tax expense (benefit) (3) Net income (loss) Net interest yield (3) Return on average equity Efficiency ratio (3) | \$2,942 4,158 1,024 5,182 8,124 492 6,256 1,376 486 \$890 2,64 % 10,33 77,00 | Merrill Lynch Global Wealth Management (1) \$2,416 3,057 894 3,951 6,367 377 4,936 1,054 390 \$664 2.59 % 17.58 77.52 | U.S. Trust \$685 562 25 587 1,272 115 899 258 95 \$163 2.60 6.59 70.67 | _ _ _ _ | Philanthropic Services \$42 392 71 463 505 - 362 143 53 \$90 3.54 n/m 71.67 | | \$(201) 147 34 181 (20) - 59 (79) (52) \$(27) n/m n/m |

⁽¹⁾ MLGWM includes the impact of migrating customers and their related deposit and loan balances to or from Deposits, Home Loans & Insurance and the ALM portfolio. Subsequent to the date of migration, the associated net interest income, noninterest income and noninterest expense are recorded in the business to which the customers migrated. During the six months ended June 30, 2010, total deposits of \$2.5 billion migrated to MLGWM from Deposits. During the six months ended June 30, 2009, total deposits of \$40.5 billion were migrated from MLGWM to Deposits. In addition during the six months ended June 30, 2010 and 2009, total loans of \$617 million and \$13.6 billion were migrated from MLGWM to Home Loans & Insurance and the ALM portfolio.

 $n/m = not \ meaningful$

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

⁽²⁾ Other includes the results of BofA Global Capital Management (the former Columbia cash management business) and BlackRock Inc.

⁽³⁾ Fully taxable-equivalent basis

⁽⁴⁾ Total assets include asset allocations to match liabilities (i.e., deposits).

Global Wealth & Investment Management - Key Indicators

| (Dollars in millions, except as noted) | | | | | | | |
|---|------------------------|----------------------|----------------------|----------------------|---|---|----------------------|
| | Six Mont | | Second | First | Fourth | Third | Second |
| | June 2010 | 2009 | Quarter 2010 | Quarter 2010 | Quarter 2009 | Quarter 2009 | Quarter 2009 |
| Investment and Brokerage Services | | | | | | | |
| Merrill Lynch Global Wealth Management Asset management fees | \$1,774 | \$1,585 | \$911 | \$863 | \$830 | \$802 | \$759 |
| Brokerage income | 1,553 | 1,472 | 786 | 767 | 814 | 782 | 720 |
| Total | \$3,327 | \$3,057 | \$1,697 | \$1,630 | \$1,644 | \$1,584 | \$1,479 |
| U.S. Trust | | | * | | | | |
| Asset management fees Brokerage income | \$550 8 | \$548 14 | \$285 4 | \$265 4 | \$260 4 | \$261 5 | \$281 5 |
| Total | \$558 | \$562 | \$289 | \$269 | \$264 | \$266 | \$286 |
| Retirement & Philanthropic Services | | | | | | | |
| Asset management fees Brokerage income | \$249 191 | \$234 158 | \$127 94 | \$122 97 | \$121 91 | \$115 87 | \$116 80 |
| Total | \$440 | \$392 | \$221 | \$219 | \$212 | \$202 | \$196 |
| Other (1) | | | | | ======================================= | ======================================= | |
| Asset management fees | \$66 | \$147 | \$34 | \$32 | \$41 | \$52 | \$67 |
| Brokerage income Total | \$66 | \$147 | \$34 | \$32 | \$41 | \$52 | \$67 |
| Total Global Wealth & Investment Management | | | | | | | |
| Asset management fees | \$2,639 | \$2,514 | \$1,357 | \$1,282 | \$1,252 | \$1,230 | \$1,223 |
| Brokerage income | 1,752 | 1,644 | 884 | 868 | 909 | 874 | 805 |
| Total investment and brokerage services | \$4,391 | \$4,158 | \$2,241 | \$2,150 | \$2,161 | \$2,104 | \$2,028 |
| Assets Under Management (2) | | | | | | | |
| Assets under management by business: | #40 | #220 O | **** | #**************** | #204 | 60.00 : | #220 |
| Merrill Lynch Global Wealth Management U.S. Trust | \$305,297 177,648 | \$239,888 180,902 | \$305,297 177,648 | \$296,244 189,236 | \$281,933 187,984 | \$268,107 187,964 | \$239,888 180,902 |
| Retirement & Philanthropic Services | 43,471 | 39,298 | 43,471 | 46,487 | 47,183 | 44,437 | 39,298 |
| BofA Global Capital Management | 105,324 | 331,810 | 105,324 | 303,740 | 320,191 | 329,103 | 331,810 |
| Eliminations ⁽³⁾ International Wealth Management | (28,568) 134 | (86,811) 129 | (28,568) 134 | (85,126) 140 | (87,574) 135 | (89,915) 135 | (86,811) 129 |
| Total assets under management | \$603,306 | \$705,216 | \$603,306 | \$750,721 | \$749,852 | \$739,831 | \$705,216 |
| Assets under management rollforward: | | | | | | | |
| Beginning balance | \$749,852 | \$523,159 | \$750,721 | \$749,852 | \$739,831 | \$705,216 | \$697,371 |
| Merrill Lynch balance, January 1, 2009 | (21.9(0) | 246,292 | (7.429) | - (14.421) | - (4.606) | (17.757) | (27.071) |
| Net flows Market valuation/other | (21,869) (124,677) | (70,306) 6,071 | (7,438) (139,977) | (14,431) 15,300 | (4,606) 14,627 | (17,757) 52,372 | (27,071) 34,916 |
| Ending balance | \$603,306 | \$705,216 | \$603,306 | \$750,721 | \$749,852 | \$739,831 | \$705,216 |
| Assets under management mix: | | | | | | | |
| Money market/other | \$147,961 | \$215,637 | \$147,961 | \$158,577 | \$179,112 | \$193,593 | \$215,637 |
| Fixed income Equity | 199,793 255,552 | 204,974 284,605 | 199,793 255,552 | 232,109 360,035 | 226,970 343,770 | 221,963 324,275 | 204,974 284,605 |
| Total assets under management | \$603,306 | \$705,216 | \$603,306 | \$750,721 | \$749,852 | \$739,831 | \$705,216 |
| Assets under management - domestic and foreign: | | | | | | | |
| Domestic | \$591,025 | \$685,492 | \$591,025 | \$728,979 | \$728,899 | \$717,289 | \$685,492 |
| Foreign Total assets under management | 12,281 \$603,306 | 19,724 \$705,216 | 12,281 \$603,306 | \$750,721 | 20,953 \$749,852 | 22,542 \$739,831 | 19,724 \$705,216 |
| <u> </u> | | | | | | | |
| Client Brokerage Assets | \$1,375,264 | \$1,281,014 | \$1,375,264 | \$1,423,576 | \$1,401,063 | \$1,362,423 | \$1,281,014 |
| GWIM Metrics | | | | | | | |
| Total Financial Advisors & Wealth Advisors | 16,571 | 16,290 | 16,571 | 16,465 | 16,406 | 16,344 | 16,290 |
| Client Facing Professionals | 19,607 | 19,299 | 19,607 | 19,435 | 19,355 | 19,310 | 19,299 |
| Merrill Lynch Global Wealth Management Metrics | | | | | | | |
| Number of Financial Advisors | 15,142 | 15,008 | 15,142 | 15,005 | 15,006 | 14,979 | 15,008 |
| Financial Advisor Productivity (4) (in thousands) | \$836 | \$819 | \$853 | \$819 | \$839 | \$837 | \$823 |
| Total client balances (5) | \$1,410,788 | \$1,318,124 | \$1,410,788 | \$1,454,287 | \$1,434,255 | \$1,397,302 | \$1,318,124 |
| U.S. Trust Metrics | | | | | | | |
| Client Facing Professionals | 2,163 | 2,200 | 2,163 | 2,188 | 2,197 | 2,190 | 2,200 |
| Total client balances (5) | \$285,233 | \$296,457 | \$285,233 | \$308,968 | \$310,965 | \$309,294 | \$296,457 |
| Retirement & Philanthropic Services Metrics | | | | | | | |
| Total client balances (5) | \$247,674 | \$223,689 | \$247,674 | \$257,991 | \$250,891 | \$245,831 | \$223,689 |
| (1) Other includes the results of BofA Global Capital Management (the | former Columbia cash s | nanagamant businass | and BlackPock Inc. | | | | |

⁽¹⁾ Other includes the results of BofA Global Capital Management (the former Columbia cash management business) and BlackRock Inc.

⁽²⁾ Assets under management includes the Columbia Management long-term asset management business through the date of sale on May 1, 2010. (3) The elimination of assets under management that are managed by two lines of business.

⁽⁴⁾ Financial Advisor Productivity is defined as annualized total revenue (excluding residual net interest income) divided by the total number of financial advisors.

⁽⁵⁾ Client balances are defined as deposits, assets under management, client brokerage assets and other assets in custody.

All Other Results (1)

| (Dollars in millions) | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Six Month | s Ended | Second | First | Fourth | Third | Second |
| | June | 30 | Quarter | Quarter | Quarter | Quarter | Quarter |
| | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Net interest income (2) | \$307 | \$(3,452) | \$164 | \$143 | \$(1,545) | \$(1,798) | \$(1,595) |
| Noninterest income: | | | | | | | |
| Card income (loss) | - | 256 | - | - | (431) | (721) | (278) |
| Equity investment income | 2,481 | 7,302 | 2,114 | 367 | 828 | 882 | 5,979 |
| Gains on sales of debt securities | 662 | 2,143 | 15 | 647 | 853 | 1,442 | 672 |
| All other income (loss) | 906 | (1,367) | 783 | 123 | (2,281) | (2,053) | (4,110) |
| Total noninterest income (loss) | 4,049 | 8,334 | 2,912 | 1,137 | (1,031) | (450) | 2,263 |
| Total revenue, net of interest expense | 4,356 | 4,882 | 3,076 | 1,280 | (2,576) | (2,248) | 668 |
| Provision for credit losses (3) | 2,466 | (667) | 1,248 | 1,218 | (1,511) | (1,218) | _ |
| Merger and restructuring charges | 1,029 | 1,594 | 508 | 521 | 533 | 594 | 829 |
| All other noninterest expense | 1,706 | 1,247 | 564 | 1,142 | 790 | 838 | 796 |
| Income (loss) before income taxes | (845) | 2,708 | 756 | (1,601) | (2,388) | (2,462) | (957) |
| Income tax benefit (2) | (1,185) | (969) | (357) | (828) | (875) | (925) | (1,724) |
| Net income (loss) | \$340 | \$3,677 | \$1,113 | \$(773) | \$(1,513) | \$(1,537) | \$767 |
| Balance sheet | | | | | | | |
| Average | | | | | | | |
| Total loans and leases | \$256,700 | \$170,119 | \$257,245 | \$256,151 | \$154,038 | \$155,184 | \$165,558 |
| Total deposits | 67,291 | 90,597 | 64,201 | 70,417 | 78,634 | 95,067 | 89,527 |
| Period end | | | | | | | |
| Total loans and leases | \$254,615 | \$159,977 | \$254,615 | \$255,851 | \$161,153 | \$153,880 | \$159,977 |
| Total deposits | 56,983 | 84,226 | 56,983 | 56,467 | 65,434 | 81,449 | 84,226 |

⁽¹⁾ All Other consists of equity investment activities including Global Principal Investments, Corporate Investments and Strategic Investments, the residential mortgage portfolio associated with ALM activities, the residual impact of cost allocation processes, merger and restructuring charges, intersegment eliminations, the results of First Republic Bank, fair value adjustments related to certain Merrill Lynch structured notes and the results of certain businesses that are expected to be or have been sold or are in the process of being liquidated. All Other also includes certain amounts associated with ALM activities, including the residual impact of funds transfer pricing allocation methodologies, amounts associated with the change in the value of derivatives used as economic hedges of interest rate and foreign exchange rate fluctuations, foreign exchange rate fluctuations related to revaluation of foreign-denominated debt issuances, certain gains (losses) on sales of whole mortgage loans, and gains (losses) on sales of debt securities. All Other also includes adjustments to noninterest income and income tax expense to remove the FTE impact of items (primarily low-income housing tax credits) that have been grossed up within noninterest income to a FTE amount in the business segments. In addition, the 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods are presented on a managed basis and include the offsetting securitization impact to present Global Card Services on a managed basis. (See Exhibit A: Non-GAAP Reconciliations - All Other - Reconciliation on page 47).

⁽²⁾ Fully taxable-equivalent basis

⁽³⁾ The 2010 periods are presented in accordance with the new consolidation guidance. The 2009 periods represent the provision for credit losses for All Other combined with the Global Card Services securitization offset.

Equity Investments

(Dollars in millions)

| | G | Equity Investment Income (Loss) | | | | |
|---|--------------------------|------------------------------------|----------|-----------|-----------------------|---------------------|
| | • | I 20 2010 | | March 31, | I 20 2010 | |
| | | June 30, 2010 | | 2010 | June 30, 2010 | |
| | Book Value \$6,217 | Unfunded Commitments | Total | Total | Three months ended | Six months ended |
| Global Principal Investments: | | | | | | |
| Private Equity Investments | \$6,217 | \$224 | \$6,441 | \$6,008 | \$913 | \$1,314 |
| Global Real Estate | 1,958 | 222 | 2,180 | 2,397 | 19 | 13 |
| Global Strategic Capital | 3,618 | 1,322 | 4,940 | 6,129 | (114) | 62 |
| Legacy/Other Investments | 1,193 | 56 | 1,249 | 1,371 | (4) | 2 |
| Total Global Principal Investments | \$12,986 | \$1,824 | \$14,810 | \$15,905 | \$814 | \$1,391 |

Components of Equity Investment Income (Loss)

| (Dollars in millions) | Six Months Ended June 30 | | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
|--|-----------------------------|---------|-------------------|------------------|-------------------|------------------|-------------------|
| | 2010 | 2009 | 2010 | 2010 | 2009 | 2009 | 2009 |
| Global Principal Investments | \$1,391 | \$(162) | \$814 | \$577 | \$671 | \$713 | \$304 |
| Corporate Investments | (305) | (262) | 6 | (311) | 65 | 109 | 10 |
| Strategic and other investments (1) | 1,395 | 7,726 | 1,294 | 101 | 92 | 60 | 5,665 |
| Total equity investment income included in All Other Total equity investment income (loss) | 2,481 | 7,302 | 2,114 | 367 | 828 | 882 | 5,979 |
| included in the business segments (2) | 910 | (157) | 652 | 258 | 1,198 | (39) | (36) |
| Total consolidated equity investment income | \$3,391 | \$7,145 | \$2,766 | \$625 | \$2,026 | \$843 | \$5,943 |

⁽¹⁾ The three months ended June 30, 2009, includes a \$5.3 billion pre-tax gain due to sales of portions of the Corporation's China Construction Bank investment.

⁽²⁾ For the three months ended December 31, 2009, includes a pre-tax gain of \$1.1 billion related to the Corporation's BlackRock equity investment interest.

Outstanding Loans and Leases

(Dollars in millions)

| | June 30 2010 | March 31 2010 | Increase (Decrease) |
|---|-----------------|---------------|------------------------|
| Consumer | | | |
| Residential mortgage (1) | \$245,502 | \$245,007 | \$495 |
| Home equity | 146,274 | 149,907 | (3,633) |
| Discontinued real estate (2) | 13,780 | 14,211 | (431) |
| Credit card - domestic | 116,739 | 120,783 | (4,044) |
| Credit card - foreign | 26,391 | 28,772 | (2,381) |
| Direct/Indirect consumer (3) | 98,239 | 99,372 | (1,133) |
| Other consumer (4) | 3,008 | 3,022 | (14) |
| Total consumer | 649,933 | 661,074 | (11,141) |
| Commercial | | | |
| Commercial - domestic (5) | 191,458 | 195,862 | (4,404) |
| Commercial real estate (6) | 61,587 | 66,649 | (5,062) |
| Commercial lease financing | 21,392 | 21,465 | (73) |
| Commercial - foreign | 27,909 | 26,905 | 1,004 |
| Total commercial loans excluding loans measured at fair value | 302,346 | 310,881 | (8,535) |
| Commercial loans measured at fair value (7) | 3,898 | 4,087 | (189) |
| Total commercial | 306,244 | 314,968 | (8,724) |
| Total loans and leases | \$956,177 | \$976,042 | \$(19,865) |

 $^{(1) \} Includes for eign \ residential \ mortgages \ of \$500 \ million \ and \$511 \ million \ at \ June \ 30, \ 2010 \ and \ March \ 31, \ 2010.$

⁽²⁾ Includes \$12.4 billion and \$12.8 billion of pay option loans, and \$1.4 billion of subprime loans at both June 30, 2010 and March 31, 2010. The Corporation no longer originates these products.

⁽³⁾ Includes dealer financial services loans of \$46.4 billion and \$45.3 billion, consumer lending of \$15.8 billion and \$17.7 billion, domestic securities-based lending margin loans of \$14.6 billion and \$13.5 billion, student loans of \$10.3 billion and \$11.1 billion, foreign consumer loans of \$7.5 billion and \$7.9 billion, and other consumer loans of \$3.7 billion and \$3.9 billion at June 30, 2010 and March 31, 2010.

⁽⁴⁾ Includes consumer finance loans of \$2.1 billion and \$2.2 billion, other foreign consumer loans of \$733 million and \$680 million, and consumer overdrafts of \$186 million and \$173 million at June 30, 2010 and March 31, 2010.

⁽⁵⁾ Includes small business commercial - domestic loans, including card related products, of \$15.9 billion and \$16.6 billion at June 30, 2010 and March 31, 2010.

⁽⁶⁾ Includes domestic commercial real estate loans of \$59.1 billion and \$63.9 billion, and foreign commercial real estate loans of \$2.4 billion and \$2.7 billion at June 30, 2010 and March 31, 2010.

⁽⁷⁾ Certain commercial loans are accounted for under the fair value option and include commercial - domestic loans of \$2.1 billion and \$2.5 billion, commercial - foreign loans of \$1.7 billion and \$1.5 billion, and commercial real estate loans of \$114 million and \$101 million at June 30, 2010 and March 31, 2010.

Quarterly Average Loans and Leases by Business Segment

(Dollars in millions)

| (Douars in millions) | | | | | | | | | |
|---|---------------------|----------|-----------------|--------------------|-------------------------------|-------------------|-----------------|-----------------|--|
| | Second Quarter 2010 | | | | | | | | |
| | W-4-1 | | Global Card | TT T | Global | Global | | All | |
| | Total | Damanita | Services (1) | Home Loans | Commercial | Banking & | GWIM | Other (1) | |
| G | Corporation | Deposits | Services | & Insurance | Banking | Markets | GWIM | Other | |
| Consumer | AQ 45 515 | | | Φ. | #204 | \$512 | 425.25 6 | #211 (22 | |
| Residential mortgage | \$247,715 | \$ - | \$ - | \$ - | \$304 | \$513 | \$35,276 | \$211,622 | |
| Home equity | 148,219 | - | - | 129,010 | 923 | - | 16,531 | 1,755 | |
| Discontinued real estate | 13,972 | - | - | - | - | - | - | 13,972 | |
| Credit card - domestic | 118,738 | - | 118,738 | - | - | - | - | - | |
| Credit card - foreign | 27,706 | = | 27,706 | = | - | = | - | - | |
| Direct/Indirect consumer | 98,549 | 76 | 17,654 | 101 | 45,776 | 82 | 24,112 | 10,748 | |
| Other consumer | 2,958 | 132 | 673 | | | 7 | 19 | 2,127 | |
| Total consumer | 657,857 | 208 | 164,771 | 129,111 | 47,003 | 602 | 75,938 | 240,224 | |
| Commercial | | | | | | | | | |
| Commercial - domestic | 195,144 | 341 | 11,562 | 1,546 | 104,261 | 45,019 | 20,874 | 11,541 | |
| 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) | |
| Commercial - foreign | 28,564 | - | 1,045 | - | 1,125 | 25,668 | 146 | 580 | |
| Total commercial | 309,197 | 346 | 12,800 | 1,553 | 159,108 | 95,300 | 23,069 | 17,021 | |
| Total loans and leases | \$967,054 | \$554 | \$177,571 | \$130,664 | \$206,111 | \$95,902 | \$99,007 | \$257,245 | |
| | First Quarter 2010 | | | | | | | | |
| | - | | | Trist Quarte | | CL L I | | | |
| | Tatal | | Global Card | Home Loans | Global Commercial | Global | | All | |
| | Total | D | Services (1) | | | Banking & | CWINA | Other (1) | |
| | Corporation | Deposits | Services | & Insurance | Banking | Markets | GWIM | Otner | |
| Consumer | 1 | | | | | | | | |
| Residential mortgage | \$243,833 | \$ - | \$ - | \$ - | \$323 | \$545 | \$35,418 | \$207,547 | |
| Home equity | 152,536 | - | - | 133,018 | 980 | - | 16,817 | 1,721 | |
| Discontinued real estate | 14,433 | - | - | - | - | - | - | 14,433 | |
| Credit card - domestic | 125,353 | - | 125,348 | - | - | - | - | 5 | |
| Credit card - foreign | 29,872 | - | 29,877 | - | - | - | - | (5) | |
| Direct/Indirect consumer | 100,920 | 81 | 19,846 | 87 | 45,400 | 67 | 23,595 | 11,844 | |
| Other consumer | 3,002 | 43 | 658 | - | - | 9 | 23 | 2,269 | |
| Total consumer | 669,949 | 124 | 175,729 | 133,105 | 46,703 | 621 | 75,853 | 237,814 | |
| Commercial | | | | | | | | | |
| Commercial - domestic | 202,662 | 376 | 12,086 | 632 | 108,081 | 48,081 | 20,925 | 12,481 | |
| Commercial real estate | 68,526 | 6 | 178 | 8 | 57,917 | 1,079 | 2,085 | 7,253 | |
| Commercial lease financing | 21,675 | - | - | - | 1 | 23,696 | 31 | (2,053) | |
| Commercial - foreign | 28,803 | _ | 1,314 | _ | 1,139 | 25,550 | 144 | 656 | |
| Total commercial | 321,666 | 382 | 13,578 | 640 | 167,138 | 98,406 | 23.185 | 18,337 | |
| Total loans and leases | \$991,615 | \$506 | \$189,307 | \$133,745 | \$213,841 | \$99,027 | \$99,038 | \$256,151 | |
| | | | | | | | | | |
| | | | | Second Quar | ter 2009 Global | Global | | | |
| | Total | | Global Card | Home Loans | Commercial | Banking & | | All | |
| | Corporation | Deposits | Services (1) | & Insurance | Banking | Markets | GWIM | Other (1) | |
| Consumer | portation | _ срозно | | | | | | | |
| Residential mortgage | \$253,803 | \$ - | \$ - | \$ - | \$403 | \$650 | \$36,212 | \$216,538 | |
| | 156,599 | φ- | φ- | 129,420 | 1,051 | φυσυ | 19,556 | 6,572 | |
| Home equity | | - | - | 129,420 | 1,031 | - | 19,550 | | |
| Discontinued real estate | 18,309 | - | 142 200 | - | - | - | - | 18,309 | |
| Credit card - domestic | 51,721 | - | 143,209 | - | - | - | - | (91,488) | |
| Credit card - foreign | 18,825 | - | 29,383 | - | - | - | - | (10,558) | |
| Direct/Indirect consumer | 100,302 | 147 | 27,167 | 69 | 45,052 | 5 | 21,294 | 6,568 | |
| Other consumer | 3,298 | 245 | 634 | 18 | 46.506 | 12 | 14 | 2,375 | |
| Total consumer | 602,857 | 392 | 200,393 | 129,507 | 46,506 | 667 | 77,076 | 148,316 | |
| Commercial | | | | _ | | | | | |
| Commercial - domestic | 231,639 | 202 | 13,911 | 1,990 | 122,107 | 58,853 | 22,357 | 12,219 | |
| Commercial real estate | 75,559 | 22 | 135 | 12 | 64,430 | 2,128 | 2,242 | 6,590 | |
| 0 111 6 1 | 22,026 | - | - | - | 1 | 24,209 | - | (2,184) | |
| Commercial lease financing | | | | | | | | | |
| Commercial lease financing Commercial - foreign | 34,024 | | 1,369 | | 1,311 | 30,656 | 71 | 617 | |
| | · · | 224 | 1,369 15,415 | 2,002 \$131,509 | 1,311 187,849 \$234,355 | 30,656 115,846 | 71 24,670 | 617 17,242 | |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 period for Global Card Services is presented on a managed basis with a corresponding offset in All Other.

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

| (Dollars in millions) | Co | | .a | Total C | ommonoial Comm | !44 |
|---|-----------|------------------------------|------------|-----------|----------------------------|------------|
| | June 30 | mmercial Utilize March 31 | Increase | June 30 | ommercial Comi March 31 | Increase |
| | 2010 | 2010 | (Decrease) | 2010 | 2010 | (Decrease) |
| Diversified financials | \$69,026 | \$65,169 | \$3,857 | \$98,177 | \$95,737 | \$2,440 |
| Real estate (4) | 70,195 | 72,937 | (2,742) | 85,714 | 88,148 | (2,434 |
| Government and public education | 44,636 | 45,954 | (1,318) | 60,598 | 61,951 | (1,353 |
| Healthcare equipment and services | 30,439 | 29,249 | 1,190 | 47,445 | 45,843 | 1,602 |
| Capital goods | 22,699 | 22,593 | 106 | 45,412 | 46,064 | (652) |
| Retailing | 23,590 | 23,666 | (76) | 42,497 | 42,155 | 342 |
| Consumer services | 27,436 | 28,881 | (1,445) | 42,095 | 43,864 | (1,769) |
| Materials | 15,471 | 16,311 | (840) | 32,452 | 32,740 | (288 |
| Commercial services and supplies | 22,117 | 22,807 | (690) | 32,414 | 32,995 | (581 |
| Banks | 26,430 | 24,794 | 1,636 | 29,375 | 27,868 | 1,507 |
| Individuals and trusts | 21,997 | 23,493 | (1,496) | 27,679 | 30,680 | (3,001) |
| Food, beverage and tobacco | 14,285 | 13,875 | 410 | 27,300 | 26,982 | 318 |
| Insurance | 19,293 | 19,923 | (630) | 26,852 | 27,202 | (350) |
| Energy | 9,057 | 10,222 | (1,165) | 24,073 | 24,818 | (745) |
| Utilities | 7,130 | 8,149 | (1,019) | 23,927 | 25,592 | (1,665) |
| Media | 12,042 | 13,498 | (1,456) | 20,902 | 22,233 | (1,331) |
| Transportation | 11,869 | 12,671 | (802) | 17,842 | 18,638 | (796 |
| Religious and social organizations | 8,955 | 8,936 | 19 | 11,206 | 11,305 | (99) |
| Technology hardware and equipment | 4,260 | 3,821 | 439 | 10,640 | 10,229 | 411 |
| Pharmaceuticals and biotechnology | 2,527 | 2,796 | (269) | 10,136 | 10,448 | (312) |
| Telecommunication services | 4,224 | 3,496 | 728 | 9,880 | 9,564 | 316 |
| Software and services | 3,170 | 3,111 | 59 | 9,158 | 8,931 | 227 |
| Consumer durables and apparel | 4,173 | 4,287 | (114) | 9,012 | 9,414 | (402 |
| Food and staples retailing | 4,589 | 3,438 | 1,151 | 7,743 | 6,501 | 1,242 |
| Automobiles and components | 2,089 | 2,209 | (120) | 5,219 | 5,187 | 32 |
| Other | 4,360 | 4,553 | (193) | 8,728 | 9,458 | (730 |
| Total commercial credit exposure | | | | | | |
| by industry | \$486,059 | \$490,839 | \$(4,780) | \$766,476 | \$774,547 | \$(8,071) |
| Net credit default protection purchased | | | | | | |

⁽¹⁾ 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 \$62.9 billion and \$58.1 billion at June 30, 2010 and March 31, 2010. Not reflected in utilized and committed exposure is additional derivative non-cash collateral held of \$19.0 billion and \$16.0 billion which consists primarily of other marketable securities at June 30, 2010 and March 31, 2010.

\$(20,042)

on total commitments $^{(5)}$

⁽²⁾ Total commercial utilized and total commercial committed exposure includes loans and letters of credit accounted for under the fair value option and are comprised of loans outstanding of \$3.9 billion and \$4.1 billion and issued letters of credit at notional value of \$1.6 billion at both June 30, 2010 and March 31, 2010. In addition, total commercial committed exposure includes unfunded loan commitments at notional value of \$26.0 billion and \$25.7 billion at June 30, 2010 and March 31, 2010.

⁽³⁾ Includes small business commercial - domestic exposure.

⁽⁴⁾ 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 flow and primary source of repayment as key factors.

⁽⁵⁾ Represents net notional credit protection purchased.

Net Credit Default Protection by Maturity Profile (1)

| | June 30 | March 31 |
|--|---------|----------|
| | 2010 | 2010 |
| Less than or equal to one year | 18 % | 17 % |
| Greater than one year and less than or equal to five years | 78 | 81 |
| Greater than five years | 4 | 2 |
| Total net credit default protection | 100 % | 100 % |

⁽¹⁾ 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 30, | 2010 | March 31, 2010 | | |
| Ratings (3) | Net Notional | Percent | Net Notional | Percent | |
| AAA | \$ - | - % | \$15 | (0.1) % | |
| AA | (111) | 0.6 | (285) | 1.4 | |
| A | (6,684) | 33.3 | (6,414) | 31.1 | |
| BBB | (8,054) | 40.2 | (9,025) | 43.8 | |
| BB | (2,331) | 11.6 | (2,335) | 11.3 | |
| В | (1,536) | 7.7 | (774) | 3.9 | |
| CCC and below | (924) | 4.6 | (1,489) | 7.2 | |
| NR ⁽⁴⁾ | (402) | 2.0 | (293) | 1.4 | |
| Total net credit default protection | \$(20,042) | 100.0 % | \$(20,600) | 100.0 % | |

⁽¹⁾ 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.

⁽²⁾ Ratings are refreshed on a quarterly basis.

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

⁽⁴⁾ In addition to names which have not been rated, "NR" includes \$342 million and \$(211) million in net credit default swap index positions at June 30, 2010 and March 31, 2010. While index positions are principally investment grade, credit default swaps indices include names in and across each of the ratings categories.

Select Western European Countries

| (Dollars in millions) | • | | | | | | | | |
|-----------------------|---|------------------------|--------------------------|---|---------------------------------------|--|---|---|---|
| | Loans and Leases, and Loan Commitments | Other Financing (1) | Derivative Assets (2) | Securities/ Other Investments (3) | Total Cross–border Exposure (4) | Local Country Exposure Net of Local Liabilities (5) | Total Foreign Exposure at June 30, 2010 | Increase (Decrease) From March 31, 2010 | Credit Default Protection ⁽⁶⁾ |
| Country | | | | | | | | | |
| Greece | | | | | | | | | |
| Sovereign | \$ - | \$ - | \$82 | \$175 | \$257 | \$ - | \$257 | \$64 | \$(13) |
| Non-sovereign | 333 | 2 | 68 | 127 | 530 | - | 530 | (576) | |
| Total Greece | \$333 | \$2 | \$150 | \$302 | \$787 | \$ - | \$787 | \$(512) | \$(13) |
| Ireland | | | | | | | | | |
| Sovereign | \$10 | \$15 | \$5 | \$ - | \$30 | \$ - | \$30 | \$(371) | \$(30) |
| Non-sovereign | 1,749 | 546 | 609 | 964 | 3,868 | - | 3,868 | (924) | (20) |
| Total Ireland | \$1,759 | \$561 | \$614 | \$964 | \$3,898 | \$ - | \$3,898 | \$(1,295) | \$(50) |
| Italy | | | | | | | | | |
| Sovereign | \$ - | \$ - | \$967 | \$14 | \$981 | \$22 | \$1,003 | \$(1,332) | \$(949) |
| Non-sovereign | 886 | 39 | 758 | 2,352 | 4,035 | 1,735 | 5,770 | (1,538) | (43) |
| Total Italy | \$886 | \$39 | \$1,725 | \$2,366 | \$5,016 | \$1,757 | \$6,773 | \$(2,870) | \$(992) |
| Portugal | | | | | | | | | |
| Sovereign | \$ - | \$ - | \$22 | \$5 | \$27 | \$ - | \$27 | \$(6) | \$(34) |
| Non-sovereign | 60 | 48 | 65 | 204 | 377 | - | 377 | (321) | - |
| Total Portugal | \$60 | \$48 | \$87 | \$209 | \$404 | \$ - | \$404 | \$(327) | \$(34) |
| Spain | | | | | | | | | |
| Sovereign | \$ - | \$ - | \$22 | \$4 | \$26 | \$71 | \$97 | \$(25) | \$(61) |
| Non-sovereign | 1,118 | 38 | 531 | 1,512 | 3,199 | 1,033 | 4,232 | (1,328) | (6) |
| Total Spain | \$1,118 | \$38 | \$553 | \$1,516 | \$3,225 | \$1,104 | \$4,329 | \$(1,353) | \$(67) |

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

⁽²⁾ Derivative assets are carried at fair value and have been reduced by the amount of cash collateral applied of \$3.2 billion at June 30, 2010. At June 30, 2010, there were \$368 million of other marketable securities collateralizing derivative assets.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ 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 \$763 million at June 30, 2010 are subtracted from local exposures consistent with FFIEC reporting requirements. Of the \$763 million applied for exposure reduction, \$335 million was in Italy, \$235 million was in Ireland, \$153 million was in Spain and \$40 million was in Greece.

⁽⁶⁾ Represents net notional credit default protection purchased to hedge counterparty risk.

Selected Emerging Markets (1)

| (Dollars in millions) | | | | | | Local Country | | |
|--------------------------------------|------------------|---------------|------------|-----------------|--------------|-----------------|-----------------------|-----------------|
| | Loans and | | | Securities / | Total | Exposure Net | Total Emerging | Increase |
| | Leases, and Loan | Other | Derivative | Other | Cross-border | of Local | Markets Exposure | (Decrease) from |
| | Commitments | Financing (2) | Assets (3) | Investments (4) | Exposure (5) | Liabilities (6) | at June 30, 2010 | March 31, 2010 |
| Region/Country | | | | | | | | |
| Asia Pacific | | | | | | | | |
| China (7) | \$1,007 | \$927 | \$654 | \$10,010 | \$12,598 | \$254 | \$12,852 | \$770 |
| India | 2,883 | 1,676 | 594 | 2,442 | 7,595 | - | 7,595 | (268) |
| South Korea | 812 | 1,331 | 1,071 | 2,533 | 5,747 | 21 | 5,768 | (25) |
| Taiwan | 412 | 35 | 127 | 573 | 1,147 | 779 | 1,926 | 1,051 |
| Hong Kong | 348 | 199 | 157 | 312 | 1,016 | - | 1,016 | (85) |
| Singapore | 285 | 125 | 8 | 498 | 916 | - | 916 | (107) |
| Other Asia Pacific (8) | 229 | 43 | 329 | 451 | 1,052 | - | 1,052 | 47 |
| Total Asia Pacific | 5,976 | 4,336 | 2,940 | 16,819 | 30,071 | 1,054 | 31,125 | 1,383 |
| Latin America | | | | | | | | |
| Mexico (9) | 1,727 | 370 | 310 | 3,132 | 5,539 | - | 5,539 | 250 |
| Brazil (10) | 539 | 450 | 151 | 1,056 | 2,196 | 2,888 | 5,084 | (4,047) |
| Chile | 971 | 269 | 256 | 166 | 1,662 | 2 | 1,664 | 236 |
| Other Latin America (8) | 334 | 357 | 29 | 526 | 1,246 | 161 | 1,407 | (45) |
| Total Latin America | 3,571 | 1,446 | 746 | 4,880 | 10,643 | 3,051 | 13,694 | (3,606) |
| Middle East and Africa | | | | | | | | |
| South Africa | 329 | 8 | 50 | 837 | 1,224 | - | 1,224 | 18 |
| Bahrain | 79 | 2 | 18 | 847 | 946 | - | 946 | (83) |
| United Arab Emirates | 790 | 3 | 123 | 23 | 939 | - | 939 | (24) |
| Israel | 87 | 14 | 48 | 494 | 643 | 1 | 644 | 395 |
| Other Middle East and Africa (8) | 325 | 46 | 89 | 122 | 582 | - | 582 | 83 |
| Total Middle East and Africa | 1,610 | 73 | 328 | 2,323 | 4,334 | 1 | 4,335 | 389 |
| Central and Eastern Europe | | | | | | | | |
| Turkey | 154 | 291 | 37 | 220 | 702 | 210 | 912 | 321 |
| Russian Federation | 60 | 115 | 93 | 275 | 543 | - | 543 | 118 |
| Other Central and Eastern Europe (8) | 49 | 143 | 303 | 621 | 1,116 | 31 | 1,147 | (148) |
| Total Central and Eastern Europe | 263 | 549 | 433 | 1,116 | 2,361 | 241 | 2,602 | 291 |
| Total emerging market exposure | \$11,420 | \$6,404 | \$4,447 | \$25,138 | \$47,409 | \$4,347 | \$51,756 | \$(1,543) |

⁽¹⁾ 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. There was no emerging market exposure included in the portfolio accounted for under the fair value option at June 30, 2010 and March 31, 2010.

- $(2) \ \ \textit{Includes acceptances}, \textit{SBLCs, commercial letters of credit and formal guarantees}.$
- (3) Derivative assets are carried at fair value and have been reduced by the amount of cash collateral applied of \$964 million and \$704 million at June 30, 2010 and March 31, 2010. At June 30, 2010 and March 31, 2010, there were \$565 million and \$428 million of other marketable securities collateralizing derivative assets.
- (4) 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.
- (5) 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.
- (6) 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, 2010 was \$16.8 billion compared to \$18.9 billion at March 31, 2010. Local liabilities at June 30, 2010 in Asia Pacific, Latin America, and Middle East and Africa were \$15.6 billion, \$952 million and \$213 million, respectively, of which \$7.5 billion were in Singapore, \$2.1 billion in India, \$1.9 billion in Hong Kong, \$1.5 billion in China, \$1.3 billion in South Korea, and \$844 million were in Mexico. There were no other countries with available local liabilities funding local country exposure greater than \$500 million.
- (7) Securities/Other Investments include an investment of \$9.2 billion in China Construction Bank (CCB).
- (8) No country included in Other Asia Pacific, Other Latin America, Other Middle East and Africa, or Other Central and Eastern Europe had total foreign exposure of more than \$500 million.
- (9) Securities/Other Investments include an investment of \$2.6 billion in Grupo Financiero Santander, S.A.
- (10) March 31, 2010 included an investment of \$5.4 billion in Itaú Unibanco Holding S.A. This investment was sold during the second quarter of 2010.

Nonperforming Loans, Leases and Foreclosed Properties

(Dollars in millions

| Signate Sign | | June 30 2010 | March 31 2010 | December 31 2009 | September 30 2009 | June 30 2009 |
|---|--|-----------------|------------------|---------------------|----------------------|-----------------|
| Discutination el estate 293 279 249 207 181 18 | 6.6 | \$18,283 | \$17,763 | \$16,596 | \$15,509 | \$13,615 |
| Proceed Process Proc | Home equity (1) | 2,951 | 3,335 | 3,804 | 3,741 | 3,826 |
| Properties Pro | Discontinued real estate | 293 | 279 | 249 | | 181 |
| Total consumer 1,684 21,557 20,839 19,654 17,772 17,872 17,772 17,772 18,874 18,773 18, | Direct/Indirect consumer | | | | | |
| Commercial - domestic Commercial estate Commercial Co | | | | | | |
| Commercial real estate 6,704 7,177 7,286 6,943 6,517 Commercial lease financing 140 147 115 170 120 | | 21,684 | | 20,839 | | 17,772 |
| Commercial lease financing 140 | | | | | | |
| Semericial foreign | | | | | | |
| 11,294 11,881 12,031 12,093 11,209 10,200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 16,7 200 11,600 12,000 33,500 33,500 33,500 33,500 33,500 33,500 2,300 | c c | | | | | |
| Small business commercial - domestic 122 179 200 167 200 170 1 | Commercial - foreign | | | | | |
| Total commercial 11.516 12.060 12.703 12.260 11.407 12.061 | | | , | | , | |
| Total nonperforming loans and leases 33,200 2,301 2,308 2,205 1,911 1,80 | | | | | | |
| Procectosed properties 2,501 2,308 2,205 1,911 1,801 Total nomperforming loans, leases and foreclosed properties (1,4,5) 335,701 335,925 335,747 333,825 330,982 Federal Housing Administration insured loans past due 90 days or more and still accruing | | | | | | |
| Total nonperforming loans, leases and foreclosed properties (3.4.5) \$35,701 \$35,252 \$35,747 \$33,825 \$30,982 \$10,680 \$10, | | | | | | |
| Second Housing Administration insured loans past due 90 days or more and still accruing | | | | | | |
| Commercial utilized reservable criticized exposure (%) | Total nonperforming loans, leases and foreclosed properties | \$35,701 | \$35,925 | \$35,747 | \$33,825 | \$30,982 |
| Nonperforming loans, leases and foreclosed properties/Total loans gasts of properties/Total loans, leases and foreclosed properties/Total loans and leases/Total loans/Total loans and leases/Total loans/Total loans/ | Federal Housing Administration insured loans past due 90 days or more and still accruing | \$15,338 | \$13,589 | \$11,680 | \$2,325 | \$447 |
| Nonperforming loans, leases and foreclosed properties/Total assets (7) | | | 7,834 | 5,165 | 5,270 | 5,956 |
| Nonperforming loans, leases and foreclosed properties/Total loans, leases and foreclosed properties of the state of the | Total loans past due 90 days or more and still accruing (4,6) | \$21,769 | \$21,423 | \$16,845 | \$7,595 | \$6,403 |
| Nonperforming loans, leases and foreclosed properties/Total loans, leases and foreclosed properties of the state of the | Nonperforming loans, leases and foreclosed properties/Total assets (7) | 1.51 % | 1.54 % | 1.61 % | 1.51 % | 1.38 % |
| Nonperforming loans and leases/Total loans and leases Total loans and lease Sassay Sas | | | | | | |
| \$45,255 \$46,835 \$37,200 \$35,832 \$33,785 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,52 | | | | | | |
| \$45,255 \$46,835 \$37,200 \$35,832 \$33,785 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,487 \$1,567 \$1,992 \$1,413 \$1,521 \$1,52 | Allowers Constitutions | | | | | |
| 1,413 1,521 1,487 1,567 1,992 1,000 1,00 | | \$4E 2EE | ¢46 925 | \$27,200 | \$25,922 | \$22.705 |
| Substitution Subs | | | | | , | |
| Allowance for loan and lease losses/Total nonperforming loans and leases Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases Commercial utilized reservable criticized exposure (9) Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure (9) 13.50 139 111 112 116 199 101 108 108 109 114 108 108 109 114 109 101 108 108 109 109 100 108 109 109 | · · | | | | | |
| Allowance for loan and lease losses/Total nonperforming loans and leases Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases Commercial utilized reservable criticized exposure (9) Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure (9) 13.50 139 111 112 116 199 101 108 108 109 114 108 108 109 114 109 101 108 108 109 109 100 108 109 109 | | | | | | |
| Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases Commercial utilized reservable criticized exposure (9) Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure (9) 13.50 124 99 101 108 557,180 Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure/Commercial utilized re | Allowance for loan and lease losses/Total loans and leases (7) | 4.75 % | 4.82 % | 4.16 % | 3.95 % | 3.61 % |
| Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases Commercial utilized reservable criticized exposure (9) Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure (9) 13.50 124 99 101 108 557,180 Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure/Commercial utilized re | Allowance for loan and lease losses/Total nonperforming loans and leases | 136 | 139 | 111 | 112 | 116 |
| loans/Total nonperforming loans and leases 120 124 99 101 108 Commercial utilized reservable criticized exposure (9) \$50,422 \$55,322 \$58,687 \$60,059 \$57,180 Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure/Commercial ut | | | | | | |
| Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure 99 13.50 % 14.43 % 15.03 % 14.86 % 13.63 % | | 120 | 124 | 99 | 101 | 108 |
| Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure 99 13.50 % 14.43 % 15.03 % 14.86 % 13.63 % | Commercial utilized reservable criticized exposure (9) | \$50,422 | \$55,322 | \$58,687 | \$60,059 | \$57,180 |
| | • | | , - | , | , | , |
| | | | | | | |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. As a result of the new accounting guidance the first quarter of 2010 includes \$448 million in home equity nonperforming loans and \$10.8 billion in allowance for loan and lease losses. The 2009 periods have not been restated.

⁽⁴⁾ 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.

| ι | ina accrete interest income over the remaining tije of the toan. | | | | | |
|-------|---|---------|----------|-------------|--------------|---------|
| | | June 30 | March 31 | December 31 | September 30 | June 30 |
| (5) E | Palances do not include the following: | 2010 | 2010 | 2009 | 2009 | 2009 |
| | Nonperforming loans held-for-sale | \$4,044 | \$4,953 | \$7,347 | \$6,212 | \$5,866 |
| | Nonperforming loans accounted for under the fair value option | 15 | 70 | 138 | 305 | 111 |
| | Nonaccruing troubled debt restructured loans removed from the purchased credit-impaired | | | | | |
| | portfolio prior to January 1, 2010 | 403 | 301 | 395 | 321 | 362 |
| (6) E | Palances do not include the following: | | | | | |
| | Loans accounted for under the fair value option past due 90 days or more and still accruing | \$ - | \$49 | \$87 | \$111 | \$ - |
| | Loans held-for-sale past due 90 days or more and still accruing | 158 | 223 | 6 | 6 | - |
| | | | | | | |

⁽⁷⁾ Ratios do not include loans accounted for under the fair value option of \$3.9 billion, \$4.1 billion, \$4.9 billion, \$6.2 billion and \$7.0 billion at June 30, 2010, March 31, 2010, December 31, 2009, September 30, 2009 and June 30, 2009, respectively.

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

⁽²⁾ Excludes small business commercial - domestic loans.

⁽³⁾ 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 and in general, consumer loans not secured by real estate.

⁽⁸⁾ Balances include the allowance for loan and lease losses on purchased credit-impaired loans of \$5.3 billion, \$5.0 billion, \$3.9 billion, \$3.6 billion and \$2.3 billion at June 30, 2010, March 31, 2010, December 31, 2009, September 30, 2009 and June 30, 2009, respectively.

⁽⁹⁾ Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The reservable exposure excludes loans held-for-sale exposure accounted for under the fair value option and other nonreservable exposure both of which are included in total commercial utilized exposure.

Nonperforming Loans, Leases and Foreclosed Properties Activity

| (Dollars in millions) | | | | | |
|---|-------------------|------------------|-------------------|------------------|-------------------|
| | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
| Name of the Common Land | 2010 | 2010 | 2009 | 2009 | 2009 |
| Nonperforming Consumer Loans: | \$31 FFF | #20 B20 | ¢10.654 | 617 772 | 614.502 |
| Balance, beginning of period Additions to nonperforming loans: | \$21,557 | \$20,839 | \$19,654 | \$17,772 | \$14,592 |
| Consolidation of VIEs (1) | | 440 | | | |
| New nonaccrual loans | 5,033 | 448 6,298 | 6,521 | 6,696 | 7,076 |
| Reductions in nonperforming loans: | 5,033 | 0,298 | 0,321 | 0,090 | 7,076 |
| Paydowns and payoffs | (528) | (625) | (371) | (410) | (202) |
| Returns to performing status ⁽²⁾ | ` ' | ` ' | ` ' | (410) | (382) |
| Charge-offs (3) | (1,816) | (2,521) | (2,169) | (966) | (804) |
| | (2,231) | (2,607) | (2,443) | (2,829) | (2,478) |
| Transfers to foreclosed properties | (331) 127 | (275) | (353) | (609) | (232) |
| Total net additions to nonperforming loans | | 718 | 1,185 | 1,882 | 3,180 |
| Total nonperforming consumer loans, end of period Foreclosed properties | 21,684 | 21,557 | 20,839 | 19,654 | 17,772 |
| Total nonperforming consumer loans and foreclosed properties, end of period (4) | 1,744 | 1,388 | 1,428 | 1,298 | 1,330 |
| Total nonperforming consumer loans and foreclosed properties, end of period | \$23,428 | \$22,945 | \$22,267 | \$20,952 | \$19,102 |
| Nonperforming Commercial Loans and Leases (5): | | | | | |
| Balance, beginning of period | \$12,060 | \$12,703 | \$12,260 | \$11,409 | \$9,312 |
| Additions to nonperforming loans and leases: | | | | | |
| New nonaccrual loans and leases | 2,256 | 1,881 | 3,662 | 4,235 | 4,296 |
| Advances | 62 | 83 | 130 | 54 | 120 |
| Reductions in nonperforming loans and leases: | | | | | |
| Paydowns and payoffs | (1,045) | (771) | (1,016) | (892) | (588) |
| Sales | (256) | (170) | (283) | (304) | (36) |
| Return to performing status ⁽⁶⁾ | (404) | (323) | (220) | (94) | (92) |
| Charge-offs (7) | (870) | (956) | (1,448) | (1,773) | (1,429) |
| Transfers to foreclosed properties | (205) | (319) | (376) | (305) | (174) |
| Transfers to loans held-for-sale | (82) | (68) | (6) | (70) | - |
| Total net additions to (reductions in) nonperforming loans | (544) | (643) | 443 | 851 | 2,097 |
| Total nonperforming loans and leases, end of period | 11,516 | 12,060 | 12,703 | 12,260 | 11,409 |
| Foreclosed properties | 757 | 920 | 777 | 613 | 471 |
| Total nonperforming commercial loans, leases and foreclosed properties, end of period (4) | \$12,273 | \$12,980 | \$13,480 | \$12,873 | \$11,880 |
| | | | | | = |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods have not been restated.

⁽²⁾ 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 generally 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.

⁽³⁾ Our policy generally 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.

⁽⁴⁾ For amounts excluded from nonperforming loans, leases and foreclosed properties, see footnotes to Nonperforming Loans, Leases and Foreclosed Properties table on page 40.

⁽⁵⁾ Includes small business commercial – domestic activity.

⁽⁶⁾ 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.

⁽⁷⁾ Business card loans are not classified as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity.

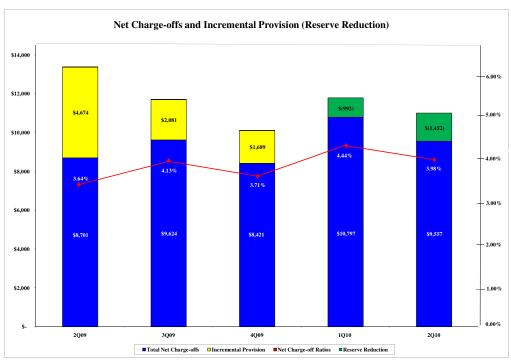
$\underline{\textbf{Quarterly Net Charge-offs/Losses and Net Charge-off/Loss Ratios}}^{(1,2)}$

| <u> </u> | | | | | | | | | | |
|---------------------------------------|--|---------|----------|---------|---------|---------|---------|--------------|---------|---------|
| (Dollars in millions) | (Dollars in millions) Second Ouarter | | Fi | rst | | urth | | ird ırter | | ond |
| | | 110 | 20 | | 20 | | 20 | | | 109 |
| Net Charge-offs | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| Residential mortgage | \$971 | 1.57 % | \$1,069 | 1.78 % | \$1,233 | 2.07 % | \$1,247 | 2.05 % | \$1,085 | 1.72 % |
| Home equity | 1,741 | 4.71 | 2,397 | 6.37 | 1,560 | 4.11 | 1,970 | 5.10 | 1,839 | 4.71 |
| Discontinued real estate | 19 | 0.54 | 21 | 0.60 | 14 | 0.38 | 37 | 0.89 | 35 | 0.76 |
| Credit card - domestic | 3,517 | 11.88 | 3,963 | 12.82 | 1,546 | 12.46 | 1,787 | 14.25 | 1,788 | 13.87 |
| Credit card - foreign | 942 | 13.64 | 631 | 8.57 | 395 | 7.22 | 382 | 7.14 | 276 | 5.88 |
| Direct/Indirect consumer | 879 | 3.58 | 1,109 | 4.46 | 1,288 | 5.17 | 1,451 | 5.76 | 1,475 | 5.90 |
| Other consumer | 73 | 10.01 | 58 | 7.80 | 114 | 14.20 | 118 | 14.00 | 99 | 11.93 |
| Total consumer | 8,142 | 4.96 | 9,248 | 5.60 | 6,150 | 4.24 | 6,992 | 4.73 | 6,597 | 4.39 |
| Commercial - domestic (3) | 179 | 0.41 | 286 | 0.63 | 637 | 1.36 | 773 | 1.58 | 536 | 1.03 |
| Commercial real estate | 645 | 4.03 | 615 | 3.64 | 745 | 4.15 | 873 | 4.67 | 629 | 3.34 |
| Commercial lease financing | (3) | (0.06) | 21 | 0.40 | 43 | 0.79 | 41 | 0.72 | 44 | 0.81 |
| Commercial - foreign | 66 | 0.98 | 25 | 0.37 | 162 | 2.30 | 149 | 2.05 | 122 | 1.54 |
| | 887 | 1.23 | 947 | 1.28 | 1,587 | 2.05 | 1,836 | 2.28 | 1,331 | 1.58 |
| Small business commercial - domestic | 528 | 12.94 | 602 | 14.21 | 684 | 15.16 | 796 | 17.45 | 773 | 16.69 |
| Total commercial | 1,415 | 1.86 | 1,549 | 1.98 | 2,271 | 2.78 | 2,632 | 3.09 | 2,104 | 2.37 |
| Total net charge-offs | \$9,557 | 3.98 | \$10,797 | 4.44 | \$8,421 | 3.71 | \$9,624 | 4.13 | \$8,701 | 3.64 |
| By Business Segment | | | | | | | | | | |
| Deposits | \$66 | 47.67 % | \$43 | 34.73 % | \$97 | 56.52 % | \$98 | 57.21 % | \$86 | 56.10 % |
| Global Card Services (4) | 5,674 | 12.82 | 6,011 | 12.88 | 6,487 | 12.88 | 7,400 | 14.07 | 6,975 | 12.96 |
| Home Loans & Insurance | 1,664 | 5.11 | 2,317 | 7.03 | 1,502 | 4.50 | 1,962 | 5.87 | 1,599 | 4.88 |
| Global Banking & Markets | 87 | 0.38 | 143 | 0.61 | 517 | 2.18 | 486 | 1.94 | 391 | 1.44 |
| Global Commercial Banking | 958 | 1.87 | 1.076 | 2.04 | 1,310 | 2.37 | 1,453 | 2.55 | 1.246 | 2.13 |
| Global Wealth & Investment Management | 115 | 0.47 | 119 | 0.49 | 211 | 0.84 | 285 | 1.12 | 172 | 0.68 |
| All Other (4) | 993 | 1.55 | 1,088 | 1.72 | (1,703) | (4.39) | (2,060) | (5.27) | (1,768) | (4.28) |
| Total net charge-offs | \$9,557 | 3.98 | \$10,797 | 4.44 | \$8,421 | 3.71 | \$9,624 | 4.13 | \$8,701 | 3.64 |
| Supplemental managed basis data | | | | | | | | | | |
| Credit card - domestic | n/a | n/a | n/a | n/a | \$4,195 | 12.69 % | \$4,816 | 13.92 % | \$4,530 | 12.69 % |
| Credit card - foreign | n/a | n/a | n/a | n/a | 672 | 8.48 | 661 | 8.41 | 517 | 7.06 |
| Total credit card managed net losses | n/a | n/a | n/a | n/a | \$4,867 | 11.88 | \$5,477 | 12.90 | \$5,047 | 11.73 |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods have not been restated.

n/a = not applicable

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



⁽²⁾ Net charge-offloss ratios are calculated as annualized held net charge-offs or managed net losses divided by average outstanding held or managed loans and leases excluding loans accounted for under the fair value option during the period for each loan and lease category.

⁽³⁾ Excludes small business commercial - domestic loans.

⁽⁴⁾ The 2009 periods for Global Card Services are presented on a managed basis with a corresponding offset in All Other.

Year-to-Date Net Charge-offs/Losses and Net Charge-off/Loss Ratios (1,2)

(Dollars in millions)

| | | Six Months Ended June 30 | | | | | | | | |
|---------------------------------------|------------|--------------------------|----------|---------|--|--|--|--|--|--|
| | 20: | 10 | 2009 | | | | | | | |
| Held Basis | Amount | Percent | Amount | Percent | | | | | | |
| Residential mortgage | \$2,040 | 1.67 % | \$1,870 | 1.45 % | | | | | | |
| Home equity | 4,138 | 5.55 | 3,520 | 4.50 | | | | | | |
| Discontinued real estate | 40 | 0.57 | 50 | 0.53 | | | | | | |
| Credit card - domestic | 7,480 | 12.36 | 3,214 | 11.72 | | | | | | |
| Credit card - foreign | 1,573 | 11.02 | 462 | 5.22 | | | | | | |
| Direct/Indirect consumer | 1,988 | 4.02 | 2,724 | 5.46 | | | | | | |
| Other consumer | 131 | 8.90 | 196 | 11.80 | | | | | | |
| Total consumer | 17,390 | 5.28 | 12,036 | 3.96 | | | | | | |
| Commercial - domestic (3) | 465 | 0.52 | 780 | 0.74 | | | | | | |
| Commercial real estate | 1,260 | 3.83 | 1,084 | 2.96 | | | | | | |
| Commercial lease financing | 18 | 0.17 | 111 | 1.02 | | | | | | |
| Commercial - foreign | 91 | 0.68 | 226 | 1.39 | | | | | | |
| | 1,834 | 1.26 | 2,201 | 1.30 | | | | | | |
| Small business commercial - domestic | 1,130 | 13.59 | 1,406 | 15.07 | | | | | | |
| Total commercial | 2,964 | 1.92 | 3,607 | 2.02 | | | | | | |
| Total net charge-offs | \$20,354 | 4.21 | \$15,643 | 3.24 | | | | | | |
| By Business Segment | | | | | | | | | | |
| Deposits | \$109 | 41.53 % | \$172 | 47.15 % | | | | | | |
| Global Card Services (4) | 11,685 | 12.85 | 12,251 | 11.24 | | | | | | |
| Home Loans & Insurance | 3,981 | 6.07 | 3,090 | 4.85 | | | | | | |
| Global Banking & Markets | 230 | 0.50 | 607 | 1.10 | | | | | | |
| Global Commercial Banking | 2,034 | 1.95 | 2,299 | 1.97 | | | | | | |
| Global Wealth & Investment Management | 234 | 0.48 | 334 | 0.64 | | | | | | |
| All Other (4) | 2,081 | 1.64 | (3,110) | (3.69) | | | | | | |
| Total net charge-offs | \$20,354 | 4.21 | \$15,643 | 3.24 | | | | | | |
| Supplemental managed basis data | | | | | | | | | | |
| Credit card - domestic | n/a | n/a | \$7,951 | 10.91 % | | | | | | |
| Credit card - foreign | n/a | n/a | 890 | 6.29 | | | | | | |
| Total credit card managed net losses | <u>n/a</u> | n/a | \$8,841 | 10.16 | | | | | | |

 $^{(1) \}textit{ The 2010 period is presented in accordance with new consolidation guidance. } \textit{The 2009 period has not been restated.}$

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

⁽²⁾ Net charge-off/loss ratios are calculated as annualized held net charge-offs or managed net losses divided by average outstanding held or managed loans and leases excluding loans accounted for under the fair value option during the period for each loan and lease category.

⁽³⁾ Excludes small business commercial - domestic loans.

 $^{(4) \}textit{ The 2009 period for Global Card Services is presented on a managed basis with a corresponding offset in All Other.}$

n/a - not applicable

Allocation of the Allowance for Credit Losses by Product Type (Dollars in millions)

| | | June 30, 201 | 0 | March 31, 2010 June 30, 2009 | | | | | |
|--|----------|--------------|-----------------|------------------------------|------------|-----------------|----------|------------|-----------------|
| | | | Percent of | | | Percent of | | | Percent of |
| | | | Loans and | | | Loans and | | | Loans and |
| | | Percent of | Leases | | Percent of | Leases | | Percent of | Leases |
| Allowance for loan and lease losses (1) | Amount | Total | Outstanding (2) | Amount | Total | Outstanding (2) | Amount | Total | Outstanding (2) |
| Residential mortgage | \$4,818 | 10.65 % | 1.96 % | \$4,683 | 10.00 % | 1.91 % | \$4,119 | 12.19 % | 1.67 % |
| Home equity | 12,880 | 28.46 | 8.81 | 12,178 | 26.00 | 8.12 | 8,664 | 25.64 | 5.59 |
| Discontinued real estate | 1,140 | 2.52 | 8.27 | 1,110 | 2.37 | 7.81 | 398 | 1.18 | 2.28 |
| Credit card - domestic | 12,384 | 27.36 | 10.61 | 13,703 | 29.26 | 11.34 | 5,153 | 15.25 | 10.53 |
| Credit card - foreign | 2,197 | 4.85 | 8.32 | 2,394 | 5.11 | 8.32 | 1,320 | 3.91 | 6.46 |
| Direct/Indirect consumer | 2,929 | 6.47 | 2.98 | 3,395 | 7.25 | 3.42 | 5,369 | 15.89 | 5.41 |
| Other consumer | 182 | 0.41 | 6.08 | 191 | 0.41 | 6.35 | 210 | 0.63 | 6.22 |
| Total consumer | 36,530 | 80.72 | 5.62 | 37,654 | 80.40 | 5.70 | 25,233 | 74.69 | 4.27 |
| Commercial - domestic (3) | 4,495 | 9.93 | 2.35 | 4,956 | 10.58 | 2.53 | 5,486 | 16.24 | 2.52 |
| Commercial real estate | 3,593 | 7.94 | 5.83 | 3,569 | 7.62 | 5.36 | 2,396 | 7.09 | 3.19 |
| Commercial lease financing | 269 | 0.60 | 1.26 | 278 | 0.59 | 1.30 | 255 | 0.75 | 1.14 |
| Commercial - foreign | 368 | 0.81 | 1.32 | 378 | 0.81 | 1.41 | 415 | 1.23 | 1.39 |
| Total commercial (4) | 8,725 | 19.28 | 2.89 | 9,181 | 19.60 | 2.95 | 8,552 | 25.31 | 2.48 |
| Allowance for loan and lease losses | 45,255 | 100.00 % | 4.75 | 46,835 | 100.00 % | 4.82 | 33,785 | 100.00 % | 3.61 |
| Reserve for unfunded lending commitments | 1,413 | | | 1,521 | | | 1,992 | | |
| Allowance for credit losses | \$46,668 | | - | \$48,356 | | • | \$35,777 | | |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 period has not been restated.

⁽²⁾ Ratios are calculated as allowance for loan and lease losses as a percentage of loans and leases outstanding excluding loans accounted for under the fair value option for each loan and lease category. Loans accounted for under the fair value option include commercial - domestic loans of \$2.1 billion, \$2.5 billion and \$4.4 billion, commercial - foreign loans of \$1.7 billion, \$1.5 billion and \$2.5 billion, and commercial real estate loans of \$114 million, \$101 million and \$123 million at June 30, 2010, March 31, 2010 and June 30, 2009.

⁽³⁾ Includes allowance for small business commercial - domestic loans of \$2.0 billion, \$2.1 billion and \$2.8 billion at June 30, 2010, March 31, 2010, and June 30, 2009.

⁽⁴⁾ Includes allowance for loan and lease losses for impaired commercial loans of \$732 million, \$934 million and \$1.6 billion at June 30, 2010, March 31, 2010 and June 30, 2009.

Exhibit A: Non-GAAP Reconciliations

Bank of America Corporation and Subsidiaries

Reconciliation to GAAP Financial Measures

(Dollars in millions shares in thousands

The Corporation evaluates its business based upon a fully taxable-equivalent basis which is a non-GAAP measure. Total revenue, net of interest expense, includes net interest income on a fully taxable-equivalent basis and noninterest income. The adjustment of net interest income to a fully taxable-equivalent basis results in a corresponding increase in income tax expense. The Corporation also evaluates its business based upon ratios that utilize tangible equity which is a non-GAAP measure. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of common shareholders' equity measures the Corporation's earnings contribution as a percentage of average shareholders' equity plus any Common Equivalent Securities. Return on average tangible 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 to total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible own of the proper servicing rights), net of related deferred tax liabilities. The tangible took value per 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 book value per common share represents ending 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 book value per common share represents ending common shareholders' equity plus any Common Equivalent Securities less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilitie

Other companies may define or calculate supplemental financial data differently. See the tables below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended June 30, 2010, March 31, 2010, December 31, 2009, September 30, 2009 and June 30, 2009 and the six months ended June 30, 2010 and 2009.

| Page | | Six Mont June | | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
|--|--|------------------|--------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Name | | | 2009 | | | | | |
| Publication of information of the protection o | Reconciliation of net interest income to net interest income | e fully taxable | -equivalent basi | <u>s</u> | | | | |
| Process | Net interest income | \$26,649 | \$24,127 | \$12,900 | \$13,749 | \$11,559 | \$11,423 | \$11,630 |
| Properties Pro | | | | | | | | |
| Part | Net interest income fully taxable-equivalent basis | \$27,267 | \$24,761 | \$13,197 | \$14,070 | \$11,896 | \$11,753 | \$11,942 |
| 18 | Reconciliation of total revenue, net of interest expense to to | otal revenue, 1 | net of interest ex | pense fully taxab | ole-equivalent l | <u>basis</u> | | |
| Part | · · · · · · · · · · · · · · · · · · · | | | | | | | |
| Reconciliation of income tax expense (benefit) to income tax expense (benefit) fully tax believely activated bases \$1,879 \$234 \$667 \$1,207 \$1,225 \$1,207 \$3,31 \$3,00 \$312 \$1,000 | | | | | | | | |
| Signate Sign | | | | | | | | |
| March 19th | Reconciliation of income tax expense (benefit) to income ta | ax expense (be | nefit) fully taxal | ble-equivalent ba | <u>sis</u> | | | |
| Process Proc | Income tax expense (benefit) | \$1,879 | \$284 | | \$1,207 | \$(1,225) | \$(975) | \$(845) |
| Common shareholders' equity to average tame/the shareholders' equity and the shareholders' equity to average tame/the shareholders' equity and the shareholders' equity to average tame/the shareholders' equity and the shareholders' equity and | | | | | | | | |
| Common sharcholders' equity S207,966 S167,153 S215,468 S200,300 S197,123 S197,230 S178,470 Common Equivalent Securities S,848 S | Income tax expense (benefit) fully taxable-equivalent basis | \$2,497 | \$918 | \$969 | \$1,528 | \$(888) | \$(645) | \$(533) |
| Common Equirelers | Reconciliation of average common shareholders' equity to | average tangi | ble common sha | reholders' equit | <u>v</u> | | | |
| Concornal Conc | | | \$167,153 | \$215,468 | | | \$197,230 | \$173,497 |
| Intaggible assets (excluding MSRs) 11,599 11,216 11,909 12,505 13,223 13,905 13,916 | | | - | - | | | - | - |
| Related deferred tax liabilities 3.446 3.946 3.395 3.477 3.725 3.916 3.1948 3.1949 3.1949 3.1948 3.1949 3.1948 3.1949 3.1948 3.1949 3.1949 3.1948 3.1949 | | | | | | | | |
| Starphile common shareholders' equity to average tangible average tangible average tangible shareholders' equity to average tangible shareholders' equity to average tangible shareholders' equity to period end tangible average | | | | | | | | |
| Suncholders equity S21,686 S238,855 S233,461 S229,891 S250,599 S255,833 S242,867 Goodwill (86,216) (86,526) (86,699) (86,334) (86,033) (86,170) (87,314) (11,599) (11,1399) (11,1396) (11,066) (11,066) (12,557) (13,223) | | | | | | | | |
| Summon Equation Summon Shareholders' equity Summon Sharehold | | | | | | | | |
| Concordiation of period end shareholders' equity Part | Reconciliation of average shareholders' equity to average to | tangible share | holders' equity | | | | | |
| Related deferred tax itabilities 3,46 3,946 3, | Shareholders' equity | \$231,686 | \$235,855 | \$233,461 | \$229,891 | \$250,599 | \$255,983 | \$242,867 |
| Relate deferred tax liabilities 3,446 3,946 3,395 3,175 3,712 3,725 3,106 Tangible shareholders' equity \$137,357 \$142,306 \$139,541 \$135,148 \$155,702 \$160,315 \$145,876 Reconciliation of period end common shareholders' equity to period end shareholders' equity \$215,181 \$196,492 \$215,181 \$211,859 \$194,236 \$198,438 \$196,492 Common Equivalent Securities \$1 - \$1 - \$1 - \$1 - \$1 - \$1 - \$1 - \$1 | | | | | | | | |
| Si37,357 Si42,306 Si39,541 Si35,148 Si55,702 Si60,315 Si45,874 | | | | | | | | |
| Second Shareholders' equity Second State Seco | | | | | | | | |
| Second Shareholders' equity Second State Seco | Reconciliation of period end common shareholders' equity | to period end | tangible comm | on shareholders' | equity | | | |
| Common Equivalent Securities 19.244 19.245 19.246 | | _ | | | | \$104.226 | \$108 842 | \$106.402 |
| Condwill (85,801) (86,246) (85,801) (86,305) (86,314) (86,009) (86,246) (11,0796) (11,548) (10,0766) (11,548) (| | φ213,161 | \$190,492 | \$213,161 | \$211,639 | , | \$170,043 | \$190,492 |
| Related deferred tax liabilities 3,215 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,100,844 3,215 3,215 3,217,402 3,218,638 | | (85,801) | (86,246) | (85,801) | (86,305) | | (86,009) | (86,246) |
| Starcholders Star | Intangible assets (excluding MSRs) | (10,796) | (13,245) | (10,796) | (11,548) | (12,026) | (12,715) | (13,245) |
| Starcholders' equity S233,174 S255,152 S233,174 S229,823 S231,444 S257,683 S255,152 Goodwill (86,246) (85,801) (86,246) (85,801) (86,305) (86,314) (86,009) (86,246) Intangible assets (excluding MSRs) (10,796) (13,245) (10,796) (11,548) (12,026) (12,715) (13,245) (13,245) (10,796) (10,796) (10, | | | | | | | | |
| Shareholders' equity | Tangible common shareholders' equity | \$121,799 | \$100,844 | \$121,799 | \$117,402 | \$118,638 | \$103,833 | \$100,844 |
| Condimination of Period end assets to period end tangible assets (excluding MSRs) (10,796 13,245 13,9792 1313,366 3,346 3,346 3,345 | Reconciliation of period end shareholders' equity to period | d end tangible | shareholders' e | quit <u>y</u> | | | | |
| Related deferred tax liabilities 3,215 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,296 3,244,243 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215,439 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215,439 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215,439 3,215,439 3,215 3,296 3,244,243 3,215,439 3,215,439 3,215,439 3,215 3,244,243 3,215,439 3 | | | | | | | | |
| Related deferred tax liabilities 3,215 3,843 3,215 3,396 3,498 3,714 3,843 Tangible shareholders' equity \$139,792 \$159,504 \$139,792 \$133,792 \$133,506 \$3,498 3,714 3,843 Reconciliation of period end assets to period end tangible assets S2,363,878 \$2,254,394 \$2,363,878 \$2,338,700 \$2,223,299 \$2,251,043 \$2,254,394 Goodwill (86,246) (85,801) (86,305) (86,314) (86,009) (86,246) Intangible assets (excluding MSRs) (10,796) (13,245) (10,796) (11,548) (12,026) (12,715) (13,245) Related deferred tax liabilities 3,215 3,843 3,215 3,396 3,498 3,714 3,843 Tangible assets \$2,270,496 \$2,158,746 \$2,270,496 \$2,244,243 \$2,128,457 \$2,156,003 \$2,158,746 Reconciliation of ending common shares outstanding to ending tangible ending tangible ending endi | | | | | | | | |
| Standard | | | | | | | | |
| Assets S2,363,878 \$2,254,394 \$2,363,878 \$2,233,870 \$2,223,299 \$2,251,043 \$2,254,394 \$2,363,878 \$2,338,700 \$2,223,299 \$2,251,043 \$2,254,394 \$2,004 | | | | | | | | |
| Sasets \$2,363,878 \$2,254,394 \$2,363,878 \$2,238,700 \$2,223,299 \$2,251,043 \$2,254,944 \$2,000 | Reconciliation of period end assets to period end tangible | accets | | | | | | |
| Goodwill (85,801) (86,246) (85,801) (86,305) (86,314) (86,009) (86,246) Intangible assets (excluding MSRs) (10,796) (13,245) (10,796) (11,548) (12,026) (12,715) (13,245) (10,796) (11,548) (12,026) (12,715) (13,245) (13,2 | | | \$2.254.204 I | \$2 362 979 | \$2 339 700 | \$2 222 200 | \$2.251.042 | \$2.254.204 |
| Related deferred tax liabilities 3,215 3,843 3,215 3,396 3,498 3,714 3,843 3,215 3,245 3 | | | | | | | | |
| Tangible assets \$2,270,496 \$2,158,746 \$2,270,496 \$2,244,243 \$2,128,457 \$2,156,033 \$2,158,746 Reconciliation of ending common shares outstanding to ending tangible common shares outstanding Common shares outstanding 10,033,017 8,651,459 10,033,017 10,032,001 8,650,244 8,650,314 8,651,459 Assumed conversion of common equivalent shares (1) - - - - 1,286,000 - - - | | | | | | | | |
| Reconciliation of ending common shares outstanding to ending tangible common shares outstanding Common shares outstanding 10,033,017 8,651,459 10,033,017 10,032,001 8,650,244 8,650,314 8,651,459 Assumed conversion of common equivalent shares (1) - - - - 1,286,000 - - - | | | | | | | | |
| Common shares outstanding 10,033,017 8,651,459 10,033,017 10,032,001 8,650,244 8,650,314 8,651,459 Assumed conversion of common equivalent shares (1) - 1,286,000 - 1,286,000 | Tangible assets | \$2,270,496 | \$2,158,746 | \$2,270,496 | \$2,244,243 | \$2,128,457 | \$2,156,033 | \$2,158,746 |
| Assumed conversion of common equivalent shares (1) | Reconciliation of ending common shares outstanding to en | ding tangible | common shares | outstanding | | | | |
| | 6 | 10,033,017 | 8,651,459 | 10,033,017 | 10,032,001 | 8,650,244 | 8,650,314 | 8,651,459 |
| rangine common snares outstanding 19,055,017 8.651,459 19,055,017 19,052,001 9,596,244 8.650,314 8.651,459 | | 10.022.015 | 9 (51 450 | 10.022.017 | 10.022.001 | | 0.650.214 | 0.651.450 |
| | i angine common snares outstanding | 10,033,017 | 8,651,459 | 10,033,017 | 10,032,001 | 9,936,244 | 8,650,314 | 8,651,459 |

(1) On February 24, 2010, the common equivalent shares converted into common shares

Exhibit A: Non-GAAP Reconciliations - continued

Bank of America Corporation and Subsidiaries Global Card Services - Reconciliation

(Dollars in millions)

| Six Mo | onths Ended June 30, 20 | 009 | | Fourth Quarter 2009 | |
|----------------------|---|---|---|--|---|
| Managed Basis (1) | Securitization Impact (2) | Held Basis | Managed Basis (1) | Securitization Impact (2) | Held Basis |
| \$10,174 | \$(4,749) | \$5,425 | \$4,878 | \$(2,226) | \$2,652 |
| | | | | | |
| 4,277 | (348) | 3,929 | 2,093 | (679) | 1,414 |
| 258 | (67) | 191 | 115 | (21) | 94 |
| 4,535 | (415) | 4,120 | 2,208 | (700) | 1,508 |
| 14,709 | (5,164) | 9,545 | 7,086 | (2,926) | 4,160 |
| 15,876 | (5,164) | 10,712 | 6,854 | (2,926) | 3,928 |
| 3,982 | - | 3,982 | 1,899 | - | 1,899 |
| (5,149) | - | (5,149) | (1,667) | - | (1,667) |
| (1,806) | - | (1,806) | (659) | - | (659) |
| \$(3,343) | \$- | \$(3,343) | \$(1,008) | \$- | \$(1,008) |
| | | | | | |
| \$219,888 | \$(102,357) | \$117,531 | \$199,756 | \$(91,705) | \$108,051 |
| 211,325 | (100,438) | 110,887 | 196,289 | (89,715) | 106,574 |
| | Third Quarter 2009 | | | Second Quarter 2009 | |
| Managed | Securitization (2) | Held | Managed | Securitization | Held |
| | | | | | Basis |
| \$4,920 | \$(2,275) | \$2,645 | \$4,976 | \$(2,358) | \$2,618 |
| 2.102 | (1.007) | 1.176 | 2.162 | (500) | 1.571 |
| | | | | | 1,571 |
| | | | | | 1,661 |
| 7,250 | (3,308) | 3,942 | 7,262 | (2,983) | 4,279 |
| 6 922 | (3.30%) | 3 515 | 7.655 | (2.082) | 4,672 |
| | (5,500) | | | (2,963) | 1,936 |
| | | | | | (2,329) |
| | | | | | (743) |
| \$(968) | \$- | \$(968) | \$(1,586) | \$- | \$(1,586) |
| | | | | | |
| \$208,650 | \$(97,520) | \$111,130 | \$215,808 | \$(102,046) | \$113,762 |
| 202,860 | (94,328) | 108,532 | | | 110,887 |
| | Managed Basis (1) \$10,174 4,277 258 4,535 14,709 15,876 3,982 (5,149) (1,806) \$(3,343) \$219,888 211,325 Managed Basis (1) \$4,920 2,183 147 2,330 7,250 6,823 1,936 (1,509) (541) \$(968) | Managed Basis (1) Securitization Impact (2) \$10,174 \$(4,749) 4,277 (348) 258 (67) 4,535 (415) 14,709 (5,164) 15,876 (5,164) 3,982 - (5,149) - (1,806) - \$(3,343) \$- \$219,888 \$(102,357) 211,325 (100,438) Third Quarter 2009 Managed Basis (1) Securitization Impact (2) \$4,920 \$(2,275) 2,183 (1,007) 147 (26) 2,330 (1,033) 7,250 (3,308) 1,936 - (1,509) - (541) - \$(968) \$- | Basis (1) Impact (2) Basis (2) \$10,174 \$(4,749) \$5,425 4,277 (348) 3,929 258 (67) 191 4,535 (415) 4,120 14,709 (5,164) 9,545 15,876 (5,164) 10,712 3,982 - 3,982 (5,149) - (5,149) (1,806) - (1,806) \$(3,343) \$- \$(3,343) \$219,888 \$(102,357) \$117,531 211,325 (100,438) 110,887 Third Quarter 2009 Managed Securitization Held Basis \$4,920 \$(2,275) \$2,645 2,183 (1,007) 1,176 147 (26) 121 2,330 (1,033) 1,297 7,250 (3,308) 3,515 1,936 - 1,936 (1,509) - (1,509) (541) - | Managed Basis (1) Securitization Impact (2) Held Basis (1) Managed Basis (1) \$10,174 \$(4,749) \$5,425 \$4,878 4,277 (348) 3,929 2,093 258 (67) 191 115 4,535 (415) 4,120 2,208 14,709 (5,164) 9,545 7,086 15,876 (5,164) 10,712 6,854 3,982 - 3,982 1,899 (5,149) - (5,149) (1,667) (1,806) - (1,806) (659) \$(3,343) \$- \$(3,343) \$(1,008) \$219,888 \$(102,357) \$117,531 \$199,756 \$211,325 (100,438) \$110,887 \$196,289 Third Quarter 2009 Managed Basis (1) Basis Basis (1) Managed Basis (1) \$4,920 \$(2,275) \$2,645 \$4,976 \$4,920 \$(2,275) \$2,645 \$4,976 \$4,920 \$(2,227) <td< td=""><td>Managed Basis (1) Securitization Impact (2) Held Basis (3) Managed Basis (1) Securitization Impact (2) \$10,174 \$(4,749) \$55,425 \$4,878 \$(2,226) 4,277 (348) 3,929 2,093 (679) 258 (67) 191 115 (21) 4,535 (415) 4,120 2,208 (700) 14,709 (5,164) 10,712 6,854 (2,926) 15,876 (5,164) 10,712 6,854 (2,926) 3,982 - - 3,982 1,899 - (5,149) - (5,149) (1,667) - (1,806) - (1,806) (659) - \$(3,343) \$ \$(3,343) \$(3,343) \$(3,100) \$219,888 \$(102,357) \$117,531 \$199,756 \$(91,705) \$211,325 (100,438) \$110,887 \$196,289 (89,715) Third Quarter 2009 Securitization Held Managed Basis (1) Impa</td></td<> | Managed Basis (1) Securitization Impact (2) Held Basis (3) Managed Basis (1) Securitization Impact (2) \$10,174 \$(4,749) \$55,425 \$4,878 \$(2,226) 4,277 (348) 3,929 2,093 (679) 258 (67) 191 115 (21) 4,535 (415) 4,120 2,208 (700) 14,709 (5,164) 10,712 6,854 (2,926) 15,876 (5,164) 10,712 6,854 (2,926) 3,982 - - 3,982 1,899 - (5,149) - (5,149) (1,667) - (1,806) - (1,806) (659) - \$(3,343) \$ \$(3,343) \$(3,343) \$(3,100) \$219,888 \$(102,357) \$117,531 \$199,756 \$(91,705) \$211,325 (100,438) \$110,887 \$196,289 (89,715) Third Quarter 2009 Securitization Held Managed Basis (1) Impa |

⁽¹⁾ Provision for credit losses represents provision for credit losses on held loans combined with realized credit losses associated with the securitized loan portfolio.

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

In 2010, the Corporation reports Global Card Services results in accordance with new consolidation guidance. The 2009 periods are presented on a managed basis. Managed basis assumes that securitized loans were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented. Loan securitization is an alternative funding process that is used by the Corporation to diversify funding sources. In prior periods, loan securitization removed loans from the Consolidated Balance Sheet through the sale of loans to an off-balance sheet qualifying special purpose entity which was excluded from the Corporation's Consolidated Financial Statements in accordance with GAAP applicable at the time.

The performance of the managed portfolio is important in understanding *Global Card Services* results as it demonstrates the results of the entire portfolio serviced by the business. Securitized loans continue to be serviced by the business and are subject to the same underwriting standards and ongoing monitoring as held loans. In addition, excess servicing income is exposed to similar credit risk and repricing of interest rates as held loans. In prior periods, *Global Card Services* managed income statement line items differed from a held basis reported as follows:

- Managed net interest income included Global Card Services net interest income on held loans and interest income on the securitized loans less the internal funds transfer pricing allocation related to securitized loans.
- Managed noninterest income included Global Card Services noninterest income on a held basis less the reclassification of certain components of card income (e.g., excess servicing income) to record securitized net interest income and provision for credit losses. Noninterest income, both on a held and managed basis, also included the impact of adjustments to the interest-only strips that were recorded in card income as management managed this impact within Global Card Services.
- Provision for credit losses represented the provision for managed credit losses on held loans combined with realized credit losses associated with the securitized loan portfolio.

⁽²⁾ The securitization impact on net interest income is on a funds transfer pricing methodology consistent with the way funding costs are allocated to the businesses.

⁽³⁾ Fully taxable-equivalent basis

Exhibit A: Non-GAAP Reconciliations - continued

Bank of America Corporation and Subsidiaries

All Other - Reconciliation

(Dollars in millions)

| | Six Mor | ths Ended June 30, | 2009 | Fo | | |
|--|---|---|--|--|---|---|
| | Reported Basis (1) | Securitization Offset (2) | As Adjusted | Reported Basis (1) | Securitization Offset (2) | As Adjusted |
| Net interest income (3) | \$(3,452) | \$4,749 | \$1,297 | \$(1,545) | \$2,226 | \$681 |
| Noninterest income: | | | | | | |
| Card income (loss) | 256 | 348 | 604 | (431) | 679 | 248 |
| Equity investment income | 7,302 | = | 7,302 | 828 | = | 828 |
| Gains on sales of debt securities | 2,143 | - | 2,143 | 853 | - | 853 |
| All other loss | (1,367) | 67 | (1,300) | (2,281) | 21 | (2,260) |
| Total noninterest income (loss) | 8,334 | 415 | 8,749 | (1,031) | 700 | (331) |
| Total revenue, net of interest expense | 4,882 | 5,164 | 10,046 | (2,576) | 2,926 | 350 |
| Provision for credit losses | (667) | 5,164 | 4,497 | (1,511) | 2,926 | 1,415 |
| Merger and restructuring charges | 1,594 | - | 1,594 | 533 | - | 533 |
| All other noninterest expense | 1,247 | | 1,247 | 790 | | 790 |
| Income (loss) before income taxes | 2,708 | - | 2,708 | (2,388) | - | (2,388) |
| Income tax benefit (3) | (969) | - | (969) | (875) | - | (875) |
| Net income (loss) | \$3,677 | \$- | \$3,677 | \$(1,513) | \$- | \$(1,513) |
| Balance sheet | | | | | | |
| Average - total loans and leases | \$170,119 | \$102,357 | \$272,476 | \$154,038 | \$91,705 | \$245,743 |
| Period end - total loans and leases | 159,977 | 100,438 | 260,415 | 161,153 | 89,715 | 250,868 |
| | | , | , | . , | , | , |
| | <u></u> | hird Quarter 2009 | | | econd Quarter 2009 | |
| | | | | | | |
| | Reported Basis (1) | Securitization Offset (2) | As Adjusted | Reported Basis (1) | Securitization Offset (2) | As Adjusted |
| Net interest income (3) | | | | | | |
| Noninterest income: | Basis (1) \$(1,798) | Offset (2) \$2,275 | Adjusted \$477 | Basis (1) \$(1,595) | Offset (2) \$2,358 | Adjusted |
| Noninterest income: Card income (loss) | Basis (1) \$(1,798) (721) | Offset (2) | Adjusted \$477 286 | Basis (1) \$(1,595) (278) | Offset (2) | ### Adjusted \$763 314 |
| Noninterest income: Card income (loss) Equity investment income | Basis (1) \$(1,798) (721) 882 | Offset (2) \$2,275 | Adjusted \$477 286 882 | Basis (1) \$(1,595) (278) 5,979 | Offset (2) \$2,358 | Adjusted \$763 314 5,979 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities | Basis (1) \$(1,798) (721) 882 1,442 | Offset (2) \$2,275 1,007 | Adjusted \$477 286 882 1,442 | Basis (1) \$(1,595) (278) 5,979 672 | Offset ⁽²⁾ \$2,358 592 | Adjusted \$763 314 5,979 672 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) | Basis (1) \$(1,798) (721) 882 1,442 (2,053) | 92,275 \$2,275 1,007 - - 26 | Adjusted \$477 286 882 1,442 (2,027) | Basis (1) \$(1,595) (278) 5,979 672 (4,110) | S2,358 592 33 | Adjusted \$763 314 5,979 672 (4,077) |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) | Offset (2) \$2,275 1,007 - - 26 1,033 | Adjusted \$477 286 882 1,442 (2,027) 583 | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 | S2,358 592 33 625 | Adjusted \$763 314 5,979 672 (4,077) 2,888 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) | Basis (1) \$(1,798) (721) 882 1,442 (2,053) | 92,275 \$2,275 1,007 - - 26 | Adjusted \$477 286 882 1,442 (2,027) | Basis (1) \$(1,595) (278) 5,979 672 (4,110) | S2,358 592 33 | Adjusted \$763 314 5,979 672 (4,077) |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) | Offset (2) \$2,275 1,007 - - 26 1,033 | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 | S2,358 592 33 625 | Adjusted \$763 314 5,979 672 (4,077) 2,888 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 | S2,358 592 33 625 2,983 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges All other noninterest expense | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) (1,218) 594 838 | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 2,090 594 838 | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 | S2,358 592 33 625 2,983 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 2,983 829 796 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges All other noninterest expense Loss before income taxes | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) (1,218) 594 | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 2,090 594 | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 | S2,358 592 33 625 2,983 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 2,983 829 |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges All other noninterest expense Loss before income taxes Income tax benefit (3) | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) (1,218) 594 838 | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 - - - | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 2,090 594 838 (2,462) (925) | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 829 796 (957) (1,724) | Offset (2) \$2,358 592 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 2,983 829 796 (957) (1,724) |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges All other noninterest expense Loss before income taxes | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) (1,218) 594 838 (2,462) | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 2,090 594 838 (2,462) | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 - 829 796 (957) | S2,358 592 33 625 2,983 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 2,983 829 796 (957) |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges All other noninterest expense Loss before income taxes Income tax benefit (3) | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) (1,218) 594 838 (2,462) (925) | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 - - - | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 2,090 594 838 (2,462) (925) | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 829 796 (957) (1,724) | Offset (2) \$2,358 592 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 2,983 829 796 (957) (1,724) |
| Noninterest income: Card income (loss) Equity investment income Gains on sales of debt securities All other income (loss) Total noninterest income (loss) Total revenue, net of interest expense Provision for credit losses Merger and restructuring charges All other noninterest expense Loss before income taxes Income tax benefit (3) Net income (loss) | Basis (1) \$(1,798) (721) 882 1,442 (2,053) (450) (2,248) (1,218) 594 838 (2,462) (925) | Offset (2) \$2,275 1,007 - - 26 1,033 3,308 - - - | Adjusted \$477 286 882 1,442 (2,027) 583 1,060 2,090 594 838 (2,462) (925) | Basis (1) \$(1,595) (278) 5,979 672 (4,110) 2,263 668 829 796 (957) (1,724) | Offset (2) \$2,358 592 | Adjusted \$763 314 5,979 672 (4,077) 2,888 3,651 2,983 829 796 (957) (1,724) |

⁽¹⁾ The 2010 periods are presented in accordance with new consolidation guidance. The 2009 periods are presented on a managed basis. Provision for credit losses represents provision for credit losses in All Other combined with the Global Card Services securitization offset.

 $Certain\ prior\ period\ amounts\ have\ been\ reclassified\ among\ the\ segments\ to\ conform\ to\ the\ current\ period\ presentation.$

⁽²⁾ The securitization offset on net interest income is on a funds transfer pricing methodology consistent with the way funding costs are allocated to the businesses.

⁽³⁾ Fully taxable-equivalent basis

Appendix: Selected Slides from the Second Quarter 2010 Earnings Release Presentation

Key Takeaways

- Making good progress on core franchise
- Credit quality trends continue to improve
- Minimizing risk and strengthening capital
 - Generated \$3.1 B in 2Q earnings
 - Sold non-core assets of \$13 B thus far in 2010
 - Reduced legacy capital markets exposures by \$9 B in 2010
 - Strengthened underwriting practices
 - Reduced risk on assets held that are most likely to be impacted by regulatory reform
- Managing headwinds effectively
 - Concerns on global economy
 - Weak loan demand
 - Sustained low rate environment
 - Regulatory reform costs

Large Items in 2Q10

- Asset sales
 - Itaú Unibanco pre-tax gain of \$1.2 B in equity investment income
 - Columbia long-term business sale resulted in an approximate \$0.8 B reduction to goodwill and intangibles
 - Sale of MasterCard position resulted in a \$0.4 B pre-tax gain in equity investment income
 - Santander Mexico pre-tax loss of \$0.4 B
- Fair value adjustment on Merrill Lynch structured notes resulted in a gain of \$1.2 B in other income
- Recorded dividend from CCB ownership of \$0.5 B in equity investment income
- UK payroll tax resulted in increased personnel expense of \$0.4 B
- Cost of reps and warranties in mortgage banking income increased from \$0.5 B to \$1.2 B in 2Q

Financial Highlights

Revenue of \$29.5 B down 9% from 1Q10 and down 18% from 2Q09 on a managed basis

- Net interest income continues to be pressured by lack of loan demand, down \$873 M to \$13.2 B
- Sales and trading revenue declined \$3.9 B including write-downs on legacy assets of \$179 M
- Fair value adjustment on Merrill Lynch structured notes resulted in 2Q10 gain of \$1.2 B, 1Q10 gain of \$226 M, and 2Q09 loss of \$3.6 B

Expense of \$17.3 B down 3% from 1Q10 but up 1% from 2Q09

- 2Q10 expenses include \$425 M related to UK payroll tax
- 1Q10 expenses included \$758 M for retirement eligible grants, and higher litigation expenses

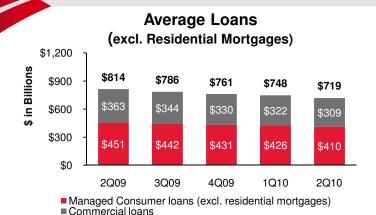
Credit quality trends continue to improve

- Net charge-offs of \$9.6 B declined \$1.2 B from 1Q10
- Nonperforming loans, leases and foreclosed properties decreased compared to 1Q10
- Commercial reservable criticized levels down for third straight quarter
- 30+ day delinquencies in credit card declined for 5th consecutive quarter
- Provision expense of \$8.1 B declined \$1.7 B or 17% from 1Q10 and \$8.3 B or 50% from 2Q09 on a managed basis
- Provision expense was \$1.45 B less than charge-offs while 1Q10 provision expense was \$992 M less than net charge-offs, resulting in a reduction in the reserve for credit losses in both quarters

Capital and liquidity continue to strengthen

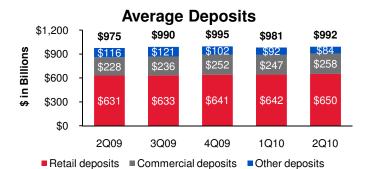
- Tier 1 capital ratio of 10.67%
- Tier 1 common ratio of 8.01%
- Tangible common equity ratio of 5.36%
- Tangible book value per share increased \$0.44 from 1Q10 to \$12.14
- Global excess liquidity increased roughly \$20 B to approximately \$290 B
- Allowance for loan and lease losses of \$45.3 B covers 4.75% of loans

Net Interest Income (continued)



Comments vs. 1Q10

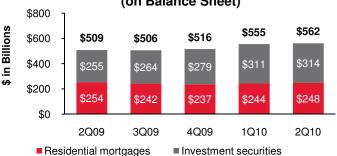
- Average loans, including impact of net charge-offs, declined \$29 B compared to 1Q10
- Consumer declines were led by average card receivables of approximately \$9 B; average home equity loans declined more than \$4 B
- Commercial loans declined \$13 B, primarily in the domestic and commercial real estate areas



Comments vs. 1Q10

- Average retail deposits grew almost \$8 B driven by wealth management customers and a move to more liquid products
- Commercial deposits increased \$11 B as clients maintain liquidity and high compensating balances
- Other deposits, primarily CDs with institutional investors, declined \$8 B

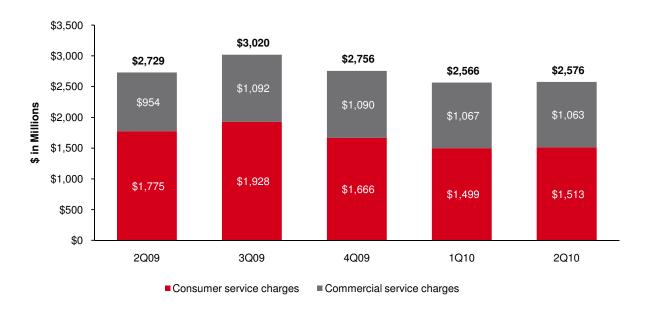
Average Discretionary Portfolio (on Balance Sheet)



Comments vs. 1Q10

The growth in average balances of \$7 B was primarily due to additions of hedged U.S. treasuries

Service Charges



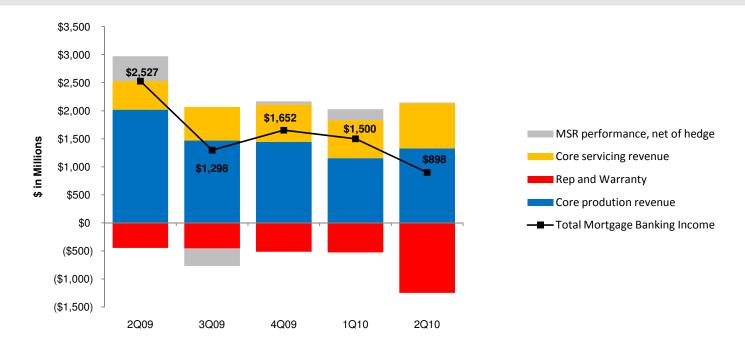
Commentary

• Service charges were fairly flat vs. 1Q10 but down from a year ago as a result of overdraft policies implemented in 4Q09

Expected Regulation E impact:

- Implementation begins in mid-quarter 3Q10 causing a decline in service charges
- Excluding impact of mitigation, service charges for the total company are still expected to move closer to \$2 B in 4Q10

Mortgage Banking Revenue

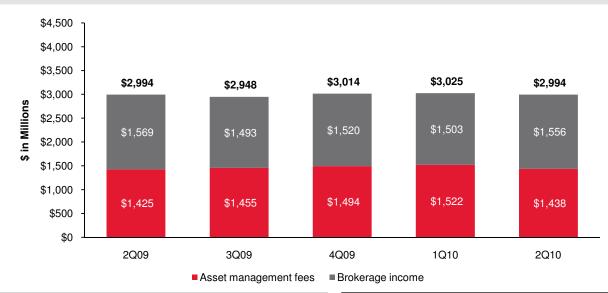


Commentary

- Mortgage banking revenue declined \$602 M vs. 1Q10
 - 2Q10 included \$1.2 B for reps and warranties, an increase of \$722 M
 - Core production revenue increased \$176 M due to higher volumes and margins
 - Core servicing revenues increased \$126 M
 - MSR results, net of hedge, were less favorable compared to 1Q10
 - The change in value of the MSR asset was effectively hedged

| Key Mortgage Statistics (\$ in B) Total Corp Home Loan Originations | <u>;</u> | <u>2Q10</u> | <u>1Q10</u> | <u>:</u> | 2 <u>Q09</u> |
|--|----------|-------------|-------------|----------|--------------|
| First Mortgage | \$ | 71.9 | \$ 69.5 | \$ | 110.6 |
| Home Equity | | 2.1 | 2.0 | | 3.7 |
| MSR, Ending Balance | \$ | 14.7 | \$ 18.8 | \$ | 18.5 |
| Capitalized MSR, bps | | 86 | 110 | | 109 |
| Serviced for Others, EOP | \$ | 1,706 | \$ 1,717 | \$ | 1,703 |

Investment and Brokerage Revenue



Excluding the impact of reduced fees from the sale of Columbia Management long-term business sale, asset management and brokerage fees increased \$127 million

Commentary

- Investment and brokerage revenue decline of \$31 M from 1Q10 reflects reduced fees as a result of the sale of the Columbia Management long-term business
- Excluding the reduced revenue of \$158 M due to the Columbia sale, asset management fees increased \$74 M reflecting
 - Higher seasonal tax prep fees
 - Market valuation as lag effect of pricing benefited the current quarter fees
 - Increased flows from Wrap products
- Brokerage fees increased \$53 M primarily due to higher equity transactions driven by volatility, and mutual fund trails
- Client assets declined nearly \$200 B primarily related to the sale of Columbia business and market conditions

| Key Wealth Management Statisti | ics | | |
|-------------------------------------|-------------|-------------|-------------|
| | <u>2Q10</u> | <u>1Q10</u> | <u>2Q09</u> |
| Client Facing Professionals | 19,607 | 19,435 | 19,299 |
| Financial Advisors | 15,142 | 15,005 | 15,008 |
| Wealth Advisors | 1,429 | 1,460 | 1,282 |
| Other Client Facing | 3,036 | 2,970 | 3,009 |
| AUM (\$ in Bs) | \$ 603.3 | \$ 750.7 | \$ 705.2 |
| Net Client Assets (\$ in Bs) | \$ 1,992.4 | \$ 2,188.1 | \$ 2,022.2 |
| Active accts in MLGWM | 3,081,863 | 3,142,373 | 3,221,571 |
| Net new \$250K+ households in MLGWM | 3,726 | 6,313 | (5,574) |

Other Revenue Items

Equity investment income

- Equity investment income of \$2.8 B in 2Q10 compared to \$0.6 B in 1Q10 and \$5.9 B in 2Q09
- 2Q10 includes \$1.2 B pre-tax gain on sale of Itaú Unibanco investment; \$0.4 B pre-tax gain from sale of MasterCard position; CCB dividend of \$0.5 B; and a pre-tax loss of \$0.4 B on the planned sale of the Santander – Mexico investment
- 1Q10 included \$0.3 B loss from sale of \$3 B discretionary equity securities portfolio
- 2Q09 included \$5.3 B pre-tax gain from partial sale of CCB investment

Gains on sales of debt securities

- Gains on sales of debt securities of \$37 M in 2Q10 compared to \$734 M in 1Q10 and \$632 M in 2Q09
 - 2Q10 includes losses on non-agency residential mortgage-backed securities sold as a result of a change in portfolio objectives to focus on capital management and credit risk reduction, which were more than offset by approximately \$750 M in gains on sales

Insurance income

 Insurance income declined \$37 M from 1Q10 to \$678 M in 2Q10 mainly from lower credit card protection volume

Other income

- Merrill Lynch structured notes resulted in 2Q10 valuation gain of \$1.2 B vs. a gain of \$226 M in 1Q10 and \$3.6 B loss in 2Q09
- 2Q09 included \$3.8 B gain from contribution of merchant services business into a joint venture

Asset Quality Items of Interest

- Acceleration of \$378 M in foreign card charge-offs to align policies on renegotiated loans with the domestic portfolio
- Consumer real estate losses are down from 1Q10 primarily due to lower charge-offs on collateral dependent modified loans as we implemented new guidance in 1Q10
 - Home equity decreased \$515 M (\$128 M in 2Q10 vs. \$643 M in 1Q10)
 - Residential mortgage decreased \$147 M (\$14 M 2Q10 vs. \$161 M 1Q10)
- We continue to repurchase delinquent FHA government insured loans which masks the continued improvement in our 30+ delinquency trends
 - Total consumer 30+ delinquency excluding FHA improved by \$3.0 B

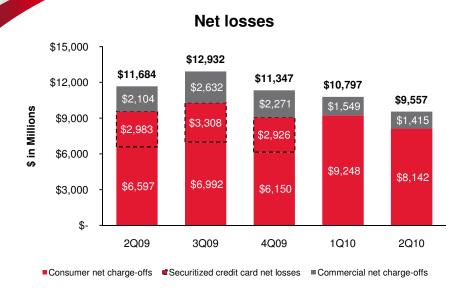
(\$ in Millions)

| | 2Q10 | <u>1Q10</u> | 4Q09 | 3Q09 | 2Q09 |
|--|--------------|--------------|--------------|-------------|-----------|
| FHA insured 30+ delinquencies | \$ 16,988 | \$ 14,917 | \$ 12,241 | \$ 2,426 | \$ 447 |
| Change from prior period | 2,071 | 2,676 | 9,815 | 1,979 | 36 |
| 30+ Delinquency Amounts | | | | | |
| Total consumer as reported ¹ | 35,817 | 36,752 | 37,043 | 27,925 | 26,771 |
| Total consumer excluding FHA 1 | 18,829 | 21,835 | 24,802 | 25,499 | 26,324 |
| Residential mortgages as reported | 22,536 | 20,858 | 19,360 | 9,455 | 7,533 |
| Residential mortgages excluding FHA | 5,548 | 5,941 | 7,119 | 7,029 | 7,086 |
| 30+ Delinquency Ratios | | | | | |
| Total consumer as reported ¹ | 5.51% | 5.56% | 5.55% | 4.15% | 3.88% |
| Total consumer excluding FHA 1,2 | 3.21% | 3.63% | 4.02% | 4.04% | 4.04% |
| Residential mortgages as reported | 9.18% | 8.51% | 8.00% | 3.96% | 3.06% |
| Residential mortgages excluding FHA ² | 2.68% | 2.81% | 3.26% | 3.13% | 3.01% |

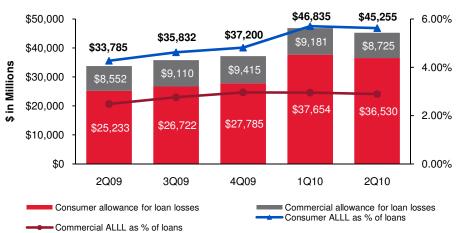
¹ 2009 amounts shown on a managed basis.

² Ratios exclude purchased credit-impaired loans.

Credit Quality



Allowance for loan and lease losses



Commentary

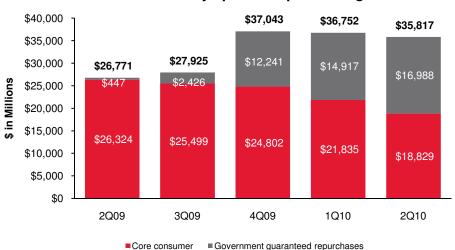
- Net losses down \$1.2 B from 1Q10, or \$947 M after normalizing for charge-offs on collateral dependent modified loans and foreign credit card losses related to aligning policies on renegotiated loans with the domestic portfolio
 - Consumer losses continue to improve, down \$813 M after adjusting for collateral dependent losses and foreign credit card losses related to aligning policies on renegotiated loans with the domestic portfolio
 - Commercial losses declined \$134 M and were broad-based across industries and borrowers and driven by improvement in borrower credit profiles and liquidity

Commentary

- Total allowance coverage now stands at 4.75% of loans and leases
- Reserve reduction through provision was \$1.45 B
 - Consumer unsecured reserves were reduced \$1.7 B
 - Consumer real estate reserves increased \$928 M, including \$328 M for Countrywide purchased credit-impaired loans
 - Commercial reserves decreased \$458 M driven by commercial excluding real estate

Delinquency and Criticized Trends

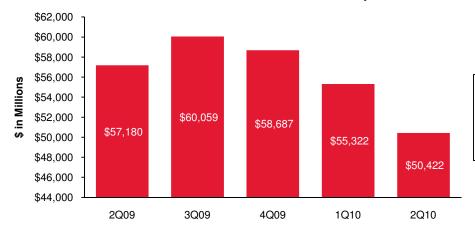




Commentary

- Core delinquencies declined in 2Q10. Card Services declined for the fifth consecutive quarter. Consumer real estate products continued to show signs of stabilization as core delinquencies improved
- Excluding government guaranteed repurchases, consumer 30+ delinquencies declined \$3.0 B

Commercial utilized reservable criticized exposure

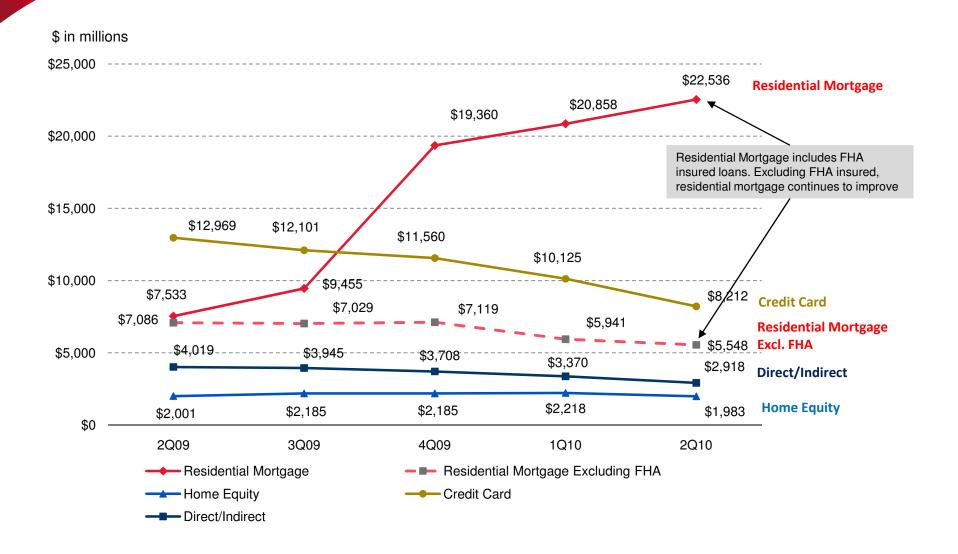


■ Commercial utilized reservable criticized exposure

Commentary

 2Q10 declined \$4.9 B, the third straight quarterly decline, driven by paydowns and upgrades as client credit profiles and liquidity improved

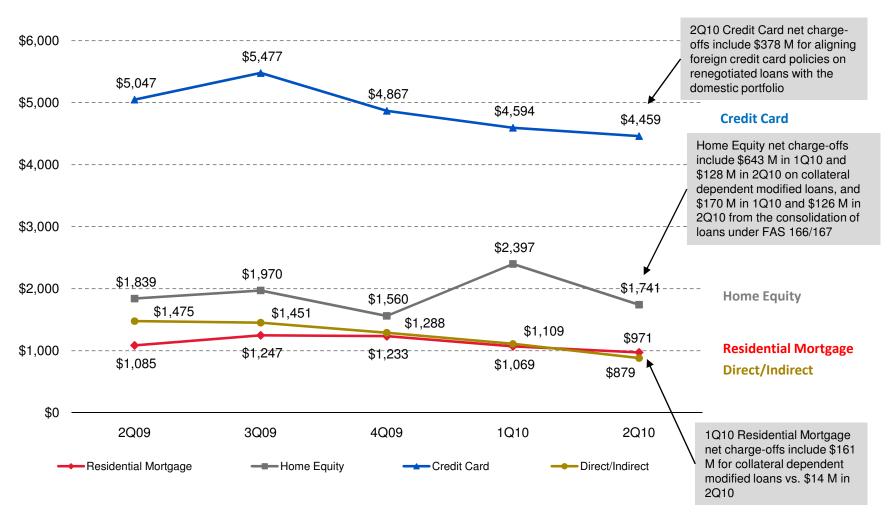
Consumer 30+ Day Delinquency 1



¹2009 Credit card shown on a managed basis.

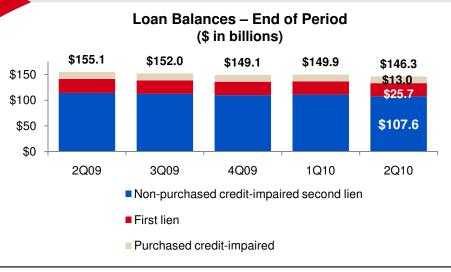
Consumer Net Charge-offs ¹



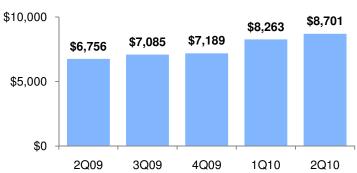


¹2009 Credit card shown on a managed basis.

Focus on Home Equity Loans

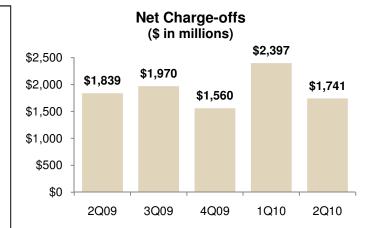






Home Equity Portfolio Characteristics

- 90% of portfolio are stand-alone originations versus piggy back loans
- \$13.0 B legacy Countrywide purchased credit-impaired loan portfolio
- For the non-purchased credit-impaired portfolio:
 - \$25.7 B are in first lien position
 - \$107.6 B are second lien positions
 - 38% or \$40.6 B have CLTVs greater than 100%
 - Does not mean that entire second lien position is a loss in the event of default
 - Assuming proceeds of 85% of the collateral value, we estimate collateral value of \$11.5 B available for second liens
 - Additionally, on 94% of second liens with CLTVs greater than 100%, the customer is current
- Allowance on the non-purchased credit-impaired home equity portfolio is \$8.7 B



Net charge-offs include \$643M in 1Q10 and \$128M in 2Q10 on collateral dependent modified loans, and \$170M in 1Q10 and \$126M in 2Q10 from consolidation of loans under FAS 166/167

Results by Business Segment - 2Q10

| | | | | | ΟL | hal Caud | Ша | | obal Wealth | ^ | Global | Global | | |
|--|----|----------|----|--------|----|----------------------|----|------------------------|-----------------------|----|----------------------|---------------------|-----|-------|
| | То | tal Corp | De | posits | | bal Card Services | | ome Loans Insurance | Investment lanagement | C | ommercial Banking | nking & //arkets | All | Other |
| Net interest income | \$ | 13,197 | \$ | 2,115 | \$ | 4,439 | \$ | 1,000 | \$ 1,385 | \$ | 2,118 | \$ 1,976 | \$ | 164 |
| Card income | | 2,023 | | - | | 1,900 | | 1 | 26 | | 65 | 31 | | - |
| Service charges | | 2,576 | | 1,494 | | - | | 4 | 19 | | 528 | 529 | | 2 |
| Investment and brokerage services | | 2,994 | | (3) | | - | | - | 2,241 | | 7 | 676 | | 73 |
| Investment banking income | | 1,319 | | - | | - | | - | 78 | | 8 | 1,301 | | (68) |
| Equity investment income | | 2,766 | | 1 | | 441 | | 4 | 162 | | (15) | 59 | | 2,114 |
| Trading account profits | | 1,227 | | - | | - | | - | 25 | | - | 1,202 | | - |
| Mortgage banking income | | 898 | | - | | - | | 1,020 | 3 | | - | 20 | | (145) |
| Gains on sales of debt securities | | 37 | | - | | - | | - | (3) | | - | 25 | | 15 |
| All other income | | 2,413 | | (3) | | 81 | | 766 | 395 | | 67 | 186 | | 921 |
| Total noninterest income | | 16,253 | | 1,489 | | 2,422 | | 1,795 | 2,946 | | 660 | 4,029 | | 2,912 |
| Total revenue, net of interest expense | | 29,450 | | 3,604 | | 6,861 | | 2,795 | 4,331 | | 2,778 | 6,005 | | 3,076 |
| Total noninterest expense | | 17,253 | | 2,496 | | 1,799 | | 2,817 | 3,370 | | 909 | 4,790 | | 1,072 |
| Pre-tax preprovision earnings | | 12,197 | | 1,108 | | 5,062 | | (22) | 961 | | 1,869 | 1,215 | | 2,004 |
| Provision for credit losses | | 8,105 | | 61 | | 3,795 | | 2,390 | 121 | | 623 | (133) | | 1,248 |
| Income (loss) before income taxes | | 4,092 | | 1,047 | | 1,267 | | (2,412) | 840 | | 1,246 | 1,348 | | 756 |
| Income tax expense (benefit) | | 969 | | 382 | | 461 | | (878) | 484 | | 456 | 421 | | (357) |
| Net income (loss) | \$ | 3,123 | \$ | 665 | \$ | 806 | \$ | (1,534) | \$ 356 | \$ | 790 | \$ 927 | \$ | 1,113 |

Consumer Asset Quality Key Indicators

| (\$ in millions) | | | | | Residential I | Vort | gage | | | | | | | | Home E | Equit | ty | | | | | | Discontinued | Real E | state | | | |
|--------------------------------------|----|--------------------|-----|---------------|---|------|------------------|-----|--------------------------------------|-----------------------------------|---|----------------------|----|---------------|--|-------|------------------|---------------|---|----|------------------|---------------|---|-----------------|--------------|----------------------------|--|---|
| | | | 2Q1 | 10 | | | | 1Q1 | 0 | | _ | | 2Q | 10 | | | 10 |)10 | | | 20 | Q10 | | | 1(| 210 | | |
| | Re | As eported | - , | Pu Ir a | ccluding urchased Credit npaired nd FHA nsured | | As ported | | Exclu Purch Cre Impa and Insu Portfo | ased dit ired FHA red | | As Reported | | Pu In a | ccluding irchased Credit inpaired ind FHA insured | Re | As eported | Pi li a | ccluding urchased Credit npaired nd FHA nsured | Re | As eported_ | Pi li a | xcluding urchased Credit mpaired and FHA Insured ortfolios ¹ | As Repor | | Pur (Im ar Ir | cluding rchased Credit spaired and FHA asured rtfolios 1 | |
| Loans EOP Loans Avg | | 245,502 247,715 | | \$ | 207,362 210,750 | | 45,007 43,833 | | | 1,545 5,307 | | \$146,274 148,219 | | \$ | 133,255 135,126 | | 49,907 52,536 | \$ | 136,668 139,542 | | 13,780 13,972 | \$ | 1,452 1,543 | \$ 14,2 14,4 | | \$ | 1,529 1,921 | |
| Net Charge-offs % of avg loans | \$ | 971 1.57 | % | \$ | 971 1.85 % | \$ | 1,069 1.78 | | \$ | 1,069 2.01 | % | \$ 1,741 4.71 | % | \$ | 1,741 5.17 % | \$ | 2,397 6.37 % | \$ | 2,397 6.97 % | \$ | 19 0.54 % | \$ | 19 4.90 % | \$ 0 | 21 .60 % | \$ | 21 4.47 | % |
| Allowance for loan losses % of Loans | \$ | 4,818 1.96 | % | \$ | 4,816 2.32 % | \$ | 4,683 1.91 | | \$ | 4,680 2.21 | | \$ 12,880 8.81 | | \$ | 8,701 6.53 % | | 12,178 8.12 % | \$ | 8,263 6.05 % | \$ | 1,140 8.27 % | \$ | 60 4.13 % | | 110 .81 % | \$ | 82 5.37 | % |
| Avg. refreshed (C)LTV ² | | | | | 78 | | | | | 81 | | | | | 85 | | | | 85 | | | | 77 | | | | 74 | |
| 90%+ refreshed (C)LTV ² | | | | | 31 % | | | | | 32 | % | | | | 43 % |) | | | 42 % |) | | | 24 % | | | | 22 | % |
| Avg. refreshed FICO | | | | | 719 | | | | | 716 | | | | | 723 | | | | 715 | | | | 645 | | | | 652 | |
| % below 620 FICO | | | | | 13 % | | | | | 12 | % | | | | 12 % |) | | | 12 % | | | | 43 % | | | | 39 | % |

¹ Excludes the purchased credit-impaired loan portfolio acquired from Countrywide and FHA Insured residential mortgage portfolio.

² Loan to value (LTV) calculations apply to the residential mortgage and discontinued real estate portfolio. Combined loan to value (CLTV) calculations apply to the home equity portfolio.

Consumer Asset Quality Indicators (cont'd)

(\$ in millions)

| , | Credit | | | d | Othe | er ¹ | | Total Co | nsumer | | |
|--------------------------------------|--------|--------------------|----|--------------------|--------------------------|-----------------|--------------------|--------------------------|--------|--------------------|--|
| | | 2Q10 | | 1Q10 | 2Q10 | | 1Q10 | 2Q10 | | 1Q10 | |
| Loans EOP Loans Avg | \$ | 143,130 146,444 | \$ | 149,555 155,225 | \$ 101,247 101,507 | \$ | 102,394 103,922 | \$ 649,933 657,857 | \$ | 661,074 669,949 | |
| Net Charge-offs % of avg loans | \$ | 4,459 12.21% | \$ | 4,594 12.00% | \$ 952 3.77% | \$ | 1,167 4.55% | \$ 8,142 4.96% | \$ | 9,248 5.60% | |
| Allowance for loan losses % of Loans | \$ | 14,581 10.19% | \$ | 16,097 10.76% | \$ 3,111 3.07% | \$ | 3,586 3.50% | \$ 36,530 5.62% | \$ | 37,654 5.70% | |

- The average refreshed FICO for the U.S. Credit Card portfolio was 697 at 2Q10 compared to 693 at 1Q10
- The percentage below 620 FICO was 15% at 2Q10 compared to 16% at 1Q10
- Excluding the accelerated losses in the foreign credit card portfolio, the loss rate of 12.21% is reduced to 11.17%, or down 83 bps from 1Q10

Note: EOP = End of Period

¹ Other primarily consists of the Consumer Lending and Dealer Financial Services portfolios.

Commercial Asset Quality Key Indicators ¹

| (\$ in millions) | Commercial ² | | rcial Real tate | Small Business | Commercial Lease Financing | Total Commercial |
|---|--|------------------------------|------------------------|--------------------------------------|---------------------------------|--|
| | 2Q10 1Q10 | 2Q10 | 1Q10 | 2Q10 1Q10 | 2Q10 1Q10 | 2Q10 1Q10 |
| Loans EOP Loans Avg | \$ 203,454 \$ 206, ⁻ 203,280 209, ⁻ | | \$ 66,649 68,435 | \$ 15,913 | \$ 21,392 | \$ 302,346 |
| Net charge-offs % of avg loans | ' ' | 111 \$ 645 59 % 4.03 ° | \$ 615 % 3.64 % | \$ 528 \$ 602 12.94 % 14.21 % | \$ (3) \$ 21 (0.06) % 0.40 % | \$ 1,415 \$ 1,549 1.86 % 1.98 % |
| 90+ Performing DPD ³ % of Loans ³ | · | 03 \$ 50 10 % 0.08 | \$ 80 % 0.12 % | \$ 463 \$ 573 2.91 % 3.45 % | \$ 24 \$ 24 0.11 % 0.11 % | \$ 716 \$ 880 0.24 % 0.28 % |
| Nonperforming loans ³ % of Loans ³ | | \$ 6,704 21 % 10.88 | \$ 7,177 % 10.77 % | \$ 222 \$ 179 1.40 % 1.08 % | \$ 140 \$ 147 0.65 % 0.68 % | \$ 11,516 |
| Allowance for loan losses % of Loans | | 86 \$ 3,593 55 % 5.83 | \$ 3,569 % 5.36 % | \$ 2,045 \$ 2,148 12.85 % 12.95 % | \$ 269 \$ 278 1.26 % 1.30 % | \$ 8,725 \$ 9,181 2.89 % 2.95 % |
| Reservable Criticized Utilized Exposure ^{3,4} % of Total Exposure ^{3,4} | \$ 24,203 \$ 28, ⁻ 8.95 % 10 | 61 \$ 22,918 26 % 34.87 ° | \$ 23,340 % 32.87 % | \$ 1,467 | \$ 1,834 | \$ 50,422 \$ 55,322 13.50 % 14.43 % |

¹ Includes conforming adjustments and represents the impact of securitizations utilizing actual bond costs. This is different from the business segment view which utilizes funds transfer pricing methodologies.

² Includes commercial domestic and commercial foreign.

³ Excludes the Merrill Lynch purchased credit-impaired loan portfolio.

⁴ Excludes derivatives, foreclosed property, assets held for sale, debt securities and FVO loans.