

2012 年 12 月期
会 社 名

年次決算短信

バンク・オブ・アメリカ・コーポレーション

(Bank of America Corporation)

株式銘柄コード

(8 6 4 8)

本 店 所 在 地

100 North Tryon Street, Charlotte, NC 28255 U.S.A.

所 属 部

東証市場第一部

決 算 期

本決算：年 1 回(12 月) 中間決算：四半期ごと

問 合 せ 先

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1. 本国における決算発表日 2013 年 1 月 17 日 (木曜日)

定時株主総会開催予定日 未定

2. 業 績

	年 度 決 算		
	当年度(2012 年)(百万ドル)	前年度(2011 年)(百万ドル)	増減率(%)
正味利息収入	4 0 , 6 5 6	4 4 , 6 1 6	△ 8 . 9
利 息 外 収 入	4 2 , 6 7 8	4 8 , 8 3 8	△ 1 2 . 6
純利益	4 , 1 8 8	1 , 4 4 6	1 8 9 . 6
1 株当り純利益	0 . 2 6 ドル (希薄化後) 0 . 2 5 ドル	0 . 0 1 ドル (希薄化後) 0 . 0 1 ドル	— —

	第 4 四半期 (10～12 月の 3 ヶ月間)		
	当 期(百万ドル)	前年同期(百万ドル)	増減率
正味利息収入	1 0 , 3 2 4	1 0 , 7 0 1	△ 3 . 5
利 息 外 収 入	8 , 3 3 6	1 4 , 1 8 7	△ 4 1 . 2
純 利 益	7 3 2	1 , 9 9 1	△ 6 3 . 2
1 株当り純利益	0 . 0 3 ドル (希薄化後) 0 . 0 3 ドル	0 . 1 5 ドル (希薄化後) 0 . 1 5 ドル	△ 8 0 . 0 △ 8 0 . 0

- (注) 1. 過年度の数値の一部は、当期の表示に一致させるために組替えられている。
2. 本情報は、速報値であり、本発表時に入手可能な会社情報に基づき作成されている。

配 当 金 の 推 移			備 考
	当年度(2012 年)(ドル)	前年度(2011 年)(ドル)	
第 1 四 半 期	0 . 0 1	0 . 0 1	
第 2 四 半 期	0 . 0 1	0 . 0 1	
第 3 四 半 期	0 . 0 1	0 . 0 1	
第 4 四 半 期	0 . 0 1	0 . 0 1	
合 計	0 . 0 4	0 . 0 4	

- (注) 1. 原則として各四半期に宣言された配当金である。

3. 概況、特記事項・その他

当社は、2012 年度第 4 四半期に 7 億ドル(希薄化後普通株式 1 株当たり 0.03 ドル)の当期純利益を計上しました。これに対して前年同期は 20 億ドル(希薄化後普通株式 1 株当たり 0.15 ドル)でした。完全な課税対象(FTE)ベースの収益(支払利息控除後)は、189 億ドルとなりました。

2012 年度第 4 四半期における FTE ベースの収益(支払利息控除後)は、負債評価調整(以下「DVA」といいます。)及び公正価値オプション(以下「FV0」といいます。)調整関連の 7 億ドルを除くと、196 億ドルであり、連邦住宅抵当金庫(以下「ファニーメイ」といいます。)との和解合意に係る表明保証に関連する引当金繰入額及びモーゲージ保険契約解除関連債務引当金繰入額 30 億ドルを除くと、226 億ドルでした。

通年では、当社は、42 億ドル(希薄化後普通株式 1 株当たり 0.25 ドル)の当期純利益を計上しました。これに対して 2011 年度は 14 億ドル(希薄化後普通株式 1 株当たり 0.01 ドル)の当期純利益でした。

最高経営責任者のブライアン・モイニハン氏は、「当社は更なる成長に向けた強力かつ万全の態勢を整えて 2013 年を迎えました。モーゲージ組成、商業向け貸付及びグローバル・マーケットの収益が昨年来 2 ケタ成長を遂げていることは、当社が持てるすべての事業能力を結集し、お客様との取引関係を深化させることの効果を如実に示しています。」と述べています。

先に発表したとおり、2012 年度第 4 四半期の財務成績は、表明保証及び補償金に関するファニーメイとの和解関連の引当金繰入額 27 億ドル、抵当権実行の外部審査(以下「IFR」といいます。)における期限の利益喪失に関する合意に係る引当金繰入額 11 億ドルを含むその他の引当金項目 25 億ドル、訴訟費用総額 9 億ドル、モーゲージ保険契約解除関連債務引当金繰入額 5 億ドル、当社の信用スプレッドの改善による DVA 及び FV0 調整関連のマイナスの調整額 7 億ドル等の悪影響を受けました。これらの項目は、主に一定の非米国子会社が外国税額控除に認定されたことによる法人所得税関連の税務上のベネフィット 13 億ドル(純額)、先に発表していた三菱 UFJ メリルリンチ PB 証券の当社の持分 49%の売却益 4 億ドル、先に発表していたサービシング事業売却関連のモーゲージ・サービシング権評価調整益 3 億ドル等により、一部減殺されました。

前年同期の業績には、DVA 及び FV0 調整関連のマイナスの調整額 13 億ドル、訴訟費用総額 18 億ドル、欧州の消費者向けカード事業ののれん減損費用 6 億ドルが含まれていました。さらに、前年同期には、その他の重要項目の中でも、中国建設銀行の当社の投資持分の一部売却による税引前利益 29 億ドル、信託優先証券の交換による利益 12 億ドル、債務証券売却益 12 億ドルが含まれていました。

前年同期と比較して、2012 年度第 4 四半期の業績は、大半の主要なポートフォリオにわたる信用の質の改善、販売及びトレーディング収益の増加(DVA の影響を除きます。)、投資及び仲介手数料収入の増加、投資銀行事業手数料の増加等に牽引されました(ファニーメイとの和解及び IFR における期限の利益喪失に関する合意に係る引当金繰入額といった消費者向け不動産に関連する損失の増加により一部減殺されました。)。さらに、利息外費用も、主に 2012 年のプロジェクト・ニューBAC 関連の取組みを通じて達成された費用節減に牽引され、前年同期から減少しました。

最高財務責任者のブルース・トンプソン氏は、「当社は 2012 年に過去から引き継いだ様々な問題に対処し、当社の強みがいかに発揮されつつあります。自己資本と流動性は高水準を維持し、信用の質も引続き改善しています。当社が今年重点的に注力するのは、収益の拡大、費用の管理、中核的収益の増進です。」と述べています。

(上記は現地 2013 年 1 月 17 日発表のニュースリリースの抜粋箇所の抄訳です。原文と抄訳の間に齟齬がある場合には、原文の内容が優先します。全文(原文)は、以下のとおりです。)

January 17, 2013

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Bank of America Reports Fourth-Quarter 2012 Net Income of \$0.7 Billion, or \$0.03 Per Diluted Share

Previously Announced Selected Items Impact Pretax Earnings

- *Representations and Warranties, Compensatory Fees Settlements with Fannie Mae, \$2.7 Billion or \$0.16 EPS*
- *Provision for Independent Foreclosure Review Acceleration Agreement, \$1.1 Billion or \$0.06 EPS*
- *Total Litigation Expense, \$0.9 Billion or \$0.05 EPS*
- *Negative Valuation Adjustments for Improved Credit Spreads, \$0.7 Billion or \$0.04 EPS*
- *Provision for Obligations Related to Mortgage Insurance Rescissions, \$0.5 Billion or \$0.03 EPS*
- *Gain on Sale of Japan Brokerage Joint Venture, \$0.4 Billion or \$0.02 EPS*
- *Positive MSR Valuation Adjustment Related to Servicing Sales, \$0.3 Billion or \$0.02 EPS*
- *Net Tax Benefit Primarily From Recognition of Foreign Tax Credits of Certain Non-U.S. Subsidiaries, \$1.3 Billion or \$0.12 EPS*

Capital and Liquidity Remain Strong

- *Basel 1 Tier 1 Common Capital Ratio of 11.06 Percent at December 31, 2012*
- *Estimated Basel 3 Tier 1 Common Capital Ratio of 9.25 Percent at December 31, 2012 (U.S. Basel 3 NPRs Fully Phased-in)^A*
- *Long-term Debt Down \$96.7 Billion From December 31, 2011, Driven by Maturities and Liability Management Actions; Time-to-required Funding Remains Strong at 33 Months*

Core Business Momentum Continues

- *Fourth-Quarter 2012 Net Interest Income (FTE basis)^B Increased to \$10.6 Billion From \$10.2 Billion in Prior Quarter*
- *Total Average Deposit Balances up \$28 Billion, or 11 Percent (Annualized) From Prior Quarter*
- *First-lien Mortgage Production Increased 6 Percent From Prior Quarter*
- *Global Wealth and Investment Management Posts Record Quarterly Earnings*
- *Period-end Commercial Loans and Leases in the Global Banking Segment, Including Real Estate Loans, Grew 7 Percent From Prior Quarter to \$252 Billion*
- *Investment Bank Maintained No. 2 Ranking in Global and U.S. Investment Banking Fees; Fees Up 20 Percent From Prior Quarter and 58 Percent From the Year-ago Quarter*

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CHARLOTTE — Bank of America Corporation today reported net income of \$0.7 billion, or \$0.03 per diluted share, for the fourth quarter of 2012, compared to \$2.0 billion, or \$0.15 per diluted share in the year-ago period. Revenue, net of interest expense, on a fully taxable-equivalent (FTE)^B basis was \$18.9 billion.

Fourth-quarter 2012 revenue, net of interest expense, on an FTE basis, excluding \$0.7 billion of debit valuation and fair value option adjustments, was \$19.6 billion; excluding \$3.0 billion of provisions for representations and warranties and obligations related to mortgage insurance rescissions related to settlement agreements with the Federal National Mortgage Association (Fannie Mae) revenue net of interest expense, on an FTE basis, was \$22.6 billion.^B

For the full year, the company reported net income of \$4.2 billion, or \$0.25 per diluted share, compared to \$1.4 billion, or \$0.01 per diluted share in 2011.

“We enter 2013 strong and well positioned for further growth,” said Chief Executive Officer Brian Moynihan. “Double-digit growth since last year in mortgage production, commercial lending, and Global Markets revenue demonstrates the power of deeper customer and client relationships as we intensify the focus on connecting all our capabilities.”

As previously announced, financial results in the fourth quarter of 2012 were negatively impacted by a provision of \$2.7 billion related to the settlements with Fannie Mae with respect to representations and warranties and compensatory fees; other provision items of \$2.5 billion which included a \$1.1 billion provision for the Independent Foreclosure Review (IFR) acceleration agreement, total litigation expense of \$0.9 billion and a \$0.5 billion provision for obligations related to mortgage insurance rescissions; and \$0.7 billion of negative debit valuation adjustments (DVA) and fair value option (FVO) adjustments due to improvement in the company's credit spreads. These items were partially offset by a net income tax benefit of \$1.3 billion primarily due to the recognition of foreign tax credits of certain non-U.S. subsidiaries; a gain of \$0.4 billion on the previously announced sale of the company's 49-percent stake in Mitsubishi UFJ Merrill Lynch PB Securities; and a positive valuation adjustment on mortgage servicing rights (MSR) of \$0.3 billion related to the previously announced servicing sales.

The year-ago quarter included \$1.3 billion of negative DVA and FVO adjustments, \$1.8 billion of total litigation expense and a \$0.6 billion goodwill impairment charge in the European consumer card business. In addition, the year-ago quarter included, among other significant items, a \$2.9 billion pretax gain on the sale of a portion of the company's investment in China Construction Bank (CCB), a \$1.2 billion gain on the exchange of trust preferred securities, and a \$1.2 billion gain on the sale of debt securities.

Relative to the year-ago quarter, the results for the fourth quarter of 2012 were driven by improved credit quality across most major portfolios, increased sales and trading revenue (excluding the impact of DVA^E), increased investment and brokerage income, higher investment banking fees, partially offset by an increase in consumer real estate losses, reflecting the Fannie Mae settlements and the provision for the IFR acceleration agreement. In addition, noninterest expense declined from the year-ago quarter, driven primarily by cost savings achieved through Project New BAC initiatives over the course of 2012.

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"We addressed significant legacy issues in 2012 and our strengths are coming through," said Chief Financial Officer Bruce Thompson. "Capital and liquidity remain strong and credit continues to improve. Our primary focus this year is to grow revenue, manage expenses and drive core earnings growth."

Selected Financial Highlights

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions, except per share data)</i>				
Net interest income, FTE basis ¹	\$ 10,555	\$ 10,959	\$ 41,557	\$ 45,588
Noninterest income	8,336	14,187	42,678	48,838
Total revenue, net of interest expense, FTE basis	18,891	25,146	84,235	94,426
Total revenue, net of interest expense, FTE basis, excluding DVA and FVO²	19,610	26,434	91,819	90,106
Provision for credit losses	2,204	2,934	8,169	13,410
Noninterest expense ³	18,360	18,941	72,093	77,090
Goodwill impairment charges	—	581	—	3,184
Net income	\$ 732	\$ 1,991	\$ 4,188	\$ 1,446
Diluted earnings per common share	\$ 0.03	\$ 0.15	\$ 0.25	\$ 0.01

¹ Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release. Net interest income on a GAAP basis was \$10.3 billion and \$10.7 billion for the three months ended December 31, 2012 and 2011, and \$40.7 billion and \$44.6 billion for the years ended December 31, 2012 and 2011. Total revenue, net of interest expense, on a GAAP basis was \$18.7 billion and \$24.9 billion for the three months ended December 31, 2012 and 2011, and \$83.3 billion and \$93.5 billion for the years ended December 31, 2012 and 2011.

² Total revenue, net of interest expense, on an FTE basis excluding DVA and FVO adjustments is a non-GAAP financial measure. DVA gains (losses) were \$(277) million and \$(474) million for the three months ended December 31, 2012 and 2011, and \$(2.5) billion and \$1.0 billion for the years ended December 31, 2012 and 2011. Valuation gains (losses) related to FVO were \$(442) million and \$(814) million for the three months ended December 31, 2012 and 2011, and \$(5.1) billion and \$3.3 billion for the years ended December 31, 2012 and 2011.

³ Excludes goodwill impairment charges of \$581 million in the three months ended December 31, 2011, and \$3.2 billion for the year ended December 31, 2011. Noninterest expense, excluding goodwill impairment charges, is a non-GAAP financial measure.

Key Business Highlights

The company made significant progress in 2012 in line with its operating principles, including the following developments:

Focus on customer-driven businesses

- Bank of America extended approximately \$475 billion in credit in 2012. This included \$310.5 billion in commercial non-real estate loans, \$75.1 billion in residential first mortgages, \$40.0 billion in commercial real estate loans, \$17.9 billion in U.S. consumer and small business card, \$3.6 billion in home equity products and \$27.9 billion in other consumer credit.
- The \$75.1 billion in residential first mortgages funded in 2012 helped more than 305,000 homeowners either purchase a home or refinance an existing mortgage. This included approximately 17,500 first-time homebuyer mortgages originated by retail channels, and more than 96,000 mortgages to low- and moderate-income borrowers. Approximately 16 percent of funded first mortgages were for home purchases and 84 percent were refinances.

More

- The company originated approximately \$8.7 billion in small business loans and commitments in 2012, up 28 percent from 2011, reflecting a continued focus on supporting small businesses.
- Bank of America provided assistance to more than 2 million customer accounts in 14 states affected by Hurricane Sandy with comprehensive customer assistance programs including financial contributions to relief efforts, payment deferrals and fee waivers.
- Total client balances in Global Wealth and Investment Management increased 7 percent from 2011 led by market gains and solid flows in long-term assets under management (AUM), deposits and loans.
- The company continued to deepen and broaden customer relationships. The number of mobile banking customers increased 31 percent from December 31, 2011 to 12.0 million customers, and the number of new U.S. credit card accounts opened in 2012 grew 7 percent from 2011.
- Merrill Edge brokerage assets increased \$9.4 billion from the end of 2011 to \$75.9 billion, driven by market improvement and an increase in new accounts.
- The company continued to increase its specialized sales force of Financial Solutions Advisors, Mortgage Loan Officers and Small Business Bankers during the quarter to nearly 6,200 specialists at the end of 2012.
- The company continued to support the economy by:
 - Helping clients raise \$605 billion in capital in 2012.
 - Extending approximately \$475 billion in credit in 2012.
- Bank of America Merrill Lynch (BofA Merrill) continued to rank No. 2 globally in net investment banking fees in 2012, as reported by Dealogic. Results for the fourth quarter of 2012 included record debt issuance fees since the Bank of America Merrill Lynch merger.

Continue to build a fortress balance sheet

- The Tier 1 common capital ratio under Basel 1 was 11.06 percent at December 31, 2012, down 35 bps from September 30, 2012 and 120 bps higher than December 31, 2011.
- The Tier 1 common capital ratio under Basel 3 on a fully phased-in basis is estimated at 9.25 percent at December 31, 2012, up from 8.97 percent at September 30, 2012.^A

- The company reduced long-term debt by nearly \$100 billion from the end of 2011 while maintaining significant excess liquidity. Global Excess Liquidity Sources totaled \$372 billion at December 31, 2012, slightly less than \$380 billion at September 30, 2012 and \$378 billion at December 31, 2011. Long-term debt declined to \$276 billion at December 31, 2012 from \$287 billion at September 30, 2012 and \$372 billion at December 31, 2011.

Managing risk well

- The provision for credit losses declined 25 percent from the year-ago quarter, reflecting improved credit quality across major consumer and commercial portfolios and the benefit of underwriting changes implemented over the past several years.
- The U.S. credit card loss rate declined in the fourth quarter of 2012 to the lowest level since the second quarter of 2006^C while the 30+ day delinquency rate was at a historic low.
- Consumer loan loss rates declined in the fourth quarter of 2012 to their lowest level since early 2008 and commercial loan loss rates declined to their lowest level since the fourth quarter of 2006^C.

Delivering for our shareholders

- Tangible book value per share increased to \$13.36 at December 31, 2012, compared to \$12.95 at December 31, 2011^D. Book value per share was \$20.24 at December 31, 2012, compared to \$20.09 at December 31, 2011.
- The company continued to make progress on its legacy issues, reaching settlements with Fannie Mae to resolve substantially all outstanding and potential agency mortgage repurchase claims on loans originated and sold directly to Fannie Mae from January 1, 2000 through December 31, 2008 by legacy Countrywide and Bank of America, National Association (BANA); settling substantially all of Fannie Mae's outstanding and future claims for compensatory fees arising out of alleged past foreclosure delays; and clarifying the parties' obligations with respect to mortgage insurance.

Managing efficiency well

- Fourth-quarter 2012 noninterest expense declined 6 percent from the year-ago quarter, reflecting a decrease in personnel expense as the company continued to streamline processes and achieve cost savings.
- At December 31, 2012, the company had 267,190 full-time employees, down 5,404 from the end of the prior quarter, and 14,601 fewer than December 31, 2011.

Business Segment Results

The company reports results through five business segments: Consumer and Business Banking (CBB), Consumer Real Estate Services (CRES), Global Wealth and Investment Management (GWIM), Global Banking, and Global Markets, with the remaining operations recorded in All Other.

Consumer and Business Banking (CBB)

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Total revenue, net of interest expense, FTE basis	\$ 7,204	\$ 7,606	\$ 29,023	\$ 32,880
Provision for credit losses	963	1,297	3,941	3,490
Noninterest expense	4,121	4,429	16,793	17,719
Net income	\$ 1,428	\$ 1,242	\$ 5,321	\$ 7,447
Return on average equity	10.48%	9.30%	9.92%	14.07%
Return on average economic capital ¹	23.94	22.08	23.01	33.52
Average loans	\$ 132,421	\$ 147,150	\$ 136,171	\$ 153,641
Average deposits	486,467	459,819	477,440	462,087
			At December 31, 2012	At December 31, 2011
Client brokerage assets			\$ 75,946	\$ 66,576

¹ Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

Business Highlights

- Average deposit balances increased \$26.6 billion from the year-ago quarter, driven by growth in liquid products in a low-rate environment. The average rate paid on deposits declined 5 basis points to 16 basis points in the fourth quarter of 2012 from the year-ago quarter due to pricing discipline and a shift in the mix of deposits.
- During the fourth quarter of 2012, purchase volumes per average active credit card account rose 7 percent from the year ago quarter; the number of BankAmericard Cash Rewards cards increased by nearly 24 percent in the fourth quarter of 2012 to a total of 2.1 million cards since the product was launched in the third quarter of 2011.

Financial Overview

Consumer and Business Banking net income was \$1.4 billion, up \$186 million, or 15 percent, from the year-ago quarter due to lower credit costs and noninterest expense, partially offset by a decrease in net interest income primarily from lower average loans and the continued low-rate environment. Noninterest income of \$2.5 billion remained relatively flat.

Provision for credit losses decreased \$334 million from the year-ago quarter to \$963 million due to improvement in delinquencies and bankruptcies primarily within the Card Services business. Noninterest expense decreased \$308 million to \$4.1 billion compared to the fourth quarter of 2011 as a result of lower FDIC expense and lower operating expenses.

Consumer Real Estate Services (CRES)

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Total revenue, net of interest expense, FTE basis	\$ 468	\$ 3,275	\$ 8,759	\$ (3,154)
Provision for credit losses	485	1,001	1,442	4,524
Noninterest expense ¹	5,629	4,569	17,306	21,791
Net loss	\$ (3,722)	\$ (1,442)	\$ (6,507)	\$ (19,465)
Average loans and leases	97,912	116,993	104,754	119,820
			At December 31, 2012	At December 31, 2011
Period-end loans and leases			\$ 95,972	\$ 112,359

¹ Full-year results include a goodwill impairment charge of \$2.6 billion in the second quarter of 2011.

Business Highlights

- Bank of America funded \$22.5 billion in residential home loans and home equity loans during the fourth quarter of 2012, up 41 percent from the fourth quarter of 2011, excluding correspondent originations of \$6.5 billion in the year-ago quarter. The company exited the correspondent business in late 2011.
- The number of 60+ day delinquent first mortgage loans serviced by Legacy Assets and Servicing declined by 163,000, or 17 percent, during the fourth quarter of 2012 to 773,000 from 936,000 at the end of the third quarter of 2012 and 1.16 million at the end of the fourth quarter of 2011.

Financial Overview

Consumer Real Estate Services reported a net loss of \$3.7 billion for the fourth quarter of 2012, compared to a net loss of \$1.4 billion for the same period in 2011 primarily due to mortgage banking losses driven by the Fannie Mae settlements and higher expenses, partially offset by lower provision for credit losses.

Revenue decreased \$2.8 billion from the fourth quarter of 2011 to \$468 million in the fourth quarter of 2012, due largely to higher representations and warranties provision and lower servicing income, driven by less favorable MSR results, net of hedges. This was partially offset by higher core production income. The MSR results, net of hedges, included the previously described MSR valuation adjustment related to MSR sales.

Excluding the impact of correspondent channel originations, CRES direct originations increased 42 percent and core production revenue increased \$472 million in the fourth quarter of 2012 from the year-ago quarter primarily due to higher margins on increased volume of direct originations.

Representations and warranties provision was \$3.0 billion in the fourth quarter of 2012, compared to \$264 million in the fourth quarter of 2011, an increase of \$2.7 billion. The fourth-quarter provision included \$2.5 billion for representations and warranties and provision of \$0.5 billion for obligations related to mortgage insurance rescissions related to the Fannie Mae settlements.

The provision for credit losses in the fourth quarter of 2012 decreased \$516 million from the year-ago quarter to \$485 million, driven by improved portfolio trends in the non-purchased credit-impaired home equity portfolio and reserve reductions in the purchased credit-impaired (PCI) home equity portfolio due to the improved home price outlook.

Noninterest expense increased \$1.1 billion from the fourth quarter of 2011 to \$5.6 billion, primarily due to \$1.1 billion of expense related to the IFR acceleration agreement. In connection with this agreement, the company agreed to a cessation of the IFR process and to make a \$1.1 billion payment to a fund established for the benefit of borrowers pursuant to a plan agreed to by the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System. The company will also provide \$1.8 billion in borrower assistance, including loan modifications and other foreclosure prevention actions. In addition, there was an increase in default-related servicing expenses from the year-ago quarter and an increase in mortgage-related assessments, waivers and other similar costs associated with foreclosure delays, including a provision of \$260 million for compensatory fees in connection with the Fannie Mae settlements. These increases were partially offset by \$800 million in lower litigation expense from the fourth quarter of 2011.

The MSR asset was \$5.7 billion at December 31, 2012, up \$629 million from September 30, 2012, due in part to the previously described MSR valuation adjustment related to MSR sales.

Global Wealth and Investment Management (GWIM)

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Total revenue, net of interest expense, FTE basis	\$ 4,194	\$ 3,943	\$ 16,517	\$ 16,495
Provision for credit losses	112	118	266	398
Noninterest expense	3,195	3,392	12,755	13,383
Net income	\$ 578	\$ 272	\$ 2,223	\$ 1,718
Return on average equity	12.43%	6.22%	12.53%	9.90%
Return on average economic capital ¹	28.46	16.02	30.52	25.46
Average loans and leases	\$ 103,785	\$ 97,722	\$ 100,456	\$ 96,974
Average deposits	249,658	237,098	242,384	241,535
<i>(Dollars in billions)</i>			At December 31, 2012	At December 31, 2011
Assets under management			\$ 698.1	\$ 635.6
Total client balances ²			2,166.7	2,030.5

¹ Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

² Total client balances are defined as assets under management, assets in custody, client brokerage assets, client deposits and loans.

Business Highlights

- Record net income of \$578 million for the quarter and \$2.2 billion for the year, up 29 percent from full-year 2011.
- Record asset management fees of \$1.6 billion for the quarter and \$6.1 billion for the year.
- Client activity was strong in 2012. For the full year, period-end deposit balances increased \$25.6 billion, up 11 percent from the year-ago quarter to a record \$266.2 billion; period-end loan balances grew \$7.3 billion, or 7 percent, to a record \$105.9 billion; and long-term AUM flows were \$26.4 billion for the year. Fourth-quarter 2012 long-term AUM flows of \$9.1 billion were the 14th consecutive quarter of positive flows.

Financial Overview

Global Wealth and Investment Management net income rose \$306 million from the fourth quarter of 2011 to \$578 million due to higher revenue and lower noninterest expense. Revenue increased 6 percent to \$4.2 billion, driven by higher asset management fees due to higher market levels and long-term AUM flows, as well as higher brokerage transactional revenue. The pretax margin was 21 percent for both the fourth quarter of 2012 and full-year 2012, up from 11 percent in the year-ago quarter and 16 percent for the full-year 2011.

Noninterest expense decreased 6 percent from the year-ago quarter to \$3.2 billion, due to lower FDIC expense and lower litigation and other related expenses, partially offset by higher revenue-related compensation. The provision for credit losses was \$112 million which was relatively flat compared to \$118 million in the year-ago quarter.

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Client balances rose 7 percent to \$2.17 trillion driven by higher market levels and net inflows, driven by client activity in long-term AUM, deposits and loans. Assets under management rose \$62.5 billion from the fourth quarter of 2011 to \$698.1 billion, driven by higher market levels and long-term AUM flows.

Global Banking

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Total revenue, net of interest expense, FTE basis	\$ 4,326	\$ 4,002	\$ 17,207	\$ 17,312
Provision for credit losses	180	(256)	(103)	(1,118)
Noninterest expense	1,946	2,136	8,308	8,884
Net income	\$ 1,432	\$ 1,337	\$ 5,725	\$ 6,046
Return on average equity	12.47%	11.51%	12.47%	12.76%
Return on average economic capital ¹	27.32	25.06	27.21	26.59
Average loans and leases	\$ 278,218	\$ 276,850	\$ 272,625	\$ 265,568
Average deposits	268,045	240,757	249,317	237,312

¹ Return on average economic capital is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

Business Highlights

- BofA Merrill was ranked No. 2 globally in investment banking fees for both the fourth quarter and the full year of 2012, according to Dealogic. Based on deal volumes for the year, BofA Merrill was ranked among the top three banks in high-yield corporate debt, leveraged loans, investment-grade corporate debt, asset-backed securities and syndicated loans. Debt issuance fees of approximately \$1.1 billion during the fourth quarter of 2012 were the highest since the merger between Bank of America and Merrill Lynch.
- Period-end loan and lease balances increased \$10.1 billion, or 4 percent from the year-ago quarter, to \$288.3 billion at the end of the fourth quarter of 2012, with growth in the commercial and industrial and leasing portfolios.
- Period-end deposits rose to \$269.7 billion at the end of the fourth quarter of 2012 from \$246.4 billion at the end of the fourth quarter of 2011.

Financial Overview

Global Banking net income of \$1.4 billion was up \$95 million from the year-ago quarter, as higher revenue and a decline in noninterest expense were partially offset by an increase in provision expense. Revenue of \$4.3 billion was up 8 percent from the year-ago quarter, primarily due to higher investment banking fees and net interest income.

Firmwide investment banking fees of \$1.6 billion, excluding self-led deals, increased \$587 million, or 58 percent from the year-ago quarter, mainly due to a 84 percent increase in debt underwriting fees, a record performance since the merger between Bank of America and Merrill Lynch. Global Banking investment banking fees, excluding self-led deals, were

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\$842 million in the fourth quarter of 2012 compared to \$629 million in the year-ago quarter. Global Corporate Banking revenue of \$1.4 billion and Global Commercial Banking revenue of \$2.0 billion remained relatively unchanged compared to the year-ago quarter. Business Lending revenue of \$1.8 billion and Treasury Services revenue of \$1.6 billion remained in line with the year-ago quarter.

The provision for credit losses was \$180 million in the fourth quarter of 2012, compared to \$68 million in the third quarter of 2012 and a benefit of \$256 million in the prior-year quarter. The increase from the prior quarter was driven primarily by the impact of regulatory guidance on consumer dealer finance loans discharged from bankruptcy and commercial loan growth. Compared to the year-ago quarter, provision expense increased primarily due to lower reserve releases as asset quality stabilized in the portfolio. Noninterest expense was \$1.9 billion, down 9 percent from the year-ago quarter, primarily from lower personnel-related and operating expenses.

Global Markets

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Total revenue, net of interest expense, FTE basis	\$ 2,844	\$ 1,807	\$ 13,519	\$ 14,798
Total revenue, net of interest expense, FTE basis, excluding DVA¹	3,120	2,281	15,967	13,797
Provision for credit losses	16	(18)	3	(56)
Noninterest expense	2,498	2,895	10,839	12,244
Net income (loss)	\$ 152	\$ (768)	\$ 1,054	\$ 988
Net income (loss), excluding DVA and U.K. tax¹	326	(469)	3,377	1,131
Return on average equity ²	3.39%	n/m	5.99%	4.36%
Return on average economic capital ³	4.63	n/m	8.20	5.54
Total average assets	\$ 628,449	\$ 552,911	\$ 588,459	\$ 590,474

¹ Total revenue, net of interest expense, on an FTE basis excluding DVA is a non-GAAP financial measure. DVA gains (losses) were \$(276) million and \$(474) million for the three months ended December 31, 2012 and 2011, and \$(2.4) billion and \$1.0 billion for the years ended December 31, 2012 and 2011. U.K. corporate tax rate adjustments were \$781 million and \$774 million for the years ended December 31, 2012 and 2011.

² Return on average equity, excluding DVA and U.K. corporate tax rate adjustments was 19.19% and 4.99% for the years ended December 31, 2012 and 2011.

³ Return on average economic capital is a non-GAAP financial measure. Return on average economic capital excluding DVA and the U.K. corporate tax rate adjustments was 26.14% and 6.34% for the years ended December 31, 2012 and 2011. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

n/m = not meaningful

Business Highlights

- Total revenue, excluding the impact of DVA^E, increased 37 percent in the fourth quarter of 2012 to \$3.1 billion from \$2.3 billion in the fourth quarter of 2011. Sales and trading revenue, excluding the impact of DVA^E, was \$2.5 billion in the fourth quarter of 2012, compared to \$2.0 billion in the fourth quarter of 2011.

Financial Overview

Global Markets reported net income in the fourth quarter of 2012 of \$152 million, compared to a net loss of \$768 million in the year-ago quarter. Excluding DVA^E losses, net income was \$326 million in the fourth quarter of 2012, compared to net income of \$789 million in the third quarter of 2012 (excluding the impact of the U.K. tax rate change) and a net loss of \$469 million in the year-ago quarter.

Global Markets revenue increased \$1.0 billion from the year-ago quarter to \$2.8 billion. Excluding DVA^E, revenue increased \$839 million to \$3.1 billion driven by higher sales and trading revenue and an increase in debt issuance activity. The current quarter included DVA losses of \$276 million, compared to DVA losses of \$474 million in the year-ago quarter.

Fixed Income, Currency and Commodities (FICC) sales and trading revenue, excluding DVA^F, was \$1.8 billion in the fourth quarter of 2012, an increase of \$485 million from the year-ago quarter, driven by credit businesses which benefited from improved credit markets in Europe and in the financial sector. Equities sales and trading revenue, excluding DVA^F, was \$713 million, an increase of \$61 million from the year-ago quarter due to increased client balances in financing and improved trading performance in derivatives.

Noninterest expense declined to \$2.5 billion from \$2.9 billion in the year-ago quarter, primarily driven by a decrease in personnel-related expense.

All Other¹

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Total revenue, net of interest expense, FTE basis	\$ (145)	\$ 4,513	\$ (790)	\$ 16,095
Provision for credit losses	448	792	2,620	6,172
Noninterest expense	971	2,101	6,092	6,253
Net income (loss)	\$ 864	\$ 1,350	\$ (3,628)	\$ 4,712
Total average loans	245,820	277,744	258,012	289,010

¹ All Other consists of ALM activities, equity investments, liquidating businesses and other. ALM activities encompass the whole-loan residential mortgage portfolio and investment securities, interest rate and foreign currency risk management activities including the residual net interest income allocation, gains/losses on structured liabilities, and the impact of certain allocation methodologies and accounting hedge ineffectiveness. Equity Investments includes Global Principal Investments, strategic and certain other investments. Other includes certain residential mortgage and discontinued real estate loans that are managed by Legacy Assets & Servicing within CRES.

All Other reported net income of \$864 million in the fourth quarter of 2012, compared to net income of \$1.4 billion for the year-ago quarter, as a reduction in revenue was partially offset by lower provision for credit losses, lower noninterest expense and the income tax benefit related to the recognition of certain foreign tax credits.

The decline in revenue was primarily driven by lower equity investment income, \$1.2 billion in gains related to exchanges of trust preferred securities in the year-ago quarter and a decrease of \$1.0 billion in gains on the sale of debt securities from the fourth quarter of 2011. This decline was partially offset by lower negative FVO adjustments in the most recent quarter compared to a year ago. Negative FVO adjustments totaled \$442 million in the fourth quarter of 2012, compared to a negative \$814 million in the fourth quarter of 2011.

Equity investment income was \$570 million in the fourth quarter of 2012, compared to \$3.1 billion in the year-ago quarter. The fourth quarter of 2012 included a \$370 million gain on the sale of our interest in the Japanese brokerage joint venture and the year-ago period included a \$2.9 billion gain on the sale of a portion of the company's investment in CCB. Gains on the sale of debt securities totaled \$116 million in the fourth quarter of 2012, down from \$1.1 billion in the year-ago quarter.

The decrease in the provision for credit losses was driven primarily by the impact of an improved home price outlook on the discontinued real estate and residential mortgage PCI portfolios driving reserve reductions in the current quarter compared to reserve builds a year ago. Noninterest expense decreased compared to the fourth quarter of 2011 as the year-ago period included a \$581 million goodwill impairment charge in the European consumer card business.

Corporate Overview

Revenue and Expense

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions, except per share data)</i>				
Net interest income, FTE basis ¹	\$ 10,555	\$ 10,959	\$ 41,557	\$ 45,588
Noninterest income	8,336	14,187	42,678	48,838
Total revenue, net of interest expense, FTE basis	18,891	25,146	84,235	94,426
Total revenue, net of interest expense, FTE basis, excluding DVA and FVO²	19,610	26,434	91,819	90,106
Provision for credit losses	2,204	2,934	8,169	13,410
Noninterest expense ³	18,360	18,941	72,093	77,090
Goodwill impairment charges	—	581	—	3,184
Net income	\$ 732	\$ 1,991	\$ 4,188	\$ 1,446
Diluted earnings per common share	\$ 0.03	\$ 0.15	\$ 0.25	\$ 0.01

¹ Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release. Net interest income on a GAAP basis was \$10.3 billion and \$10.7 billion for the three months ended December 31, 2012 and 2011, and \$40.7 billion and \$44.6 billion for the years ended December 31, 2012 and 2011. Total revenue, net of interest expense, on a GAAP basis, was \$18.7 billion and \$24.9 billion for the three months ended December 31, 2012 and 2011, and \$83.3 billion and \$93.5 billion for the years ended December 31, 2012 and 2011.

² Total revenue, net of interest expense, on an FTE basis excluding DVA and FVO adjustments is a non-GAAP financial measure. DVA gains (losses) were \$(277) million and \$(474) million for the three months ended December 31, 2012 and 2011 and \$(2.5) billion and \$1.0 billion for the years ended December 31, 2012 and 2011. Valuation gains (losses) related to FVO were \$(442) million and \$(814) million for the three months ended December 31, 2012 and 2011, and \$(5.1) billion and \$3.3 billion for the years ended December 31, 2012 and 2011.

³ Excludes goodwill impairment charges of \$581 million for the three months ended December 31, 2011, and \$3.2 billion for the year ended December 31, 2011. Noninterest expense, excluding goodwill impairment charges, is a non-GAAP financial measure.

Revenue, net of interest expense, on an FTE basis was \$18.9 billion, down from \$25.1 billion in the fourth quarter of 2011, driven largely by mortgage banking losses as a result of the recently announced settlements with Fannie Mae, lower equity investment income, reduced gains on the sale of debt securities and lower other income. These decreases were partially offset by higher investment banking income and increased trading account profits.

Fourth-quarter 2012 revenue, net of interest expense, on an FTE basis, excluding \$0.7 billion of debit valuation adjustments and fair value option adjustments, was \$19.6 billion; excluding \$3.0 billion of Fannie Mae settlement-related provisions for representations and warranties and obligations related to mortgage insurance rescissions related to settlement agreements with Fannie Mae revenue, net of interest expense, on an FTE basis was \$22.6 billion.^B

Net interest income, on an FTE basis, totaled \$10.6 billion in the fourth quarter of 2012, compared to \$10.2 billion in the third quarter of 2012 and \$11.0 billion in the fourth quarter of 2011^B. The decline from the year-ago quarter was due to the impact of lower consumer loan balances and the Asset and Liability Management (ALM) portfolio recouping at lower rates, partially offset by ongoing reductions in long-term debt balances and lower rates paid on deposits. Net interest income in the fourth quarter of 2012 also included unfavorable market-related premium amortization expense of \$61 million.

Net interest margin was 2.35 percent in the fourth quarter of 2012, compared to 2.32 percent in the third quarter of 2012 and 2.45 percent in the fourth quarter of 2011.

Noninterest income decreased \$5.9 billion from the year-ago quarter, driven largely by mortgage banking losses as a result of Fannie Mae settlement-related provisions of \$2.5 billion for representations and warranties and \$0.5 billion for obligations related to mortgage insurance rescissions, and a \$2.9 billion gain related to the sale of a portion of the company's investment in CCB in the year-ago quarter.

Equity investment income was down \$2.5 billion from the fourth quarter of 2011, reflecting the impact of the CCB gain mentioned above. In addition, other income decreased as the year-ago quarter included \$1.2 billion of gains related to liability management activities, partially offset by lower negative FVO adjustments of \$442 million in the fourth quarter of 2012, compared to a negative \$814 million in the fourth quarter of 2011. Results in the fourth quarter of 2012 were also impacted by DVA losses of \$277 million, compared to losses of \$474 million in the year-ago quarter. Gains on the sale of debt securities totaled \$171 million in the fourth quarter of 2012, down from \$1.2 billion in the year-ago quarter.

Noninterest expense decreased \$1.2 billion compared to the year-ago quarter primarily as a result of a decrease in personnel expense as the company continues to streamline processes and achieve cost savings. Also, the year-ago period included a \$581 million goodwill impairment charge. Other general operating expense in the current quarter included \$1.1 billion to cease the IFR. Litigation expense was \$916 million in the fourth quarter of 2012, compared to \$1.8 billion in the fourth quarter of 2011.

Income tax benefit for the fourth quarter of 2012 was \$2.6 billion on a \$1.9 billion pretax loss and included a \$1.3 billion net income tax benefit primarily from the recognition of foreign tax credits of certain non-U.S. subsidiaries. This compares to income tax expense of \$441 million on \$2.4 billion of pretax income in the year-ago quarter.

Credit Quality

	Three Months Ended		Year Ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
<i>(Dollars in millions)</i>				
Provision for credit losses	\$ 2,204	\$ 2,934	\$ 8,169	\$ 13,410
Net charge-offs	3,104	4,054	14,908	20,833
Net charge-off ratio ¹	1.40%	1.74%	1.67%	2.24%
			December 31 2012	December 31 2011
Nonperforming loans, leases and foreclosed properties			\$ 23,555	\$ 27,708
Nonperforming loans, leases and foreclosed properties ratio ²			2.62%	3.01%
Allowance for loan and lease losses			\$ 24,179	\$ 33,783
Allowance for loan and lease losses ratio ³			2.69%	3.68%

¹ Net charge-off ratios are calculated as net charge-offs divided by average outstanding loans and leases during the period; quarterly results are annualized.

² Nonperforming loans, leases and foreclosed properties ratios are calculated as nonperforming loans, leases and foreclosed properties divided by outstanding loans, leases and foreclosed properties at the end of the period.

³ Allowance for loan and lease losses ratios are calculated as allowance for loan and lease losses divided by loans and leases outstanding at the end of the period.

Note: Ratios do not include loans measured under the fair value option.

Credit quality continued to improve in the fourth quarter of 2012, with net charge-offs declining across nearly all major portfolios and the provision for credit losses decreasing significantly from a year ago. Additionally, 30+ day performing delinquent loans, excluding fully insured loans, declined across all major consumer portfolios, and reservable criticized balances also continued to decline, down 42 percent from the year-ago period.

Net charge-offs of \$3.1 billion in the fourth quarter of 2012 decreased \$1.0 billion from the third quarter of 2012 and declined \$950 million from the fourth quarter of 2011. The decline from the prior quarter was due to the absence of \$435 million in charge-offs related to the National Mortgage Settlement and \$478 million related to the impact of a change in regulatory guidance regarding the treatment of loans discharged in bankruptcy. Excluding these impacts, the decline was driven primarily by lower delinquencies in the Card Services portfolio. The improvement from a year ago was driven by credit quality improvement across nearly all major portfolios.

The provision for credit losses increased by \$430 million in the fourth quarter of 2012 to \$2.2 billion compared to the third quarter of 2012 and declined \$730 million from \$2.9 billion in the fourth quarter of 2011. The provision for credit losses in the fourth quarter of 2012 was \$900 million lower than net charge-offs, resulting in a reduction in the allowance for credit losses. This included a \$430 million benefit in the PCI portfolio due to an improved

home price outlook. The remaining reduction was driven primarily by improvement in bankruptcies and delinquencies across the Card Services portfolio.

The allowance for loan and lease losses to annualized net charge-off coverage ratio was 1.96 times in the fourth quarter of 2012, compared with 1.60 times in the third quarter of 2012 and 2.10 times in the fourth quarter of 2011. The increase from the third quarter of 2012 was due to the net charge-off events noted above. Excluding PCI loans, the allowance to annualized net charge-off coverage ratio was 1.51 times, 1.17 times and 1.57 times for the same periods, respectively.

Nonperforming loans, leases and foreclosed properties were \$23.6 billion at December 31, 2012, a decrease from \$24.9 billion at September 30, 2012 and \$27.7 billion at December 31, 2011.

Capital and Liquidity Management

<i>(Dollars in millions, except per share information)</i>	At December 31 2012	At September 30 2012	At December 31 2011
Total shareholders' equity	\$ 236,956	\$ 238,606	\$ 230,101
Tier 1 common capital	133,403	136,406	126,690
Tier 1 common capital ratio	11.06%	11.41%	9.86%
Tangible common equity ratio ¹	6.74	6.95	6.64
Common equity ratio	9.87	10.15	9.94
Tangible book value per share ¹	\$ 13.36	\$ 13.48	\$ 12.95
Book value per share	20.24	20.40	20.09

¹ Tangible common equity ratio and tangible book value per share are non-GAAP financial measures. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.

The Tier 1 common capital ratio under Basel 1 was 11.06 percent at December 31, 2012, compared to 11.41 percent at September 30, 2012 and 9.86 percent at December 31, 2011. The Tier 1 capital ratio was 12.89 percent at December 31, 2012, compared to 13.64 percent at September 30, 2012 and 12.40 percent at December 31, 2011. The decline in the Tier 1 common capital ratio (Basel 1) from the third quarter of 2012 was primarily driven by a decline in Tier 1 common capital due to pretax losses and higher risk-weighted assets on commercial loan growth.

As of December 31, 2012, the company's Tier 1 common capital ratio on a Basel 3 fully phased-in basis was estimated at 9.25 percent, up from 8.97 percent at September 30, 2012^A. Basel 3 estimates are based on the company's current understanding of the U.S. Basel 3 NPRs, assuming all regulatory model approvals, except for the potential reduction to the risk-weighted assets resulting from the Comprehensive Risk Measure after one year. Under Basel 3, the Tier 1 common capital ratio increased from the estimate for the third quarter of 2012 as the adverse impacts of the pretax losses, the unrealized loss on available-for-sale debt securities that was recognized in other comprehensive income and the increase in threshold deductions were more than offset by lower risk-weighted assets. The decline in risk-weighted assets was primarily due to lower exposures and updates of recent loss experience in our credit models.

At December 31, 2012, the company's total Global Excess Liquidity Sources were \$372 billion, a modest reduction of \$6 billion from the fourth quarter of 2011, while long-term debt declined by \$96.7 billion from the year-ago period. Time-to-required funding was 33 months at December 31, 2012, compared to 35 months at September 30, 2012 and 29 months at December 31, 2011.

During the fourth quarter of 2012, a cash dividend of \$0.01 per common share was paid and the company recorded \$365 million in preferred dividends. Period-end common shares issued and outstanding were 10.78 billion and 10.54 billion for the fourth quarter of 2012 and 2011.

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- ^A Basel 3 Tier 1 common capital ratio is a non-GAAP financial measure. For a reconciliation to GAAP financial measures, refer to page 21 of this press release. Basel 3 estimates reflect the company's current understanding of the U.S. Basel 3 NPRs and assume all necessary regulatory model approvals, except for the potential reduction to the risk-weighted assets resulting from the Comprehensive Risk Measure after one year.
- ^B Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. Revenue, net of interest expense, on a FTE basis excluding debit valuation adjustments and fair value option adjustments, and also excluding provisions for representations and warranties and mortgage insurance rescissions related to the settlement agreements with Fannie Mae, are non-GAAP financial measures. For reconciliation to GAAP financial measures, refer to pages 25-28 of this press release. Net interest income on a GAAP basis was \$10.3 billion and \$10.7 billion for the three months ended December 31, 2012 and 2011, and \$40.7 billion and \$44.6 billion for the years ended December 31, 2012 and 2011. Total revenue, net of interest expense, on a GAAP basis, was \$18.7 billion and \$24.9 billion for the three months ended December 31, 2012 and 2011, and \$83.3 billion and \$93.5 billion for the years ended December 31, 2012 and 2011.
- ^C 2006 and 2008 amounts are on a managed basis.
- ^D Tangible book value per share of common stock is a non-GAAP financial measure. Other companies may define or calculate this measure differently. For a reconciliation to GAAP financial measures, refer to pages 25-28 of this press release.
- ^E Sales and trading revenue, excluding the impact of DVA, is a non-GAAP financial measure. DVA gains (losses) were \$(276) million and \$(474) million for the three months ended December 31, 2012 and 2011, and \$(2.4) billion and \$1.0 billion for the years ended December 31, 2012 and 2011.
- ^F Fixed Income, Currency and Commodities sales and trading revenue, excluding DVA, is a non-GAAP financial measure. DVA gains (losses) were \$(237) million and \$(495) million for the three months ended December 31, 2012 and 2011, and \$(2.2) billion and \$794 million for the years ended December 31, 2012 and 2011. Equities revenue, excluding DVA, is a non-GAAP financial measure. DVA gains (losses) were \$(39) million and \$21 million for the three months ended December 31, 2012 and 2011, and \$(253) million and \$207 million for the years ended December 31, 2012 and 2011.

Note: Chief Executive Officer Brian Moynihan and Chief Financial Officer Bruce Thompson will discuss fourth-quarter 2012 results in a conference call at 8:30 a.m. ET today. The presentation and supporting materials can be accessed on the Bank of America Investor Relations Web site at <http://investor.bankofamerica.com>. For a listen-only connection to the conference call, dial 1.877.200.4456 (U.S.) or 1.785.424.1734 (international) and the conference ID: 79795.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 53 million consumer and small business relationships with approximately 5,500 retail banking offices and approximately 16,300 ATMs and award-winning online banking with 30 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of

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innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

Forward-looking Statements

Bank of America and its management may make certain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “estimates,” “intends,” “plans,” “goals,” “believes” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” The forward-looking statements made represent Bank of America's current expectations, plans or forecasts of its future results and revenues, including continued momentum in deposits, first-lien mortgage production, GWIM earnings, commercial loans and investment banking; the company's stated primary focus in 2013 to grow revenue, manage expenses and drive core earnings growth; the estimates of liability and range of possible loss for various representations and warranties claims; actions to be taken pursuant to and effects of the Fannie Mae settlements and the IFR acceleration agreement; and other similar matters. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements.

You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks, as well as those more fully discussed under Item 1A. “Risk Factors” of Bank of America's 2011 Annual Report on Form 10-K, and in any of Bank of America's subsequent SEC filings; the company's ability to obtain required approvals or consents from third parties with respect to the MSR sale agreements, including that there is no assurance that the applicable approvals and consents will be obtained, and accordingly some of these transfers may not be consummated; the company's resolution of remaining differences with the government-sponsored enterprises (GSEs) regarding representations and warranties repurchase claims, including in some cases with respect to mortgage insurance rescissions and foreclosure delays; the company's ability to resolve representations and warranties claims made by monolines and private-label and other investors, including as a result of any adverse court rulings, and the chance that the company could face related servicing, securities, fraud, indemnity or other claims from one or more of the monolines or private-label and other investors; if future representations and warranties losses occur in excess of the company's recorded liability and estimated range of possible loss for GSE and non-GSE exposures; uncertainties about the financial stability of several countries in the European Union (EU), the increasing risk that those countries may default on their sovereign debt or exit the EU and related stresses on financial markets, the euro and the EU and the company's direct and indirect exposures to such risks; the uncertainty regarding the timing and final substance of any capital or liquidity standards, including the final Basel 3 requirements and their implementation for U.S. banks through rulemaking by the Federal Reserve, including anticipated requirements to hold higher levels of regulatory capital, liquidity and meet higher regulatory capital ratios

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as a result of final Basel 3 or other capital or liquidity standards; the negative impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the company's businesses and earnings, including as a result of additional regulatory interpretation and rulemaking and the success of the company's actions to mitigate such impacts; the company's satisfaction of its borrower assistance programs under the global settlement agreement with federal agencies and state attorneys general and under the acceleration agreement with the OCC and the Federal Reserve; adverse changes to the company's credit ratings from the major credit rating agencies; estimates of the fair value of certain of the company's assets and liabilities; unexpected claims, damages and fines resulting from pending or future litigation and regulatory proceedings; the company's ability to fully realize the cost savings and other anticipated benefits from Project New BAC, including in accordance with currently anticipated timeframes; and other similar matters.

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

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Bank of America Corporation and Subsidiaries

Selected Financial Data

(Dollars in millions, except per share data; shares in thousands)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
Summary Income Statement					
Net interest income	\$ 40,656	\$ 44,616	\$ 10,324	\$ 9,938	\$ 10,701
Noninterest income	42,678	48,838	8,336	10,490	14,187
Total revenue, net of interest expense	83,334	93,454	18,660	20,428	24,888
Provision for credit losses	8,169	13,410	2,204	1,774	2,934
Goodwill impairment	—	3,184	—	—	581
Merger and restructuring charges	—	638	—	—	101
All other noninterest expense ⁽¹⁾	72,093	76,452	18,360	17,544	18,840
Income (loss) before income taxes	3,072	(230)	(1,904)	1,110	2,432
Income tax expense (benefit)	(1,116)	(1,676)	(2,636)	770	441
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 1,991
Preferred stock dividends	1,428	1,361	365	373	407
Net income (loss) applicable to common shareholders	\$ 2,760	\$ 85	\$ 367	\$ (33)	\$ 1,584
Earnings per common share	\$ 0.26	\$ 0.01	\$ 0.03	\$ 0.00	\$ 0.15
Diluted earnings per common share	0.25	0.01	0.03	0.00	0.15

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
Summary Average Balance Sheet					
Total loans and leases	\$ 898,768	\$ 938,096	\$ 893,166	\$ 888,859	\$ 932,898
Debt securities	337,653	337,120	339,779	340,773	332,990
Total earning assets	1,769,969	1,834,659	1,788,936	1,750,275	1,783,986
Total assets	2,191,356	2,296,322	2,210,365	2,173,312	2,207,567
Total deposits	1,047,782	1,035,802	1,078,076	1,049,697	1,032,531
Common shareholders' equity	216,996	211,709	219,744	217,273	209,324
Total shareholders' equity	235,677	229,095	238,512	236,039	228,235

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
Performance Ratios					
Return on average assets	0.19%	0.06%	0.13%	0.06%	0.36%
Return on average tangible shareholders' equity ⁽²⁾	2.60	0.96	1.77	0.84	5.20

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
Credit Quality					
Total net charge-offs	\$ 14,908	\$ 20,833	\$ 3,104	\$ 4,122	\$ 4,054
Net charge-offs as a % of average loans and leases outstanding ⁽³⁾	1.67%	2.24%	1.40%	1.86%	1.74%
Provision for credit losses	\$ 8,169	\$ 13,410	\$ 2,204	\$ 1,774	\$ 2,934

	December 31 2012	September 30 2012	December 31 2011
Total nonperforming loans, leases and foreclosed properties ⁽⁴⁾	\$ 23,555	\$ 24,925	\$ 27,708
Nonperforming loans, leases and foreclosed properties as a % of total loans, leases and foreclosed properties ⁽³⁾	2.62%	2.81%	3.01%
Allowance for loan and lease losses	\$ 24,179	\$ 26,233	\$ 33,783
Allowance for loan and lease losses as a % of total loans and leases outstanding ⁽³⁾	2.69%	2.96%	3.68%

For footnotes see page 21.

Bank of America Corporation and Subsidiaries

Selected Financial Data

(Dollars in millions, except per share data; shares in thousands)

<u>Capital Management</u>	December 31 2012	September 30 2012	December 31 2011		
Risk-based capital ⁽⁵⁾ :					
Tier 1 common capital ⁽⁶⁾	\$ 133,403	\$ 136,406	\$ 126,690		
Tier 1 common capital ratio ⁽⁶⁾	11.06%	11.41%	9.86%		
Tier 1 leverage ratio	7.36	7.84	7.53		
Tangible equity ratio ⁽⁷⁾	7.62	7.85	7.54		
Tangible common equity ratio ⁽⁷⁾	6.74	6.95	6.64		
Period-end common shares issued and outstanding	10,778,264	10,777,267	10,535,938		
<u>Basel 1 to Basel 3 Reconciliation</u> ⁽⁸⁾	December 31 2012	September 30 2012			
Regulatory capital – Basel 1 to Basel 3 (fully phased-in)					
Basel 1 Tier 1 capital	\$ 155,461	\$ 163,063			
Deduction of preferred stock, non-qualifying preferred stock and minority interest in equity accounts of consolidated subsidiaries	(22,058)	(26,657)			
Basel 1 Tier 1 common capital	133,403	136,406			
Deduction of defined benefit pension assets	(737)	(1,709)			
Change in deferred tax asset and other threshold deductions (MSRs and significant investments)	(3,020)	(1,102)			
Change in all other deductions, net	(1,020)	1,040			
Basel 3 (fully phased-in) Tier 1 common capital	<u>\$ 128,626</u>	<u>\$ 134,635</u>			
Risk-weighted assets – Basel 1 to Basel 3 (fully phased-in)					
Basel 1	\$ 1,205,660	\$ 1,195,722			
Net change in credit and other risk-weighted assets	103,401	216,244			
Increase due to market risk amendment	81,811	88,881			
Basel 3 (fully phased-in)	<u>\$ 1,390,872</u>	<u>\$ 1,500,847</u>			
Tier 1 common capital ratios					
Basel 1	11.06%	11.41%			
Basel 3 (fully phased-in)	9.25	8.97			
	Year Ended December 31	Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011	
	2012	2011			
Common shares issued ⁽⁹⁾	242,326	450,783	997	398	401,506
Average common shares issued and outstanding	10,746,028	10,142,625	10,777,204	10,776,173	10,281,397
Average diluted common shares issued and outstanding	10,840,854	10,254,824	10,884,921	10,776,173	11,124,523
Dividends paid per common share	\$ 0.04	\$ 0.04	\$ 0.01	\$ 0.01	\$ 0.01
<u>Summary Period-End Balance Sheet</u>	December 31 2012	September 30 2012	December 31 2011		
Total loans and leases	\$ 907,819	\$ 893,035	\$ 926,200		
Total debt securities	336,387	345,847	311,416		
Total earning assets	1,788,305	1,756,257	1,704,855		
Total assets	2,209,974	2,166,162	2,129,046		
Total deposits	1,105,261	1,063,307	1,033,041		
Total shareholders' equity	236,956	238,606	230,101		
Common shareholders' equity	218,188	219,838	211,704		
Book value per share of common stock	\$ 20.24	\$ 20.40	\$ 20.09		
Tangible book value per share of common stock ⁽²⁾	13.36	13.48	12.95		

⁽¹⁾ Excludes merger and restructuring charges and goodwill impairment charges.

⁽²⁾ Return on average tangible shareholders' equity and tangible book value per share of common stock are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate non-GAAP financial measures differently. See Reconciliations to GAAP Financial Measures on pages 25-28.

⁽³⁾ Ratios do not include loans accounted for under the fair value option during the period. Charge-off ratios are annualized for the quarterly presentation.

⁽⁴⁾ Balances do not include past due consumer credit card, consumer loans secured by real estate where repayments are insured by the Federal Housing Administration and individually insured long-term stand-by agreements (fully-insured home loans), and in general, other consumer and commercial loans not secured by real estate; purchased credit-impaired loans even though the customer may be contractually past due; nonperforming loans held-for-sale; nonperforming loans accounted for under the fair value option; and nonaccruing troubled debt restructured loans removed from the purchased credit-impaired portfolio prior to January 1, 2010.

⁽⁵⁾ Reflects preliminary data for current period risk-based capital.

⁽⁶⁾ Tier 1 common equity ratio equals Tier 1 capital excluding preferred stock, trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.

⁽⁷⁾ 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 financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate non-GAAP financial measures differently. See Reconciliations to GAAP Financial Measures on pages 25-28.

⁽⁸⁾ Basel 3 estimates are based on the U.S. Basel 3 Advanced NPR.

⁽⁹⁾ Includes 400 million of common shares issued as part of the exchange of trust preferred securities and preferred stock during the fourth quarter of 2011.

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

Bank of America Corporation and Subsidiaries

Quarterly Results by Business Segment

(Dollars in millions)

	Fourth Quarter 2012					
	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Total revenue, net of interest expense (FTE basis) ⁽¹⁾	\$ 7,204	\$ 468	\$ 4,326	\$ 2,844	\$ 4,194	\$ (145)
Provision for credit losses	963	485	180	16	112	448
Noninterest expense	4,121	5,629	1,946	2,498	3,195	971
Net income (loss)	1,428	(3,722)	1,432	152	578	864
Return on average allocated equity	10.48%	n/m	12.47%	3.39%	12.43%	n/m
Return on average economic capital ⁽²⁾	23.94	n/m	27.32	4.63	28.46	n/m
Balance Sheet						
Average						
Total loans and leases	\$ 132,421	\$ 97,912	\$ 278,218	n/m	\$ 103,785	\$ 245,820
Total deposits	486,467	n/m	268,045	n/m	249,658	36,939
Allocated equity	54,194	12,525	45,729	\$ 17,859	18,508	89,697
Economic capital ⁽²⁾	23,777	12,525	20,880	13,210	8,149	n/m
Period end						
Total loans and leases	\$ 134,657	\$ 95,972	\$ 288,261	n/m	\$ 105,928	\$ 240,667
Total deposits	498,669	n/m	269,738	n/m	266,188	36,061

	Third Quarter 2012					
	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Total revenue, net of interest expense (FTE basis) ⁽¹⁾	\$ 7,070	\$ 3,096	\$ 4,146	\$ 3,109	\$ 4,083	\$ (847)
Provision for credit losses	970	264	68	21	61	390
Noninterest expense	4,061	4,223	2,021	2,548	3,128	1,563
Net income (loss)	1,285	(876)	1,296	(359)	562	(1,568)
Return on average allocated equity	9.47 %	n/m	11.15 %	n/m	12.27 %	n/m
Return on average economic capital ⁽²⁾	21.77	n/m	24.14	n/m	28.81	n/m
Balance Sheet						
Average						
Total loans and leases	\$ 133,881	\$ 103,708	\$ 267,390	n/m	\$ 101,016	\$ 254,894
Total deposits	480,342	n/m	252,226	n/m	241,411	39,262
Allocated equity	53,982	13,332	46,223	\$ 17,070	18,229	87,203
Economic capital ⁽²⁾	23,535	13,332	21,371	12,419	7,840	n/m
Period end						
Total loans and leases	\$ 133,308	\$ 99,890	\$ 272,052	n/m	\$ 102,390	\$ 251,345
Total deposits	486,857	n/m	260,030	n/m	243,518	37,554

	Fourth Quarter 2011					
	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Total revenue, net of interest expense (FTE basis) ⁽¹⁾	\$ 7,606	\$ 3,275	\$ 4,002	\$ 1,807	\$ 3,943	\$ 4,513
Provision for credit losses	1,297	1,001	(256)	(18)	118	792
Noninterest expense	4,429	4,569	2,136	2,895	3,392	2,101
Net income (loss)	1,242	(1,442)	1,337	(768)	272	1,350
Return on average allocated equity	9.30 %	n/m	11.51 %	n/m	6.22 %	n/m
Return on average economic capital ⁽²⁾	22.08	n/m	25.06	n/m	16.02	n/m
Balance Sheet						
Average						
Total loans and leases	\$ 147,150	\$ 116,993	\$ 276,850	n/m	\$ 97,722	\$ 277,744
Total deposits	459,819	n/m	240,757	n/m	237,098	58,946
Allocated equity	53,004	14,757	46,087	\$ 19,806	17,366	77,215
Economic capital ⁽²⁾	22,417	14,757	21,188	15,154	6,914	n/m
Period end						
Total loans and leases	\$ 146,378	\$ 112,359	\$ 278,177	n/m	\$ 98,654	\$ 272,385
Total deposits	464,264	n/m	246,360	n/m	240,540	45,532

⁽¹⁾ 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.

⁽²⁾ Return on average economic capital is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. See Reconciliations to GAAP Financial Measures on pages 25-28.

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Annual Results by Business Segment

(Dollars in millions)

	Year Ended December 31, 2012					
	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Total revenue, net of interest expense (FTE basis) ⁽¹⁾	\$ 29,023	\$ 8,759	\$ 17,207	\$ 13,519	\$ 16,517	\$ (790)
Provision for credit losses	3,941	1,442	(103)	3	266	2,620
Noninterest expense	16,793	17,306	8,308	10,839	12,755	6,092
Net income (loss)	5,321	(6,507)	5,725	1,054	2,223	(3,628)
Return on average allocated equity	9.92%	n/m	12.47%	5.99%	12.53%	n/m
Return on average economic capital ⁽²⁾	23.01	n/m	27.21	8.20	30.52	n/m
Balance Sheet						
Average						
Total loans and leases	\$ 136,171	\$ 104,754	\$ 272,625	n/m	\$ 100,456	\$ 258,012
Total deposits	477,440	n/m	249,317	n/m	242,384	43,083
Allocated equity	53,646	13,687	45,907	\$ 17,595	17,739	87,103
Economic capital ⁽²⁾	23,178	13,687	21,053	12,956	7,359	n/m
Period end						
Total loans and leases	\$ 134,657	\$ 95,972	\$ 288,261	n/m	\$ 105,928	\$ 240,667
Total deposits	498,669	n/m	269,738	n/m	266,188	36,061

	Year Ended December 31, 2011					
	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Total revenue, net of interest expense (FTE basis) ⁽¹⁾	\$ 32,880	\$ (3,154)	\$ 17,312	\$ 14,798	\$ 16,495	\$ 16,095
Provision for credit losses	3,490	4,524	(1,118)	(56)	398	6,172
Noninterest expense	17,719	21,791	8,884	12,244	13,383	6,253
Net income (loss)	7,447	(19,465)	6,046	988	1,718	4,712
Return on average allocated equity	14.07%	n/m	12.76%	4.36%	9.90%	n/m
Return on average economic capital ⁽²⁾	33.52	n/m	26.59	5.54	25.46	n/m
Balance Sheet						
Average						
Total loans and leases	\$ 153,641	\$ 119,820	\$ 265,568	n/m	\$ 96,974	\$ 289,010
Total deposits	462,087	n/m	237,312	n/m	241,535	62,582
Allocated equity	52,908	16,202	47,384	\$ 22,671	17,352	72,578
Economic capital ⁽²⁾	22,273	14,852	22,761	18,046	6,866	n/m
Period end						
Total loans and leases	\$ 146,378	\$ 112,359	\$ 278,177	n/m	\$ 98,654	\$ 272,385
Total deposits	464,264	n/m	246,360	n/m	240,540	45,532

⁽¹⁾ 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.

⁽²⁾ Return on average economic capital is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. See Reconciliations to GAAP Financial Measures on pages 25-28.

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Supplemental Financial Data

(Dollars in millions)

<u>Fully taxable-equivalent (FTE) basis data</u> ⁽¹⁾	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
Net interest income	\$ 41,557	\$ 45,588	\$ 10,555	\$ 10,167	\$ 10,959
Total revenue, net of interest expense	84,235	94,426	18,891	20,657	25,146
Net interest yield ⁽²⁾	2.35%	2.48%	2.35%	2.32%	2.45%
Efficiency ratio	85.59	85.01	97.19	84.93	77.64

<u>Other Data</u>	December 31 2012	September 30 2012	December 31 2011
Number of banking centers - U.S.	5,478	5,540	5,702
Number of branded ATMs - U.S.	16,347	16,253	17,756
Ending full-time equivalent employees	267,190	272,594	281,791

⁽¹⁾ FTE basis is a non-GAAP financial measure. FTE 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 Reconciliations to GAAP Financial Measures on pages 25-28.

⁽²⁾ Calculation includes fees earned on overnight deposits placed with the Federal Reserve and, beginning in the third quarter of 2012, deposits, primarily overnight, placed with certain non-U.S. central banks of \$189 million and \$186 million for the years ended December 31, 2012 and 2011; \$42 million and \$48 million for the fourth and third quarters of 2012, respectively, and \$36 million for the fourth quarter of 2011.

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

Bank of America Corporation and Subsidiaries

Reconciliations to GAAP Financial Measures

(Dollars in millions)

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

The Corporation also evaluates its business based on the following ratios that utilize tangible equity, a non-GAAP financial measure. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of average common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible shareholders' equity measures the Corporation's earnings contribution as a percentage of average shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible common equity ratio represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible equity ratio represents total ending shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity (i.e., capital). In addition, profitability, relationship and investment models all use return on average tangible shareholders' equity as key measures to support our overall growth goals.

In addition, the Corporation evaluates its business segment results based on return on average economic capital, a non-GAAP financial measure. Return on average economic capital for the segments is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents average allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). It also believes the use of this non-GAAP financial measure provides additional clarity in assessing the segments.

In certain presentations, earnings and diluted earnings per common share, the efficiency ratio, return on average assets, return on common shareholders' equity, return on average tangible common shareholders' equity and return on average tangible shareholders' equity are calculated excluding the impact of goodwill impairment charges of \$581 million and \$2.6 billion recorded in the fourth and second quarters of 2011. Accordingly, these are non-GAAP financial measures.

See the tables below and on pages 26-28 for reconciliations of these non-GAAP financial measures with financial measures defined by GAAP for the three months ended December 31, 2012, September 30, 2012 and December 31, 2011, and the years ended December 31, 2012 and 2011. The Corporation believes the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate supplemental financial data differently.

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
<u>Reconciliation of net interest income to net interest income on a fully taxable-equivalent basis</u>					
Net interest income	\$ 40,656	\$ 44,616	\$ 10,324	\$ 9,938	\$ 10,701
Fully taxable-equivalent adjustment	901	972	231	229	258
Net interest income on a fully taxable-equivalent basis	\$ 41,557	\$ 45,588	\$ 10,555	\$ 10,167	\$ 10,959
<u>Reconciliation of total revenue, net of interest expense to total revenue, net of interest expense on a fully taxable-equivalent basis</u>					
Total revenue, net of interest expense	\$ 83,334	\$ 93,454	\$ 18,660	\$ 20,428	\$ 24,888
Fully taxable-equivalent adjustment	901	972	231	229	258
Total revenue, net of interest expense on a fully taxable-equivalent basis	\$ 84,235	\$ 94,426	\$ 18,891	\$ 20,657	\$ 25,146
<u>Reconciliation of total noninterest expense to total noninterest expense, excluding goodwill impairment charges</u>					
Total noninterest expense	\$ 72,093	\$ 80,274	\$ 18,360	\$ 17,544	\$ 19,522
Goodwill impairment charges	—	(3,184)	—	—	(581)
Total noninterest expense, excluding goodwill impairment charges	\$ 72,093	\$ 77,090	\$ 18,360	\$ 17,544	\$ 18,941
<u>Reconciliation of income tax expense (benefit) to income tax expense (benefit) on a fully taxable-equivalent basis</u>					
Income tax expense (benefit)	\$ (1,116)	\$ (1,676)	\$ (2,636)	\$ 770	\$ 441
Fully taxable-equivalent adjustment	901	972	231	229	258
Income tax expense (benefit) on a fully taxable-equivalent basis	\$ (215)	\$ (704)	\$ (2,405)	\$ 999	\$ 699
<u>Reconciliation of net income to net income, excluding goodwill impairment charges</u>					
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 1,991
Goodwill impairment charges	—	3,184	—	—	581
Net income, excluding goodwill impairment charges	\$ 4,188	\$ 4,630	\$ 732	\$ 340	\$ 2,572
<u>Reconciliation of net income (loss) applicable to common shareholders to net income (loss) applicable to common shareholders, excluding goodwill impairment charges</u>					
Net income (loss) applicable to common shareholders	\$ 2,760	\$ 85	\$ 367	\$ (33)	\$ 1,584
Goodwill impairment charges	—	3,184	—	—	581
Net income (loss) applicable to common shareholders, excluding goodwill impairment charges	\$ 2,760	\$ 3,269	\$ 367	\$ (33)	\$ 2,165

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

Bank of America Corporation and Subsidiaries

Reconciliations to GAAP Financial Measures (continued)

(Dollars in millions)

	Year Ended December 31		Fourth Quarter	Third Quarter	Fourth Quarter
	2012	2011	2012	2012	2011
Reconciliation of average common shareholders' equity to average tangible common shareholders' equity					
Common shareholders' equity	\$ 216,996	\$ 211,709	\$ 219,744	\$ 217,273	\$ 209,324
Goodwill	(69,974)	(72,334)	(69,976)	(69,976)	(70,647)
Intangible assets (excluding mortgage servicing rights)	(7,366)	(9,180)	(6,874)	(7,194)	(8,566)
Related deferred tax liabilities	2,593	2,898	2,490	2,556	2,775
Tangible common shareholders' equity	\$ 142,249	\$ 133,093	\$ 145,384	\$ 142,659	\$ 132,886
Reconciliation of average shareholders' equity to average tangible shareholders' equity					
Shareholders' equity	\$ 235,677	\$ 229,095	\$ 238,512	\$ 236,039	\$ 228,235
Goodwill	(69,974)	(72,334)	(69,976)	(69,976)	(70,647)
Intangible assets (excluding mortgage servicing rights)	(7,366)	(9,180)	(6,874)	(7,194)	(8,566)
Related deferred tax liabilities	2,593	2,898	2,490	2,556	2,775
Tangible shareholders' equity	\$ 160,930	\$ 150,479	\$ 164,152	\$ 161,425	\$ 151,797
Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity					
Common shareholders' equity	\$ 218,188	\$ 211,704	\$ 218,188	\$ 219,838	\$ 211,704
Goodwill	(69,976)	(69,967)	(69,976)	(69,976)	(69,967)
Intangible assets (excluding mortgage servicing rights)	(6,684)	(8,021)	(6,684)	(7,030)	(8,021)
Related deferred tax liabilities	2,428	2,702	2,428	2,494	2,702
Tangible common shareholders' equity	\$ 143,956	\$ 136,418	\$ 143,956	\$ 145,326	\$ 136,418
Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity					
Shareholders' equity	\$ 236,956	\$ 230,101	\$ 236,956	\$ 238,606	\$ 230,101
Goodwill	(69,976)	(69,967)	(69,976)	(69,976)	(69,967)
Intangible assets (excluding mortgage servicing rights)	(6,684)	(8,021)	(6,684)	(7,030)	(8,021)
Related deferred tax liabilities	2,428	2,702	2,428	2,494	2,702
Tangible shareholders' equity	\$ 162,724	\$ 154,815	\$ 162,724	\$ 164,094	\$ 154,815
Reconciliation of period-end assets to period-end tangible assets					
Assets	\$ 2,209,974	\$ 2,129,046	\$ 2,209,974	\$ 2,166,162	\$ 2,129,046
Goodwill	(69,976)	(69,967)	(69,976)	(69,976)	(69,967)
Intangible assets (excluding mortgage servicing rights)	(6,684)	(8,021)	(6,684)	(7,030)	(8,021)
Related deferred tax liabilities	2,428	2,702	2,428	2,494	2,702
Tangible assets	\$ 2,135,742	\$ 2,053,760	\$ 2,135,742	\$ 2,091,650	\$ 2,053,760
Book value per share of common stock					
Common shareholders' equity	\$ 218,188	\$ 211,704	\$ 218,188	\$ 219,838	\$ 211,704
Ending common shares issued and outstanding	10,778,264	10,535,938	10,778,264	10,777,267	10,535,938
Book value per share of common stock	\$ 20.24	\$ 20.09	\$ 20.24	\$ 20.40	\$ 20.09
Tangible book value per share of common stock					
Tangible common shareholders' equity	\$ 143,956	\$ 136,418	\$ 143,956	\$ 145,326	\$ 136,418
Ending common shares issued and outstanding	10,778,264	10,535,938	10,778,264	10,777,267	10,535,938
Tangible book value per share of common stock	\$ 13.36	\$ 12.95	\$ 13.36	\$ 13.48	\$ 12.95

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

Bank of America Corporation and Subsidiaries
Reconciliations to GAAP Financial Measures (continued)

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
<u>Reconciliation of return on average economic capital</u>					
<u>Consumer & Business Banking</u>					
Reported net income	\$ 5,321	\$ 7,447	\$ 1,428	\$ 1,285	\$ 1,242
Adjustment related to intangibles ⁽¹⁾	13	20	3	3	5
Adjusted net income	\$ 5,334	\$ 7,467	\$ 1,431	\$ 1,288	\$ 1,247
Average allocated equity	\$ 53,646	\$ 52,908	\$ 54,194	\$ 53,982	\$ 53,004
Adjustment related to goodwill and a percentage of intangibles	(30,468)	(30,635)	(30,417)	(30,447)	(30,587)
Average economic capital	\$ 23,178	\$ 22,273	\$ 23,777	\$ 23,535	\$ 22,417
<u>Consumer Real Estate Services</u>					
Reported net loss	\$ (6,507)	\$ (19,465)	\$ (3,722)	\$ (876)	\$ (1,442)
Adjustment related to intangibles ⁽¹⁾	—	—	—	—	—
Goodwill impairment charge	—	2,603	—	—	—
Adjusted net loss	\$ (6,507)	\$ (16,862)	\$ (3,722)	\$ (876)	\$ (1,442)
Average allocated equity	\$ 13,687	\$ 16,202	\$ 12,525	\$ 13,332	\$ 14,757
Adjustment related to goodwill and a percentage of intangibles (excluding mortgage servicing rights)	—	(1,350)	—	—	—
Average economic capital	\$ 13,687	\$ 14,852	\$ 12,525	\$ 13,332	\$ 14,757
<u>Global Banking</u>					
Reported net income	\$ 5,725	\$ 6,046	\$ 1,432	\$ 1,296	\$ 1,337
Adjustment related to intangibles ⁽¹⁾	4	6	1	1	1
Adjusted net income	\$ 5,729	\$ 6,052	\$ 1,433	\$ 1,297	\$ 1,338
Average allocated equity	\$ 45,907	\$ 47,384	\$ 45,729	\$ 46,223	\$ 46,087
Adjustment related to goodwill and a percentage of intangibles	(24,854)	(24,623)	(24,849)	(24,852)	(24,899)
Average economic capital	\$ 21,053	\$ 22,761	\$ 20,880	\$ 21,371	\$ 21,188
<u>Global Markets</u>					
Reported net income (loss)	\$ 1,054	\$ 988	\$ 152	\$ (359)	\$ (768)
Adjustment related to intangibles ⁽¹⁾	9	12	2	2	3
Adjusted net income (loss)	\$ 1,063	\$ 1,000	\$ 154	\$ (357)	\$ (765)
Average allocated equity	\$ 17,595	\$ 22,671	\$ 17,859	\$ 17,070	\$ 19,806
Adjustment related to goodwill and a percentage of intangibles	(4,639)	(4,625)	(4,649)	(4,651)	(4,652)
Average economic capital	\$ 12,956	\$ 18,046	\$ 13,210	\$ 12,419	\$ 15,154
<u>Global Wealth & Investment Management</u>					
Reported net income	\$ 2,223	\$ 1,718	\$ 578	\$ 562	\$ 272
Adjustment related to intangibles ⁽¹⁾	23	30	5	6	7
Adjusted net income	\$ 2,246	\$ 1,748	\$ 583	\$ 568	\$ 279
Average allocated equity	\$ 17,739	\$ 17,352	\$ 18,508	\$ 18,229	\$ 17,366
Adjustment related to goodwill and a percentage of intangibles	(10,380)	(10,486)	(10,359)	(10,389)	(10,452)
Average economic capital	\$ 7,359	\$ 6,866	\$ 8,149	\$ 7,840	\$ 6,914

For footnote see page 28.

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

Bank of America Corporation and Subsidiaries
Reconciliations to GAAP Financial Measures (continued)

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
	2012	2011			
Consumer & Business Banking					
<u>Deposits</u>					
Reported net income	\$ 917	\$ 1,217	\$ 216	\$ 207	\$ 154
Adjustment related to intangibles ⁽¹⁾	1	3	—	—	1
Adjusted net income	\$ 918	\$ 1,220	\$ 216	\$ 207	\$ 155
Average allocated equity	\$ 24,329	\$ 23,734	\$ 25,076	\$ 25,047	\$ 23,861
Adjustment related to goodwill and a percentage of intangibles	(17,924)	(17,948)	(17,915)	(17,920)	(17,939)
Average economic capital	\$ 6,405	\$ 5,786	\$ 7,161	\$ 7,127	\$ 5,922
<u>Card Services</u>					
Reported net income	\$ 4,061	\$ 5,811	\$ 1,099	\$ 994	\$ 1,028
Adjustment related to intangibles ⁽¹⁾	12	17	3	3	4
Adjusted net income	\$ 4,073	\$ 5,828	\$ 1,102	\$ 997	\$ 1,032
Average allocated equity	\$ 20,578	\$ 21,127	\$ 20,652	\$ 20,463	\$ 20,610
Adjustment related to goodwill and a percentage of intangibles	(10,447)	(10,589)	(10,405)	(10,429)	(10,549)
Average economic capital	\$ 10,131	\$ 10,538	\$ 10,247	\$ 10,034	\$ 10,061
<u>Business Banking</u>					
Reported net income	\$ 343	\$ 419	\$ 113	\$ 84	\$ 60
Adjustment related to intangibles ⁽¹⁾	—	—	—	—	—
Adjusted net income	\$ 343	\$ 419	\$ 113	\$ 84	\$ 60
Average allocated equity	\$ 8,739	\$ 8,047	\$ 8,466	\$ 8,472	\$ 8,533
Adjustment related to goodwill and a percentage of intangibles	(2,097)	(2,098)	(2,097)	(2,098)	(2,099)
Average economic capital	\$ 6,642	\$ 5,949	\$ 6,369	\$ 6,374	\$ 6,434

⁽¹⁾ Represents cost of funds, earnings credits and certain expenses related to intangibles.

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

Bank of America



Supplemental Information Fourth Quarter 2012

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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Bank of America Corporation and Subsidiaries

Consolidated Financial Highlights

(Dollars in millions, except per share information; shares in thousands)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Income statement							
Net interest income	\$ 40,656	\$ 44,616	\$ 10,324	\$ 9,938	\$ 9,548	\$ 10,846	\$ 10,701
Noninterest income	42,678	48,838	8,336	10,490	12,420	11,432	14,187
Total revenue, net of interest expense	83,334	93,454	18,660	20,428	21,968	22,278	24,888
Provision for credit losses	8,169	13,410	2,204	1,774	1,773	2,418	2,934
Goodwill impairment	—	3,184	—	—	—	—	581
Merger and restructuring charges	—	638	—	—	—	—	101
All other noninterest expense ⁽¹⁾	72,093	76,452	18,360	17,544	17,048	19,141	18,840
Income tax expense (benefit)	(1,116)	(1,676)	(2,636)	770	684	66	441
Net income	4,188	1,446	732	340	2,463	653	1,991
Preferred stock dividends	1,428	1,361	365	373	365	325	407
Net income (loss) applicable to common shareholders	2,760	85	367	(33)	2,098	328	1,584
Diluted earnings per common share ⁽²⁾	0.25	0.01	0.03	0.00	0.19	0.03	0.15
Average diluted common shares issued and outstanding ⁽²⁾	10,840,854	10,254,824	10,884,921	10,776,173	11,556,011	10,761,917	11,124,523
Dividends paid per common share	\$ 0.04	\$ 0.04	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Performance ratios							
Return on average assets	0.19%	0.06%	0.13%	0.06%	0.45%	0.12%	0.36%
Return on average common shareholders' equity	1.27	0.04	0.67	n/m	3.89	0.62	3.00
Return on average tangible common shareholders' equity ⁽³⁾	1.94	0.06	1.01	n/m	5.95	0.95	4.72
Return on average tangible shareholders' equity ⁽³⁾	2.60	0.96	1.77	0.84	6.16	1.67	5.20
At period end							
Book value per share of common stock	\$ 20.24	\$ 20.09	\$ 20.24	\$ 20.40	\$ 20.16	\$ 19.83	\$ 20.09
Tangible book value per share of common stock ⁽³⁾	13.36	12.95	13.36	13.48	13.22	12.87	12.95
Market price per share of common stock:							
Closing price	\$ 11.61	\$ 5.56	\$ 11.61	\$ 8.83	\$ 8.18	\$ 9.57	\$ 5.56
High closing price for the period	11.61	15.25	11.61	9.55	9.68	9.93	7.35
Low closing price for the period	5.80	4.99	8.93	7.04	6.83	5.80	4.99
Market capitalization	125,136	58,580	125,136	95,163	88,155	103,123	58,580
Number of banking centers - U.S.	5,478	5,702	5,478	5,540	5,594	5,651	5,702
Number of branded ATMs - U.S.	16,347	17,756	16,347	16,253	16,220	17,255	17,756
Full-time equivalent employees	267,190	281,791	267,190	272,594	275,460	278,688	281,791

⁽¹⁾ Excludes merger and restructuring charges and goodwill impairment charges.

⁽²⁾ Due to a net loss applicable to common shareholders for the third quarter of 2012, the impact of antidilutive equity instruments was excluded from diluted earnings per share and average diluted common shares.

⁽³⁾ Tangible equity ratios and tangible book value per share of common stock are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate non-GAAP financial measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Supplemental Financial Data

(Dollars in millions, except per share information)

Fully taxable-equivalent (FTE) basis data ⁽¹⁾

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income	\$ 41,557	\$ 45,588	\$ 10,555	\$ 10,167	\$ 9,782	\$ 11,053	\$ 10,959
Total revenue, net of interest expense	84,235	94,426	18,891	20,657	22,202	22,485	25,146
Net interest yield ⁽²⁾	2.35%	2.48%	2.35%	2.32%	2.21%	2.51%	2.45%
Efficiency ratio	85.59	85.01	97.19	84.93	76.79	85.13	77.64

Performance ratios, excluding goodwill impairment charges ^(3,4)

	Year Ended December 31 2011		Fourth Quarter 2011
Per common share information			
Earnings	\$ 0.32		\$ 0.21
Diluted earnings	0.32		0.20
Efficiency ratio (FTE basis)	81.64%		75.33%
Return on average assets	0.20		0.46
Return on average common shareholders' equity	1.54		4.10
Return on average tangible common shareholders' equity	2.46		6.46
Return on average tangible shareholders' equity	3.08		6.72

⁽¹⁾ FTE basis is a non-GAAP financial measure. FTE basis is a performance measure used by management in operating the business that management believes provides investors with a more accurate picture of the interest margin for comparative purposes. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

⁽²⁾ Calculation includes fees earned on overnight deposits placed with the Federal Reserve and, beginning in the third quarter of 2012, deposits, primarily overnight, placed with certain non-U.S. central banks of \$189 million and \$186 million for the years ended December 31, 2012 and 2011; \$42 million, \$48 million, \$52 million and \$47 million for the fourth, third, second and first quarters of 2012, respectively, and \$36 million for the fourth quarter of 2011. For more information, see Quarterly and Annual Average Balances and Interest Rates - Fully Taxable-equivalent Basis on pages 10-11 and 12-13.

⁽³⁾ Performance ratios excluding goodwill impairment charges are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

⁽⁴⁾ There were no goodwill impairment charges in 2012.

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

Bank of America Corporation and Subsidiaries

Consolidated Statement of Income

(Dollars in millions, except per share information; shares in thousands)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Interest income							
Loans and leases	\$ 38,880	\$ 44,966	\$ 9,366	\$ 9,597	\$ 9,744	\$ 10,173	\$ 10,512
Debt securities	8,776	9,521	2,118	2,031	1,902	2,725	2,235
Federal funds sold and securities borrowed or purchased under agreements to resell	1,502	2,147	329	353	360	460	449
Trading account assets	5,094	5,961	1,307	1,189	1,246	1,352	1,297
Other interest income	3,148	3,641	851	806	740	751	920
Total interest income	57,400	66,236	13,971	13,976	13,992	15,461	15,413
Interest expense							
Deposits	1,990	3,002	438	484	519	549	616
Short-term borrowings	3,572	4,599	855	893	943	881	921
Trading account liabilities	1,763	2,212	420	418	448	477	411
Long-term debt	9,419	11,807	1,934	2,243	2,534	2,708	2,764
Total interest expense	16,744	21,620	3,647	4,038	4,444	4,615	4,712
Net interest income	40,656	44,616	10,324	9,938	9,548	10,846	10,701
Noninterest income							
Card income	6,121	7,184	1,548	1,538	1,578	1,457	1,478
Service charges	7,600	8,094	1,820	1,934	1,934	1,912	1,982
Investment and brokerage services	11,393	11,826	2,889	2,781	2,847	2,876	2,694
Investment banking income	5,299	5,217	1,600	1,336	1,146	1,217	1,013
Equity investment income	2,070	7,360	699	238	368	765	3,227
Trading account profits	5,870	6,697	792	1,239	1,764	2,075	280
Mortgage banking income (loss)	4,750	(8,830)	(540)	2,019	1,659	1,612	2,119
Insurance income (loss)	(195)	1,346	(124)	(138)	127	(60)	143
Gains on sales of debt securities	1,662	3,374	171	339	400	752	1,192
Other income (loss)	(1,839)	6,869	(518)	(790)	603	(1,134)	140
Other-than-temporary impairment losses on available-for-sale debt securities:							
Total other-than-temporary impairment losses	(57)	(360)	(1)	(9)	(13)	(51)	(127)
Less: Portion of other-than-temporary impairment losses recognized in other comprehensive income	4	61	—	3	7	11	46
Net impairment losses recognized in earnings on available-for-sale debt securities	(53)	(299)	(1)	(6)	(6)	(40)	(81)
Total noninterest income	42,678	48,838	8,336	10,490	12,420	11,432	14,187
Total revenue, net of interest expense	83,334	93,454	18,660	20,428	21,968	22,278	24,888
Provision for credit losses	8,169	13,410	2,204	1,774	1,773	2,418	2,934
Noninterest expense							
Personnel	35,648	36,965	8,300	8,431	8,729	10,188	8,761
Occupancy	4,570	4,748	1,151	1,160	1,117	1,142	1,131
Equipment	2,269	2,340	551	561	546	611	525
Marketing	1,873	2,203	480	479	449	465	523
Professional fees	3,574	3,381	996	873	922	783	1,032
Amortization of intangibles	1,264	1,509	309	315	321	319	365
Data processing	2,961	2,652	773	640	692	856	688
Telecommunications	1,660	1,553	433	410	417	400	386
Other general operating	18,274	21,101	5,367	4,675	3,855	4,377	5,429
Goodwill impairment	—	3,184	—	—	—	—	581
Merger and restructuring charges	—	638	—	—	—	—	101
Total noninterest expense	72,093	80,274	18,360	17,544	17,048	19,141	19,522
Income (loss) before income taxes	3,072	(230)	(1,904)	1,110	3,147	719	2,432
Income tax expense (benefit)	(1,116)	(1,676)	(2,636)	770	684	66	441
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 2,463	\$ 653	\$ 1,991
Preferred stock dividends	1,428	1,361	365	373	365	325	407
Net income (loss) applicable to common shareholders	\$ 2,760	\$ 85	\$ 367	\$ (33)	\$ 2,098	\$ 328	\$ 1,584
Per common share information							
Earnings	\$ 0.26	\$ 0.01	\$ 0.03	\$ 0.00	\$ 0.19	\$ 0.03	\$ 0.15
Diluted earnings	0.25	0.01	0.03	0.00	0.19	0.03	0.15
Dividends paid	0.04	0.04	0.01	0.01	0.01	0.01	0.01
Average common shares issued and outstanding	10,746,028	10,142,625	10,777,204	10,776,173	10,775,695	10,651,367	10,281,397
Average diluted common shares issued and outstanding ⁽¹⁾	10,840,854	10,254,824	10,884,921	10,776,173	11,556,011	10,761,917	11,124,523

⁽¹⁾ Due to a net loss applicable to common shareholders for the third quarter of 2012, the impact of antidilutive equity instruments was excluded from diluted earnings per share and average diluted common shares.

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

Bank of America Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 2,463	\$ 653	\$ 1,991
Other comprehensive income, net-of-tax:							
Net change in available-for-sale debt and marketable equity securities	1,802	(4,270)	(1,169)	2,365	1,530	(924)	(2,866)
Net change in derivatives	916	(549)	381	234	(81)	382	281
Employee benefit plan adjustments	(65)	(444)	(1,171)	75	79	952	(648)
Net change in foreign currency translation adjustments	(13)	(108)	(27)	15	(32)	31	(133)
Other comprehensive income (loss)	2,640	(5,371)	(1,986)	2,689	1,496	441	(3,366)
Comprehensive income (loss)	\$ 6,828	\$ (3,925)	\$ (1,254)	\$ 3,029	\$ 3,959	\$ 1,094	\$ (1,375)

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

Bank of America Corporation and Subsidiaries

Consolidated Balance Sheet

(Dollars in millions)

	December 31 2012	September 30 2012	December 31 2011
Assets			
Cash and cash equivalents	\$ 110,752	\$ 106,415	\$ 120,102
Time deposits placed and other short-term investments	18,694	15,950	26,004
Federal funds sold and securities borrowed or purchased under agreements to resell	219,924	234,034	211,183
Trading account assets	237,226	211,090	169,319
Derivative assets	53,497	57,865	73,023
Debt securities:			
Available-for-sale	286,906	305,949	276,151
Held-to-maturity, at cost	49,481	39,898	35,265
Total debt securities	336,387	345,847	311,416
Loans and leases	907,819	893,035	926,200
Allowance for loan and lease losses	(24,179)	(26,233)	(33,783)
Loans and leases, net of allowance	883,640	866,802	892,417
Premises and equipment, net	11,858	12,436	13,637
Mortgage servicing rights (includes \$5,716, \$5,087 and \$7,378 measured at fair value)	5,851	5,242	7,510
Goodwill	69,976	69,976	69,967
Intangible assets	6,684	7,030	8,021
Loans held-for-sale	19,413	16,436	13,762
Customer and other receivables	71,467	66,341	66,999
Other assets	164,605	150,698	145,686
Total assets	\$ 2,209,974	\$ 2,166,162	\$ 2,129,046

Assets of consolidated VIEs included in total assets above (isolated to settle the liabilities of the VIEs)

Trading account assets	\$ 7,906	\$ 9,959	\$ 8,595
Derivative assets	333	546	1,634
Loans and leases	123,227	125,043	140,194
Allowance for loan and lease losses	(3,658)	(3,811)	(5,066)
Loans and leases, net of allowance	119,569	121,232	135,128
Loans held-for-sale	1,969	2,165	1,635
All other assets	4,654	3,754	4,769
Total assets of consolidated VIEs	\$ 134,431	\$ 137,656	\$ 151,761

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

Bank of America Corporation and Subsidiaries

Consolidated Balance Sheet (continued)

(Dollars in millions)

	December 31 2012	September 30 2012	December 31 2011
Liabilities			
Deposits in U.S. offices:			
Noninterest-bearing	\$ 372,546	\$ 362,646	\$ 332,228
Interest-bearing	654,332	625,200	624,814
Deposits in non-U.S. offices:			
Noninterest-bearing	7,573	6,667	6,839
Interest-bearing	70,810	68,794	69,160
Total deposits	1,105,261	1,063,307	1,033,041
Federal funds purchased and securities loaned or sold under agreements to repurchase	293,259	273,900	214,864
Trading account liabilities	73,587	72,179	60,508
Derivative liabilities	46,016	51,369	59,520
Commercial paper and other short-term borrowings	30,731	35,291	35,698
Accrued expenses and other liabilities (includes \$513, \$518 and \$714 of reserve for unfunded lending commitments)	148,579	144,976	123,049
Long-term debt	275,585	286,534	372,265
Total liabilities	1,973,018	1,927,556	1,898,945
Shareholders' equity			
Preferred stock, \$0.01 par value; authorized - 100,000,000 shares; issued and outstanding - 3,685,410, 3,685,410 and 3,689,084 shares	18,768	18,768	18,397
Common stock and additional paid-in capital, \$0.01 par value; authorized - 12,800,000,000 shares; issued and outstanding - 10,778,263,628, 10,777,267,465 and 10,535,937,957 shares	158,142	158,066	156,621
Retained earnings	62,843	62,583	60,520
Accumulated other comprehensive income (loss)	(2,797)	(811)	(5,437)
Total shareholders' equity	236,956	238,606	230,101
Total liabilities and shareholders' equity	\$ 2,209,974	\$ 2,166,162	\$ 2,129,046
Liabilities of consolidated VIEs included in total liabilities above			
Commercial paper and other short-term borrowings	\$ 3,731	\$ 3,872	\$ 5,777
Long-term debt	34,256	38,055	49,054
All other liabilities	360	625	1,116
Total liabilities of consolidated VIEs	\$ 38,347	\$ 42,552	\$ 55,947

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

Bank of America Corporation and Subsidiaries

Capital Management

(Dollars in millions)

	Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
Risk-based capital ⁽¹⁾					
Tier 1 common	\$ 133,403	\$ 136,406	\$ 134,082	\$ 131,602	\$ 126,690
Tier 1 capital	155,461	163,063	164,665	163,199	159,232
Total capital	196,676	205,172	208,936	213,480	215,101
Risk-weighted assets	1,205,660	1,195,722	1,193,422	1,220,827	1,284,467
Tier 1 common capital ratio ⁽²⁾	11.06%	11.41%	11.24%	10.78%	9.86%
Tier 1 capital ratio	12.89	13.64	13.80	13.37	12.40
Total capital ratio	16.31	17.16	17.51	17.49	16.75
Tier 1 leverage ratio	7.36	7.84	7.84	7.79	7.53
Tangible equity ratio ⁽³⁾	7.62	7.85	7.73	7.48	7.54
Tangible common equity ratio ⁽³⁾	6.74	6.95	6.83	6.58	6.64

⁽¹⁾ Reflects preliminary data for current period risk-based capital.

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

⁽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 financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. (See Exhibit A: Non-GAAP Reconciliations - Reconciliation to GAAP Financial Measures on pages 47-50.)

Basel 1 to Basel 3 Reconciliation ⁽¹⁾

(Dollars in millions)

	December 31 2012	September 30 2012	June 30 2012
Regulatory capital – Basel 1 to Basel 3 (fully phased-in)			
Basel 1 Tier 1 capital	\$ 155,461	\$ 163,063	\$ 164,665
Deduction of preferred stock, non-qualifying preferred stock and minority interest in equity accounts of consolidated subsidiaries	(22,058)	(26,657)	(30,583)
Basel 1 Tier 1 common capital	133,403	136,406	134,082
Deduction of defined benefit pension assets	(737)	(1,709)	(3,057)
Change in deferred tax asset and other threshold deductions (MSRs and significant investments)	(3,020)	(1,102)	(3,745)
Change in all other deductions, net	(1,020)	1,040	(2,459)
Basel 3 (fully phased-in) Tier 1 common capital	<u>\$ 128,626</u>	<u>\$ 134,635</u>	<u>\$ 124,821</u>
Risk-weighted assets – Basel 1 to Basel 3 (fully phased-in)			
Basel 1	\$ 1,205,660	\$ 1,195,722	\$ 1,193,422
Net change in credit and other risk-weighted assets	103,401	216,244	298,003
Increase due to market risk amendment	81,811	88,881	79,553
Basel 3 (fully phased-in)	<u>\$ 1,390,872</u>	<u>\$ 1,500,847</u>	<u>\$ 1,570,978</u>
Tier 1 common capital ratios			
Basel 1	11.06%	11.41%	11.24%
Basel 3 (fully phased-in)	9.25	8.97	7.95

⁽¹⁾ Basel 3 estimates are based on the U.S. Basel 3 Advanced NPR.

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

Bank of America Corporation and Subsidiaries

Net Interest Income Excluding Trading-related Net Interest Income

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)							
As reported ⁽¹⁾	\$ 41,557	\$ 45,588	\$ 10,555	\$ 10,167	\$ 9,782	\$ 11,053	\$ 10,959
Impact of trading-related net interest income ⁽²⁾	(3,308)	(3,690)	(1,012)	(847)	(653)	(796)	(866)
Net interest income excluding trading-related net interest income ⁽³⁾	\$ 38,249	\$ 41,898	\$ 9,543	\$ 9,320	\$ 9,129	\$ 10,257	\$ 10,093
Average earning assets							
As reported	\$1,769,969	\$ 1,834,659	\$1,788,936	\$ 1,750,275	\$ 1,772,568	\$ 1,768,105	\$ 1,783,986
Impact of trading-related earning assets ⁽²⁾	(449,660)	(445,574)	(482,366)	(446,948)	(444,584)	(424,414)	(414,186)
Average earning assets excluding trading-related earning assets ⁽³⁾	\$1,320,309	\$ 1,389,085	\$1,306,570	\$ 1,303,327	\$ 1,327,984	\$ 1,343,691	\$ 1,369,800
Net interest yield contribution (FTE basis) ⁽⁴⁾							
As reported ⁽¹⁾	2.35%	2.48%	2.35%	2.32%	2.21%	2.51%	2.45%
Impact of trading-related activities ⁽²⁾	0.55	0.54	0.56	0.53	0.55	0.55	0.49
Net interest yield on earning assets excluding trading-related activities ⁽³⁾	2.90%	3.02%	2.91%	2.85%	2.76%	3.06%	2.94%

⁽¹⁾ Net interest income and net interest yield include fees earned on overnight deposits placed with the Federal Reserve and, beginning in the third quarter of 2012, deposits, primarily overnight, placed with certain non-U.S. central banks of \$189 million and \$186 million for the years ended December 31, 2012 and 2011; \$42 million, \$48 million, \$52 million and \$47 million for the fourth, third, second and first quarters of 2012, respectively, and \$36 million for the fourth quarter of 2011.

⁽²⁾ Represents the impact of trading-related amounts included in *Global Markets*.

⁽³⁾ Represents a non-GAAP financial measure.

⁽⁴⁾ Quarterly results are calculated on an annualized basis.

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

Bank of America Corporation and Subsidiaries

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

(Dollars in millions)

	Fourth Quarter 2012			Third Quarter 2012			Fourth Quarter 2011		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Earning assets									
Time deposits placed and other short-term investments ⁽¹⁾	\$ 16,967	\$ 50	1.14%	\$ 15,849	\$ 58	1.47%	\$ 27,688	\$ 85	1.19%
Federal funds sold and securities borrowed or purchased under agreements to resell	241,950	329	0.54	234,955	353	0.60	237,453	449	0.75
Trading account assets	195,800	1,362	2.77	177,075	1,243	2.80	161,848	1,354	3.33
Debt securities ⁽²⁾	339,779	2,123	2.50	340,773	2,036	2.39	332,990	2,245	2.69
Loans and leases ⁽³⁾:									
Residential mortgage	245,879	2,202	3.58	250,505	2,317	3.70	266,144	2,596	3.90
Home equity	110,105	1,067	3.86	116,184	1,097	3.77	126,251	1,207	3.80
Discontinued real estate	10,850	91	3.36	10,956	95	3.45	14,073	128	3.65
U.S. credit card	92,849	2,336	10.01	93,292	2,353	10.04	102,241	2,603	10.10
Non-U.S. credit card	13,081	383	11.66	13,329	385	11.48	15,981	420	10.41
Direct/Indirect consumer	82,583	662	3.19	82,635	704	3.39	90,861	863	3.77
Other consumer	1,602	19	4.57	2,654	40	6.03	2,751	41	6.14
Total consumer	556,949	6,760	4.84	569,555	6,991	4.89	618,302	7,858	5.06
U.S. commercial	209,496	1,729	3.28	201,072	1,752	3.47	196,778	1,798	3.63
Commercial real estate	38,192	341	3.55	36,929	329	3.54	40,673	343	3.34
Commercial lease financing	22,839	184	3.23	21,545	202	3.75	21,278	204	3.84
Non-U.S. commercial	65,690	433	2.62	59,758	401	2.67	55,867	395	2.80
Total commercial	336,217	2,687	3.18	319,304	2,684	3.35	314,596	2,740	3.46
Total loans and leases	893,166	9,447	4.21	888,859	9,675	4.34	932,898	10,598	4.52
Other earning assets	101,274	849	3.34	92,764	792	3.40	91,109	904	3.95
Total earning assets ⁽⁴⁾	1,788,936	14,160	3.16	1,750,275	14,157	3.22	1,783,986	15,635	3.49
Cash and cash equivalents ⁽¹⁾	111,671	42		122,716	48		94,287	36	
Other assets, less allowance for loan and lease losses	309,758			300,321			329,294		
Total assets	\$ 2,210,365			\$ 2,173,312			\$ 2,207,567		

⁽¹⁾ For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on deposits, primarily overnight, placed with certain non-U.S. central banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

⁽²⁾ Yields on available-for-sale debt securities are calculated based on fair value rather than the cost basis. The use of fair value does not have a material impact on net interest yield.

⁽³⁾ Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cost recovery basis. Purchased credit-impaired loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the loan.

⁽⁴⁾ The impact of interest rate risk management derivatives on interest income is presented below. Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

	Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
Time deposits placed and other short-term investments	\$ (1)	\$ —	\$ —
Federal funds sold and securities borrowed or purchased under agreements to resell	11	23	52
Debt securities	(134)	(139)	(462)
U.S. commercial	(21)	(19)	(17)
Non-U.S. commercial	(1)	(1)	—
Net hedge expenses on assets	\$ (146)	\$ (136)	\$ (427)

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

Bank of America Corporation and Subsidiaries

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

(Dollars in millions)

	Fourth Quarter 2012			Third Quarter 2012			Fourth Quarter 2011		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Interest-bearing liabilities									
U.S. interest-bearing deposits:									
Savings	\$ 41,294	\$ 6	0.06%	\$ 41,581	\$ 11	0.10%	\$ 39,609	\$ 16	0.16%
NOW and money market deposit accounts	479,130	146	0.12	465,679	173	0.15	454,249	192	0.17
Consumer CDs and IRAs	91,256	156	0.68	94,140	172	0.73	103,488	220	0.84
Negotiable CDs, public funds and other deposits	19,904	27	0.54	19,587	30	0.61	22,413	34	0.60
Total U.S. interest-bearing deposits	631,584	335	0.21	620,987	386	0.25	619,759	462	0.30
Non-U.S. interest-bearing deposits:									
Banks located in non-U.S. countries	11,964	22	0.71	13,883	19	0.56	20,454	29	0.55
Governments and official institutions	876	1	0.29	1,019	1	0.31	1,466	1	0.36
Time, savings and other	53,655	80	0.60	52,175	78	0.59	57,814	124	0.85
Total non-U.S. interest-bearing deposits	66,495	103	0.62	67,077	98	0.58	79,734	154	0.77
Total interest-bearing deposits	698,079	438	0.25	688,064	484	0.28	699,493	616	0.35
Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings	336,341	855	1.01	325,023	893	1.09	284,766	921	1.28
Trading account liabilities	80,084	420	2.09	77,528	418	2.14	70,999	411	2.29
Long-term debt	277,894	1,934	2.77	291,684	2,243	3.07	389,557	2,764	2.80
Total interest-bearing liabilities ⁽¹⁾	1,392,398	3,647	1.04	1,382,299	4,038	1.16	1,444,815	4,712	1.29
Noninterest-bearing sources:									
Noninterest-bearing deposits	379,997			361,633			333,038		
Other liabilities	199,458			193,341			201,479		
Shareholders' equity	238,512			236,039			228,235		
Total liabilities and shareholders' equity	\$ 2,210,365			\$ 2,173,312			\$ 2,207,567		
Net interest spread		2.12%			2.06%			2.20%	
Impact of noninterest-bearing sources		0.22			0.25			0.24	
Net interest income/yield on earning assets ⁽²⁾	\$ 10,513	2.34%		\$ 10,119	2.31%		\$ 10,923	2.44%	

⁽¹⁾ The impact of interest rate risk management derivatives on interest expense is presented below. Interest expense includes the impact of interest rate risk management contracts, which increased (decreased) interest expense on:

	Fourth Quarter 2012	Third Quarter 2012	Fourth Quarter 2011
Consumer CDs and IRAs	\$ 15	\$ 16	\$ 36
Negotiable CDs, public funds and other deposits	3	3	3
Banks located in non-U.S. countries	3	3	8
Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings	311	323	367
Long-term debt	(930)	(799)	(1,177)
Net hedge income on liabilities	\$ (598)	\$ (454)	\$ (763)

⁽²⁾ For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on deposits, primarily overnight, placed with certain non-U.S. central banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

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

Bank of America Corporation and Subsidiaries

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

(Dollars in millions)

	2012			2011		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Earning assets						
Time deposits placed and other short-term investments ⁽¹⁾	\$ 22,888	\$ 237	1.03%	\$ 28,242	\$ 366	1.29%
Federal funds sold and securities borrowed or purchased under agreements to resell	236,042	1,502	0.64	245,069	2,147	0.88
Trading account assets	182,359	5,306	2.91	187,340	6,142	3.28
Debt securities ⁽²⁾	337,653	8,798	2.61	337,120	9,602	2.85
Loans and leases ⁽³⁾:						
Residential mortgage	253,050	9,470	3.74	265,546	11,096	4.18
Home equity	117,197	4,418	3.77	130,781	5,041	3.85
Discontinued real estate	11,256	383	3.40	14,730	501	3.40
U.S. credit card	94,863	9,504	10.02	105,478	10,808	10.25
Non-U.S. credit card	13,549	1,572	11.60	24,049	2,656	11.04
Direct/Indirect consumer	84,424	2,900	3.44	90,163	3,716	4.12
Other consumer	2,359	140	5.95	2,760	176	6.39
Total consumer	576,698	28,387	4.92	633,507	33,994	5.37
U.S. commercial	201,352	6,979	3.47	192,524	7,360	3.82
Commercial real estate	37,982	1,332	3.51	44,406	1,522	3.43
Commercial lease financing	21,879	874	4.00	21,383	1,001	4.68
Non-U.S. commercial	60,857	1,594	2.62	46,276	1,382	2.99
Total commercial	322,070	10,779	3.35	304,589	11,265	3.70
Total loans and leases	898,768	39,166	4.36	938,096	45,259	4.82
Other earning assets	92,259	3,103	3.36	98,792	3,506	3.55
Total earning assets ⁽⁴⁾	1,769,969	58,112	3.28	1,834,659	67,022	3.65
Cash and cash equivalents ⁽¹⁾	115,739	189		112,616	186	
Other assets, less allowance for loan and lease losses	305,648			349,047		
Total assets	\$ 2,191,356			\$ 2,296,322		

⁽¹⁾ For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on deposits, primarily overnight, placed with certain non-U.S. central banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

⁽²⁾ Yields on available-for-sale debt securities are calculated based on fair value rather than the cost basis. The use of fair value does not have a material impact on net interest yield.

⁽³⁾ Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cost recovery basis. Purchased credit-impaired loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the loan.

⁽⁴⁾ The impact of interest rate risk management derivatives on interest income is presented below. Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on:

	2012	2011
Time deposits placed and other short-term investments	\$ (1)	\$ —
Federal funds sold and securities borrowed or purchased under agreements to resell	121	193
Trading account assets	—	(158)
Debt securities	(799)	(2,554)
U.S. commercial	(72)	(58)
Non-U.S. commercial	(3)	(2)
Net hedge expenses on assets	\$ (754)	\$ (2,579)

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

Bank of America Corporation and Subsidiaries

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

(Dollars in millions)

	2012			2011		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Interest-bearing liabilities						
U.S. interest-bearing deposits:						
Savings	\$ 41,453	\$ 45	0.11%	\$ 40,364	\$ 100	0.25%
NOW and money market deposit accounts	466,096	693	0.15	470,519	1,060	0.23
Consumer CDs and IRAs	95,559	693	0.73	110,922	1,045	0.94
Negotiable CDs, public funds and other deposits	20,928	128	0.61	17,227	120	0.70
Total U.S. interest-bearing deposits	624,036	1,559	0.25	639,032	2,325	0.36
Non-U.S. interest-bearing deposits:						
Banks located in non-U.S. countries	14,644	94	0.64	20,563	138	0.67
Governments and official institutions	1,019	4	0.35	1,985	7	0.35
Time, savings and other	53,411	333	0.62	61,851	532	0.86
Total non-U.S. interest-bearing deposits	69,074	431	0.62	84,399	677	0.80
Total interest-bearing deposits	693,110	1,990	0.29	723,431	3,002	0.42
Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings	318,400	3,572	1.12	324,269	4,599	1.42
Trading account liabilities	78,554	1,763	2.24	84,689	2,212	2.61
Long-term debt	316,393	9,419	2.98	421,229	11,807	2.80
Total interest-bearing liabilities ⁽¹⁾	1,406,457	16,744	1.19	1,553,618	21,620	1.39
Noninterest-bearing sources:						
Noninterest-bearing deposits	354,672			312,371		
Other liabilities	194,550			201,238		
Shareholders' equity	235,677			229,095		
Total liabilities and shareholders' equity	\$ 2,191,356			\$ 2,296,322		
Net interest spread			2.09%			2.26%
Impact of noninterest-bearing sources			0.25			0.21
Net interest income/yield on earning assets ⁽²⁾		\$ 41,368	2.34%		\$ 45,402	2.47%

⁽¹⁾ The impact of interest rate risk management derivatives on interest expense is presented below. Interest expense includes the impact of interest rate risk management contracts, which increased (decreased) interest expense on:

	2012	2011
NOW and money market deposit accounts	\$ (1)	\$ (1)
Consumer CDs and IRAs	87	173
Negotiable CDs, public funds and other deposits	13	13
Banks located in non-U.S. countries	13	55
Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings	1,266	1,794
Long-term debt	(3,679)	(4,674)
Net hedge income on liabilities	\$ (2,301)	\$ (2,640)

⁽²⁾ For this presentation, fees earned on overnight deposits placed with the Federal Reserve are included in the cash and cash equivalents line, consistent with the Corporation's Consolidated Balance Sheet presentation of these deposits. In addition, beginning in the third quarter of 2012, fees earned on deposits, primarily overnight, placed with certain non-U.S. central banks, which are included in the time deposits placed and other short-term investments line in prior periods, have been included in the cash and cash equivalents line. Net interest income and net interest yield are calculated excluding these fees.

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

Bank of America Corporation and Subsidiaries

Debt Securities and Available-for-Sale Marketable Equity Securities

(Dollars in millions)

	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale debt securities				
U.S. Treasury and agency securities	\$ 24,232	\$ 324	\$ (84)	\$ 24,472
Mortgage-backed securities:				
Agency	183,247	5,048	(146)	188,149
Agency collateralized mortgage obligations	36,329	1,427	(218)	37,538
Non-agency residential	9,231	391	(128)	9,494
Non-agency commercial	3,576	348	—	3,924
Non-U.S. securities	5,574	50	(6)	5,618
Corporate bonds	1,415	51	(16)	1,450
Other taxable securities, substantially all asset-backed securities	12,089	54	(15)	12,128
Total taxable securities	275,693	7,693	(613)	282,773
Tax-exempt securities	4,167	13	(47)	4,133
Total available-for-sale debt securities	279,860	7,706	(660)	286,906
Held-to-maturity debt securities, substantially all U.S. agency mortgage-backed securities	49,481	815	(26)	50,270
Total debt securities	\$ 329,341	\$ 8,521	\$ (686)	\$ 337,176
Available-for-sale marketable equity securities ⁽¹⁾	\$ 780	\$ 732	\$ —	\$ 1,512

	September 30, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale debt securities				
U.S. Treasury and agency securities	\$ 24,794	\$ 236	\$ (235)	\$ 24,795
Mortgage-backed securities:				
Agency	196,976	7,091	(24)	204,043
Agency collateralized mortgage obligations	38,863	1,412	(128)	40,147
Non-agency residential	9,772	377	(147)	10,002
Non-agency commercial	3,733	394	—	4,127
Non-U.S. securities	5,709	50	(11)	5,748
Corporate bonds	2,018	83	(18)	2,083
Other taxable securities, substantially all asset-backed securities	12,128	85	(16)	12,197
Total taxable securities	293,993	9,728	(579)	303,142
Tax-exempt securities	2,840	17	(50)	2,807
Total available-for-sale debt securities	296,833	9,745	(629)	305,949
Held-to-maturity debt securities, substantially all U.S. agency mortgage-backed securities	39,898	1,230	—	41,128
Total debt securities	\$ 336,731	\$ 10,975	\$ (629)	\$ 347,077
Available-for-sale marketable equity securities ⁽¹⁾	\$ 783	\$ 526	\$ (5)	\$ 1,304

⁽¹⁾ Classified in other assets on the Corporation's Consolidated Balance Sheet.

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

Bank of America Corporation and Subsidiaries

Quarterly Results by Business Segment

(Dollars in millions)

Fourth Quarter 2012							
	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Net interest income (FTE basis)	\$ 10,555	\$ 4,689	\$ 742	\$ 2,377	\$ 1,016	\$ 1,490	\$ 241
Noninterest income (loss)	8,336	2,515	(274)	1,949	1,828	2,704	(386)
Total revenue, net of interest expense (FTE basis)	18,891	7,204	468	4,326	2,844	4,194	(145)
Provision for credit losses	2,204	963	485	180	16	112	448
Noninterest expense	18,360	4,121	5,629	1,946	2,498	3,195	971
Income (loss) before income taxes	(1,673)	2,120	(5,646)	2,200	330	887	(1,564)
Income tax expense (benefit) (FTE basis)	(2,405)	692	(1,924)	768	178	309	(2,428)
Net income (loss)	\$ 732	\$ 1,428	\$ (3,722)	\$ 1,432	\$ 152	\$ 578	\$ 864
Average							
Total loans and leases	\$ 893,166	\$ 132,421	\$ 97,912	\$ 278,218	n/m	\$ 103,785	\$ 245,820
Total assets ⁽¹⁾	2,210,365	540,695	132,963	366,396	\$ 628,449	276,431	265,431
Total deposits	1,078,076	486,467	n/m	268,045	n/m	249,658	36,939
Period end							
Total loans and leases	\$ 907,819	\$ 134,657	\$ 95,972	\$ 288,261	n/m	\$ 105,928	\$ 240,667
Total assets ⁽¹⁾	2,209,974	554,878	132,388	362,797	\$ 615,297	297,330	247,284
Total deposits	1,105,261	498,669	n/m	269,738	n/m	266,188	36,061
Third Quarter 2012							
	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Net interest income (FTE basis)	\$ 10,167	\$ 4,651	\$ 728	\$ 2,265	\$ 846	\$ 1,413	\$ 264
Noninterest income (loss)	10,490	2,419	2,368	1,881	2,263	2,670	(1,111)
Total revenue, net of interest expense (FTE basis)	20,657	7,070	3,096	4,146	3,109	4,083	(847)
Provision for credit losses	1,774	970	264	68	21	61	390
Noninterest expense	17,544	4,061	4,223	2,021	2,548	3,128	1,563
Income (loss) before income taxes	1,339	2,039	(1,391)	2,057	540	894	(2,800)
Income tax expense (benefit) (FTE basis)	999	754	(515)	761	899	332	(1,232)
Net income (loss)	\$ 340	\$ 1,285	\$ (876)	\$ 1,296	\$ (359)	\$ 562	\$ (1,568)
Average							
Total loans and leases	\$ 888,859	\$ 133,881	\$ 103,708	\$ 267,390	n/m	\$ 101,016	\$ 254,894
Total assets ⁽¹⁾	2,173,312	533,981	141,779	355,670	\$ 584,345	265,672	291,865
Total deposits	1,049,697	480,342	n/m	252,226	n/m	241,411	39,262
Period end							
Total loans and leases	\$ 893,035	\$ 133,308	\$ 99,890	\$ 272,052	n/m	\$ 102,390	\$ 251,345
Total assets ⁽¹⁾	2,166,162	540,260	139,366	355,417	\$ 583,223	268,441	279,455
Total deposits	1,063,307	486,857	n/m	260,030	n/m	243,518	37,554
Fourth Quarter 2011							
	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Net interest income (FTE basis)	\$ 10,959	\$ 5,080	\$ 809	\$ 2,309	\$ 864	\$ 1,448	\$ 449
Noninterest income	14,187	2,526	2,466	1,693	943	2,495	4,064
Total revenue, net of interest expense (FTE basis)	25,146	7,606	3,275	4,002	1,807	3,943	4,513
Provision for credit losses	2,934	1,297	1,001	(256)	(18)	118	792
Noninterest expense	19,522	4,429	4,569	2,136	2,895	3,392	2,101
Income (loss) before income taxes	2,690	1,880	(2,295)	2,122	(1,070)	433	1,620
Income tax expense (benefit) (FTE basis)	699	638	(853)	785	(302)	161	270
Net income (loss)	\$ 1,991	\$ 1,242	\$ (1,442)	\$ 1,337	\$ (768)	\$ 272	\$ 1,350
Average							
Total loans and leases	\$ 932,898	\$ 147,150	\$ 116,993	\$ 276,850	n/m	\$ 97,722	\$ 277,744
Total assets ⁽¹⁾	2,207,567	515,339	171,763	347,255	\$ 552,911	273,874	346,425
Total deposits	1,032,531	459,819	n/m	240,757	n/m	237,098	58,946
Period end							
Total loans and leases	\$ 926,200	\$ 146,378	\$ 112,359	\$ 278,177	n/m	\$ 98,654	\$ 272,385
Total assets ⁽¹⁾	2,129,046	521,097	163,712	348,773	\$ 501,867	273,106	320,491
Total deposits	1,033,041	464,264	n/m	246,360	n/m	240,540	45,532

⁽¹⁾ Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Annual Results by Business Segment

(Dollars in millions)

Year Ended December 31, 2012

	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Net interest income (FTE basis)	\$ 41,557	\$ 19,125	\$ 2,959	\$ 9,225	\$ 3,310	\$ 5,827	\$ 1,111
Noninterest income (loss)	42,678	9,898	5,800	7,982	10,209	10,690	(1,901)
Total revenue, net of interest expense (FTE basis)	84,235	29,023	8,759	17,207	13,519	16,517	(790)
Provision for credit losses	8,169	3,941	1,442	(103)	3	266	2,620
Noninterest expense	72,093	16,793	17,306	8,308	10,839	12,755	6,092
Income (loss) before income taxes	3,973	8,289	(9,989)	9,002	2,677	3,496	(9,502)
Income tax expense (benefit) (FTE basis)	(215)	2,968	(3,482)	3,277	1,623	1,273	(5,874)
Net income (loss)	\$ 4,188	\$ 5,321	\$ (6,507)	\$ 5,725	\$ 1,054	\$ 2,223	\$ (3,628)
Average							
Total loans and leases	\$ 898,768	\$ 136,171	\$ 104,754	\$ 272,625	n/m	\$ 100,456	\$ 258,012
Total assets ⁽¹⁾	2,191,356	532,546	146,605	352,969	\$ 588,459	268,490	302,287
Total deposits	1,047,782	477,440	n/m	249,317	n/m	242,384	43,083
Period end							
Total loans and leases	\$ 907,819	\$ 134,657	\$ 95,972	\$ 288,261	n/m	\$ 105,928	\$ 240,667
Total assets ⁽¹⁾	2,209,974	554,878	132,388	362,797	\$ 615,297	297,330	247,284
Total deposits	1,105,261	498,669	n/m	269,738	n/m	266,188	36,061

Year Ended December 31, 2011

	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Net interest income (FTE basis)	\$ 45,588	\$ 21,378	\$ 3,207	\$ 9,490	\$ 3,682	\$ 5,885	\$ 1,946
Noninterest income (loss)	48,838	11,502	(6,361)	7,822	11,116	10,610	14,149
Total revenue, net of interest expense (FTE basis)	94,426	32,880	(3,154)	17,312	14,798	16,495	16,095
Provision for credit losses	13,410	3,490	4,524	(1,118)	(56)	398	6,172
Noninterest expense	80,274	17,719	21,791	8,884	12,244	13,383	6,253
Income (loss) before income taxes	742	11,671	(29,469)	9,546	2,610	2,714	3,670
Income tax expense (benefit) (FTE basis)	(704)	4,224	(10,004)	3,500	1,622	996	(1,042)
Net income (loss)	\$ 1,446	\$ 7,447	\$ (19,465)	\$ 6,046	\$ 988	\$ 1,718	\$ 4,712
Average							
Total loans and leases	\$ 938,096	\$ 153,641	\$ 119,820	\$ 265,568	n/m	\$ 96,974	\$ 289,010
Total assets ⁽¹⁾	2,296,322	518,076	190,367	337,337	\$ 590,474	279,815	380,253
Total deposits	1,035,802	462,087	n/m	237,312	n/m	241,535	62,582
Period end							
Total loans and leases	\$ 926,200	\$ 146,378	\$ 112,359	\$ 278,177	n/m	\$ 98,654	\$ 272,385
Total assets ⁽¹⁾	2,129,046	521,097	163,712	348,773	\$ 501,867	273,106	320,491
Total deposits	1,033,041	464,264	n/m	246,360	n/m	240,540	45,532

⁽¹⁾ Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Consumer & Business Banking Segment Results

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)	\$ 19,125	\$ 21,378	\$ 4,689	\$ 4,651	\$ 4,705	\$ 5,080	\$ 5,080
Noninterest income:							
Card income	5,261	6,286	1,327	1,325	1,331	1,278	1,303
Service charges	4,284	4,524	1,035	1,103	1,082	1,064	1,145
All other income (loss)	353	692	153	(9)	208	1	78
Total noninterest income	9,898	11,502	2,515	2,419	2,621	2,343	2,526
Total revenue, net of interest expense (FTE basis)	29,023	32,880	7,204	7,070	7,326	7,423	7,606
Provision for credit losses	3,941	3,490	963	970	1,131	877	1,297
Noninterest expense	16,793	17,719	4,121	4,061	4,360	4,251	4,429
Income before income taxes	8,289	11,671	2,120	2,039	1,835	2,295	1,880
Income tax expense (FTE basis)	2,968	4,224	692	754	680	842	638
Net income	\$ 5,321	\$ 7,447	\$ 1,428	\$ 1,285	\$ 1,155	\$ 1,453	\$ 1,242
Net interest yield (FTE basis)	3.88%	4.45%	3.73%	3.74%	3.85%	4.22%	4.23%
Return on average allocated equity	9.92	14.07	10.48	9.47	8.69	11.04	9.30
Return on average economic capital ⁽¹⁾	23.01	33.52	23.94	21.77	20.29	26.13	22.08
Efficiency ratio (FTE basis)	57.86	53.89	57.21	57.43	59.52	57.26	58.24
Balance Sheet							
Average							
Total loans and leases	\$ 136,171	\$ 153,641	\$ 132,421	\$ 133,881	\$ 136,872	\$ 141,578	\$ 147,150
Total earning assets ⁽²⁾	492,965	480,590	500,625	494,485	492,085	484,565	476,399
Total assets ⁽²⁾	532,546	518,076	540,695	533,981	531,747	523,658	515,339
Total deposits	477,440	462,087	486,467	480,342	476,580	466,240	459,819
Allocated equity	53,646	52,908	54,194	53,982	53,452	52,947	53,004
Economic capital ⁽¹⁾	23,178	22,273	23,777	23,535	22,967	22,425	22,417
Period end							
Total loans and leases	\$ 134,657	\$ 146,378	\$ 134,657	\$ 133,308	\$ 135,523	\$ 138,909	\$ 146,378
Total earning assets ⁽²⁾	514,521	480,972	514,521	499,604	497,920	502,788	480,972
Total assets ⁽²⁾	554,878	521,097	554,878	540,260	537,647	543,855	521,097
Total deposits	498,669	464,264	498,669	486,857	481,939	486,162	464,264

⁽¹⁾ Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

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

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

Bank of America Corporation and Subsidiaries

Consumer & Business Banking Annual Results

(Dollars in millions)

	Year Ended December 31, 2012			
	Total Consumer & Business Banking	Deposits	Card Services	Business Banking
Net interest income (FTE basis)	\$ 19,125	\$ 7,857	\$ 10,047	\$ 1,221
Noninterest income:				
Card income	5,261	—	5,261	—
Service charges	4,284	3,922	1	361
All other income (loss)	353	276	(54)	131
Total noninterest income	9,898	4,198	5,208	492
Total revenue, net of interest expense (FTE basis)	29,023	12,055	15,255	1,713
Provision for credit losses	3,941	208	3,452	281
Noninterest expense	16,793	10,409	5,496	888
Income before income taxes	8,289	1,438	6,307	544
Income tax expense (FTE basis)	2,968	521	2,246	201
Net income	\$ 5,321	\$ 917	\$ 4,061	\$ 343
Net interest yield (FTE basis)	3.88%	1.81%	8.93%	2.68%
Return on average allocated equity	9.92	3.77	19.73	3.92
Return on average economic capital ⁽¹⁾	23.01	14.35	40.20	5.16
Efficiency ratio (FTE basis)	57.86	86.34	36.03	51.81
Balance Sheet				
Average				
Total loans and leases	\$ 136,171	n/m	\$ 111,642	\$ 23,764
Total earning assets ⁽²⁾	492,965	\$ 433,908	112,489	45,549
Total assets ⁽²⁾	532,546	460,074	118,763	52,690
Total deposits	477,440	434,261	n/m	42,837
Allocated equity	53,646	24,329	20,578	8,739
Economic capital ⁽¹⁾	23,178	6,405	10,131	6,642
Period end				
Total loans and leases	\$ 134,657	n/m	\$ 110,380	\$ 23,396
Total earning assets ⁽²⁾	514,521	\$ 455,999	110,831	44,712
Total assets ⁽²⁾	554,878	482,339	117,904	51,655
Total deposits	498,669	455,871	n/m	42,382

	Year Ended December 31, 2011			
	Total Consumer & Business Banking	Deposits	Card Services	Business Banking
Net interest income (FTE basis)	\$ 21,378	\$ 8,472	\$ 11,502	\$ 1,404
Noninterest income:				
Card income	6,286	—	6,286	—
Service charges	4,524	4,000	—	524
All other income	692	224	328	140
Total noninterest income	11,502	4,224	6,614	664
Total revenue, net of interest expense (FTE basis)	32,880	12,696	18,116	2,068
Provision for credit losses	3,490	173	3,072	245
Noninterest expense	17,719	10,600	5,961	1,158
Income before income taxes	11,671	1,923	9,083	665
Income tax expense (FTE basis)	4,224	706	3,272	246
Net income	\$ 7,447	\$ 1,217	\$ 5,811	\$ 419
Net interest yield (FTE basis)	4.45%	2.02%	9.04%	3.23%
Return on average allocated equity	14.07	5.13	27.50	5.20
Return on average economic capital ⁽¹⁾	33.52	21.10	55.30	7.03
Efficiency ratio (FTE basis)	53.89	83.49	32.90	56.09
Balance Sheet				
Average				
Total loans and leases	\$ 153,641	n/m	\$ 126,083	\$ 26,889
Total earning assets ⁽²⁾	480,590	\$ 419,996	127,258	43,542
Total assets ⁽²⁾	518,076	446,475	130,254	51,553
Total deposits	462,087	421,106	n/m	40,679
Allocated equity	52,908	23,734	21,127	8,047
Economic capital ⁽¹⁾	22,273	5,786	10,538	5,949
Period end				
Total loans and leases	\$ 146,378	n/m	\$ 120,668	\$ 25,006
Total earning assets ⁽²⁾	480,972	\$ 419,215	121,991	46,516
Total assets ⁽²⁾	521,097	446,274	127,623	53,950
Total deposits	464,264	421,871	n/m	41,519

For footnotes see page 20.

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

Bank of America Corporation and Subsidiaries

Consumer & Business Banking Quarterly Results

(Dollars in millions)

	Fourth Quarter 2012			
	Total Consumer & Business Banking	Deposits	Card Services	Business Banking
Net interest income (FTE basis)	\$ 4,689	\$ 1,941	\$ 2,471	\$ 277
Noninterest income:				
Card income	1,327	—	1,327	—
Service charges	1,035	950	—	85
All other income	153	82	27	44
Total noninterest income	2,515	1,032	1,354	129
Total revenue, net of interest expense (FTE basis)	7,204	2,973	3,825	406
Provision for credit losses	963	57	886	20
Noninterest expense	4,121	2,589	1,325	207
Income before income taxes	2,120	327	1,614	179
Income tax expense (FTE basis)	692	111	515	66
Net income	\$ 1,428	\$ 216	\$ 1,099	\$ 113
Net interest yield (FTE basis)	3.73%	1.74%	9.02%	2.44%
Return on average allocated equity	10.48	3.42	21.17	5.33
Return on average economic capital ⁽¹⁾	23.94	11.99	42.77	7.09
Efficiency ratio (FTE basis)	57.21	87.11	34.66	50.71
Balance Sheet				
Average				
Total loans and leases	\$ 132,421	n/m	\$ 108,522	\$ 23,064
Total earning assets ⁽²⁾	500,625	\$ 443,054	109,006	45,276
Total assets ⁽²⁾	540,695	469,197	115,851	52,357
Total deposits	486,467	442,435	n/m	43,657
Allocated equity	54,194	25,076	20,652	8,466
Economic capital ⁽¹⁾	23,777	7,161	10,247	6,369
Period end				
Total loans and leases	\$ 134,657	n/m	\$ 110,380	\$ 23,396
Total earning assets ⁽²⁾	514,521	\$ 455,999	110,831	44,712
Total assets ⁽²⁾	554,878	482,339	117,904	51,655
Total deposits	498,669	455,871	n/m	42,382

	Third Quarter 2012			
	Total Consumer & Business Banking	Deposits	Card Services	Business Banking
Net interest income (FTE basis)	\$ 4,651	\$ 1,882	\$ 2,479	\$ 290
Noninterest income:				
Card income	1,325	—	1,325	—
Service charges	1,103	1,012	—	91
All other income (loss)	(9)	63	(100)	28
Total noninterest income	2,419	1,075	1,225	119
Total revenue, net of interest expense (FTE basis)	7,070	2,957	3,704	409
Provision for credit losses	970	60	836	74
Noninterest expense	4,061	2,568	1,290	203
Income before income taxes	2,039	329	1,578	132
Income tax expense (FTE basis)	754	122	584	48
Net income	\$ 1,285	\$ 207	\$ 994	\$ 84
Net interest yield (FTE basis)	3.74 %	1.71 %	8.95 %	2.57 %
Return on average allocated equity	9.47	3.29	19.33	3.89
Return on average economic capital ⁽¹⁾	21.77	11.60	39.54	5.17
Efficiency ratio (FTE basis)	57.43	86.82	34.79	50.03
Balance Sheet				
Average				
Total loans and leases	\$ 133,881	n/m	\$ 109,707	\$ 23,375
Total earning assets ⁽²⁾	494,485	\$ 437,234	110,233	44,974
Total assets ⁽²⁾	533,981	463,248	116,760	51,929
Total deposits	480,342	436,688	n/m	43,294
Allocated equity	53,982	25,047	20,463	8,472
Economic capital ⁽¹⁾	23,535	7,127	10,034	6,374
Period end				
Total loans and leases	\$ 133,308	n/m	\$ 109,358	\$ 23,150
Total earning assets ⁽²⁾	499,604	\$ 442,960	109,865	44,532
Total assets ⁽²⁾	540,260	468,885	116,921	52,207
Total deposits	486,857	442,875	n/m	43,055

For footnotes see page 20.

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

Bank of America Corporation and Subsidiaries

Consumer & Business Banking Quarterly Results (continued)

(Dollars in millions)

	Fourth Quarter 2011			
	Total Consumer & Business Banking	Deposits	Card Services	Business Banking
Net interest income (FTE basis)	\$ 5,080	\$ 1,999	\$ 2,765	\$ 316
Noninterest income:				
Card income	1,303	—	1,303	—
Service charges	1,145	1,037	—	108
All other income (loss)	78	46	(14)	46
Total noninterest income	2,526	1,083	1,289	154
Total revenue, net of interest expense (FTE basis)	7,606	3,082	4,054	470
Provision for credit losses	1,297	57	1,138	102
Noninterest expense	4,429	2,779	1,377	273
Income before income taxes	1,880	246	1,539	95
Income tax expense (FTE basis)	638	92	511	35
Net income	\$ 1,242	\$ 154	\$ 1,028	\$ 60
Net interest yield (FTE basis)	4.23%	1.91%	8.96%	2.69%
Return on average allocated equity	9.30	2.57	19.80	2.77
Return on average economic capital ⁽¹⁾	22.08	10.41	40.71	3.68
Efficiency ratio (FTE basis)	58.24	90.15	33.97	58.39
Balance Sheet				
Average				
Total loans and leases	\$ 147,150	n/m	\$ 121,122	\$ 25,306
Total earning assets ⁽²⁾	476,399	\$ 415,444	122,374	46,708
Total assets ⁽²⁾	515,339	442,169	127,530	53,767
Total deposits	459,819	417,110	n/m	42,388
Allocated equity	53,004	23,861	20,610	8,533
Economic capital ⁽¹⁾	22,417	5,922	10,061	6,434
Period end				
Total loans and leases	\$ 146,378	n/m	\$ 120,668	\$ 25,006
Total earning assets ⁽²⁾	480,972	\$ 419,215	121,991	46,516
Total assets ⁽²⁾	521,097	446,274	127,623	53,950
Total deposits	464,264	421,871	n/m	41,519

⁽¹⁾ Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

⁽²⁾ For presentation purposes, in segments or businesses where the total of liabilities and equity exceeds assets, we allocate assets to match liabilities. As a result, total earning assets and total assets of the businesses may not equal total *Consumer & Business Banking*.

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Consumer & Business Banking Key Indicators

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Average deposit balances							
Checking	\$ 212,261	\$ 194,814	\$ 219,660	\$ 213,860	\$ 211,014	\$ 204,412	\$ 198,274
Savings	39,225	38,128	39,121	39,372	40,119	38,286	37,409
MMS	143,954	136,336	148,655	146,032	142,543	138,512	136,257
CDs and IRAs	77,729	88,812	74,634	76,840	78,642	80,844	83,719
Non-U.S. and other	4,271	3,997	4,397	4,238	4,262	4,186	4,160
Total average deposit balances	\$ 477,440	\$ 462,087	\$ 486,467	\$ 480,342	\$ 476,580	\$ 466,240	\$ 459,819
Deposit spreads (excludes noninterest costs)							
Checking	2.53%	3.16%	2.27%	2.45%	2.64%	2.81%	2.95%
Savings	2.71	3.27	2.48	2.62	2.78	2.97	3.11
MMS	1.20	1.40	1.11	1.15	1.22	1.30	1.35
CDs and IRAs	0.58	0.39	0.57	0.58	0.62	0.55	0.46
Non-U.S. and other	1.00	3.71	0.93	1.02	1.06	1.00	3.44
Total deposit spreads	1.81	2.12	1.66	1.75	1.87	1.96	2.03
Client brokerage assets	\$ 75,946	\$ 66,576	\$ 75,946	\$ 75,852	\$ 72,226	\$ 73,422	\$ 66,576
Online banking active accounts (units in thousands)	29,638	29,870	29,638	29,809	30,232	30,439	29,870
Mobile banking active accounts (units in thousands)	12,013	9,166	12,013	11,097	10,290	9,702	9,166
Banking centers	5,478	5,702	5,478	5,540	5,594	5,651	5,702
ATMs	16,347	17,756	16,347	16,253	16,220	17,255	17,756
U.S. credit card							
Loans							
Average credit card outstandings	\$ 94,863	\$ 105,478	\$ 92,849	\$ 93,292	\$ 95,018	\$ 98,334	\$ 102,241
Ending credit card outstandings	94,835	102,291	94,835	93,162	94,291	96,433	102,291
Credit quality							
Net charge-offs	\$ 4,632	\$ 7,276	\$ 978	\$ 1,079	\$ 1,244	\$ 1,331	\$ 1,432
	4.88%	6.90%	4.19%	4.60%	5.27%	5.44%	5.55%
30+ delinquency	\$ 2,749	\$ 3,823	\$ 2,749	\$ 2,855	\$ 2,948	\$ 3,384	\$ 3,823
	2.90%	3.74%	2.90%	3.06%	3.13%	3.51%	3.74%
90+ delinquency	\$ 1,438	\$ 2,070	\$ 1,438	\$ 1,471	\$ 1,594	\$ 1,866	\$ 2,070
	1.52%	2.02%	1.52%	1.58%	1.69%	1.93%	2.02%
Other U.S. credit card indicators							
Gross interest yield	10.02%	10.25%	10.01%	10.04%	9.97%	10.06%	10.10%
Risk adjusted margin	7.54	5.81	8.48	7.66	7.51	6.54	6.77
New account growth (in thousands)	3,258	3,035	837	857	782	782	797
Purchase volumes	\$ 193,500	\$ 192,358	\$ 51,628	\$ 48,189	\$ 48,886	\$ 44,797	\$ 50,901
Debit card data							
Purchase volumes	\$ 258,363	\$ 250,545	\$ 66,217	\$ 64,121	\$ 64,993	\$ 63,032	\$ 63,726
Business Banking							
Loans							
Average outstandings	\$ 23,764	\$ 26,889	\$ 23,064	\$ 23,375	\$ 24,025	\$ 24,603	\$ 25,306
Credit spread	1.83%	2.36%	1.55%	1.76%	2.01%	2.01%	1.77%
Credit quality							
Net charge-offs	\$ 457	\$ 462	\$ 79	\$ 150	\$ 131	\$ 97	\$ 118
	1.92%	1.72%	1.37%	2.54%	2.21%	1.58%	1.85%
Nonperforming assets	\$ 917	\$ 1,300	\$ 917	\$ 1,075	\$ 1,146	\$ 1,228	\$ 1,300
	3.92%	5.20%	3.92%	4.65%	4.84%	5.04%	5.20%

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

Bank of America Corporation and Subsidiaries

Consumer Real Estate Services Segment Results

(Dollars in millions; except as noted)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)	\$ 2,959	\$ 3,207	\$ 742	\$ 728	\$ 714	\$ 775	\$ 809
Noninterest income:							
Mortgage banking income (loss)	5,531	(8,193)	(303)	2,192	1,811	1,831	2,329
Insurance income (loss)	6	750	(1)	—	1	6	(3)
All other income (loss)	263	1,082	30	176	(5)	62	140
Total noninterest income (loss)	5,800	(6,361)	(274)	2,368	1,807	1,899	2,466
Total revenue, net of interest expense (FTE basis)	8,759	(3,154)	468	3,096	2,521	2,674	3,275
Provision for credit losses	1,442	4,524	485	264	186	507	1,001
Goodwill impairment	—	2,603	—	—	—	—	—
All other noninterest expense	17,306	19,188	5,629	4,223	3,552	3,902	4,569
Loss before income taxes	(9,989)	(29,469)	(5,646)	(1,391)	(1,217)	(1,735)	(2,295)
Income tax benefit (FTE basis)	(3,482)	(10,004)	(1,924)	(515)	(451)	(592)	(853)
Net loss	\$ (6,507)	\$ (19,465)	\$ (3,722)	\$ (876)	\$ (766)	\$ (1,143)	\$ (1,442)
Net interest yield (FTE basis)	2.43%	2.07%	2.67%	2.41%	2.27%	2.39%	2.30%
Balance Sheet							
Average							
Total loans and leases	\$ 104,754	\$ 119,820	\$ 97,912	\$ 103,708	\$ 106,725	\$ 110,755	\$ 116,993
Total earning assets	121,869	154,890	110,446	120,148	126,823	130,201	139,789
Total assets	146,605	190,367	132,963	141,779	152,777	159,105	171,763
Allocated equity	13,687	16,202	12,525	13,332	14,116	14,791	14,757
Economic capital ⁽¹⁾	13,687	14,852	12,525	13,332	14,116	14,791	14,757
Period end							
Total loans and leases	\$ 95,972	\$ 112,359	\$ 95,972	\$ 99,890	\$ 105,304	\$ 109,264	\$ 112,359
Total earning assets	108,286	132,381	108,286	114,225	124,854	130,420	132,381
Total assets	132,388	163,712	132,388	139,366	147,638	158,207	163,712
Period end (in billions)							
Mortgage servicing portfolio ⁽²⁾	\$ 1,367.8	\$ 1,763.0	\$ 1,367.8	\$ 1,475.7	\$ 1,586.4	\$ 1,686.7	\$ 1,763.0

⁽¹⁾ Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital is a non-GAAP financial measure. We believe the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segment. Other companies may define or calculate this measure differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

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

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

Bank of America Corporation and Subsidiaries

Consumer Real Estate Services Annual Results ⁽¹⁾

(Dollars in millions)

	Year Ended December 31, 2012		
	Total Consumer Real Estate Services	Home Loans	Legacy Assets & Servicing
Net interest income (FTE basis)	\$ 2,959	\$ 1,361	\$ 1,598
Noninterest income:			
Mortgage banking income	5,531	3,284	2,247
Insurance income	6	6	—
All other income (loss)	263	(5)	268
Total noninterest income	5,800	3,285	2,515
Total revenue, net of interest expense (FTE basis)	8,759	4,646	4,113
Provision for credit losses	1,442	72	1,370
Noninterest expense	17,306	3,171	14,135
Income (loss) before income taxes	(9,989)	1,403	(11,392)
Income tax expense (benefit) (FTE basis)	(3,482)	511	(3,993)
Net income (loss)	\$ (6,507)	\$ 892	\$ (7,399)
Balance Sheet			
Average			
Total loans and leases	\$ 104,754	\$ 50,023	\$ 54,731
Total earning assets	121,869	56,581	65,288
Total assets	146,605	57,550	89,055
Allocated equity	13,687	n/a	n/a
Economic capital ⁽²⁾	13,687	n/a	n/a
Period end			
Total loans and leases	\$ 95,972	\$ 47,742	\$ 48,230
Total earning assets	108,286	54,394	53,892
Total assets	132,388	55,463	76,925

	Year Ended December 31, 2011		
	Total Consumer Real Estate Services	Home Loans	Legacy Assets & Servicing
Net interest income (FTE basis)	\$ 3,207	\$ 1,828	\$ 1,379
Noninterest income:			
Mortgage banking income (loss)	(8,193)	2,312	(10,505)
Insurance income	750	750	—
All other income	1,082	971	111
Total noninterest income (loss)	(6,361)	4,033	(10,394)
Total revenue, net of interest expense (FTE basis)	(3,154)	5,861	(9,015)
Provision for credit losses	4,524	233	4,291
Goodwill impairment	2,603	—	2,603
All other noninterest expense	19,188	4,563	14,625
Income (loss) before income taxes	(29,469)	1,065	(30,534)
Income tax expense (benefit) (FTE basis)	(10,004)	396	(10,400)
Net income (loss)	\$ (19,465)	\$ 669	\$ (20,134)
Balance Sheet			
Average			
Total loans and leases	\$ 119,820	\$ 54,663	\$ 65,157
Total earning assets	154,890	70,488	84,402
Total assets	190,367	71,508	118,859
Allocated equity	16,202	n/a	n/a
Economic capital ⁽²⁾	14,852	n/a	n/a
Period end			
Total loans and leases	\$ 112,359	\$ 52,371	\$ 59,988
Total earning assets	132,381	58,819	73,562
Total assets	163,712	59,647	104,065

For footnotes see page 25.

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

Bank of America Corporation and Subsidiaries

Consumer Real Estate Services Quarterly Results ⁽¹⁾

(Dollars in millions)

	Fourth Quarter 2012		
	Total Consumer Real Estate Services	Home Loans	Legacy Assets & Servicing
Net interest income (FTE basis)	\$ 742	\$ 348	\$ 394
Noninterest income:			
Mortgage banking income (loss)	(303)	891	(1,194)
Insurance loss	(1)	(1)	—
All other income	30	14	16
Total noninterest income (loss)	(274)	904	(1,178)
Total revenue, net of interest expense (FTE basis)	468	1,252	(784)
Provision for credit losses	485	77	408
Noninterest expense	5,629	740	4,889
Income (loss) before income taxes	(5,646)	435	(6,081)
Income tax expense (benefit) (FTE basis)	(1,924)	154	(2,078)
Net income (loss)	\$ (3,722)	\$ 281	\$ (4,003)
Balance Sheet			
Average			
Total loans and leases	\$ 97,912	\$ 48,312	\$ 49,600
Total earning assets	110,446	54,720	55,726
Total assets	132,963	55,609	77,354
Allocated equity	12,525	n/a	n/a
Economic capital ⁽²⁾	12,525	n/a	n/a
Period end			
Total loans and leases	\$ 95,972	\$ 47,742	\$ 48,230
Total earning assets	108,286	54,394	53,892
Total assets	132,388	55,463	76,925

	Third Quarter 2012		
	Total Consumer Real Estate Services	Home Loans	Legacy Assets & Servicing
Net interest income (FTE basis)	\$ 728	\$ 336	\$ 392
Noninterest income:			
Mortgage banking income	2,192	853	1,339
All other income (loss)	176	(10)	186
Total noninterest income	2,368	843	1,525
Total revenue, net of interest expense (FTE basis)	3,096	1,179	1,917
Provision for credit losses	264	(23)	287
Noninterest expense	4,223	783	3,440
Income (loss) before income taxes	(1,391)	419	(1,810)
Income tax expense (benefit) (FTE basis)	(515)	155	(670)
Net income (loss)	\$ (876)	\$ 264	\$ (1,140)
Balance Sheet			
Average			
Total loans and leases	\$ 103,708	\$ 49,561	\$ 54,147
Total earning assets	120,148	56,285	63,863
Total assets	141,779	57,370	84,409
Allocated equity	13,332	n/a	n/a
Economic capital ⁽²⁾	13,332	n/a	n/a
Period end			
Total loans and leases	\$ 99,890	\$ 48,865	\$ 51,025
Total earning assets	114,225	56,137	58,088
Total assets	139,366	57,335	82,031

For footnotes see page 25.

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

Bank of America Corporation and Subsidiaries
Consumer Real Estate Services Quarterly Results ⁽¹⁾ (continued)

(Dollars in millions)

	Fourth Quarter 2011		
	Total Consumer Real Estate Services	Home Loans	Legacy Assets & Servicing
Net interest income (FTE basis)	\$ 809	\$ 384	\$ 425
Noninterest income:			
Mortgage banking income	2,329	439	1,890
Insurance loss	(3)	(3)	—
All other income	140	100	40
Total noninterest income	2,466	536	1,930
Total revenue, net of interest expense (FTE basis)	3,275	920	2,355
Provision for credit losses	1,001	62	939
Noninterest expense	4,569	726	3,843
Income (loss) before income taxes	(2,295)	132	(2,427)
Income tax expense (benefit) (FTE basis)	(853)	50	(903)
Net income (loss)	\$ (1,442)	\$ 82	\$ (1,524)
Balance Sheet			
Average			
Total loans and leases	\$ 116,993	\$ 54,301	\$ 62,692
Total earning assets	139,789	63,733	76,056
Total assets	171,763	64,988	106,775
Allocated equity	14,757	n/a	n/a
Economic capital ⁽²⁾	14,757	n/a	n/a
Period end			
Total loans and leases	\$ 112,359	\$ 52,371	\$ 59,988
Total earning assets	132,381	58,819	73,562
Total assets	163,712	59,647	104,065

⁽¹⁾ *Consumer Real Estate Services* includes Home Loans and Legacy Assets & Servicing. The results of certain mortgage servicing rights activities, including net hedge results, which were previously included in Home Loans, together with any related assets or liabilities used as economic hedges are included in Legacy Assets & Servicing. The goodwill asset and related impairment charge that was recorded in 2011 are included in Legacy Assets & Servicing.

⁽²⁾ Economic capital represents allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). Economic capital is a non-GAAP financial measure. We believe the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segment. Other companies may define or calculate this measure differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

n/a = not applicable

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

Bank of America Corporation and Subsidiaries

Consumer Real Estate Services Key Indicators

(Dollars in millions, except as noted)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Mortgage servicing rights at fair value rollforward:							
Balance, beginning of period	\$ 7,378	\$ 14,900	\$ 5,087	\$ 5,708	\$ 7,589	\$ 7,378	\$ 7,880
Net additions	252	760	97	85	(7)	77	(290)
Impact of customer payments ⁽¹⁾	(1,484)	(2,621)	(335)	(346)	(282)	(521)	(612)
Other changes in mortgage servicing rights fair value ⁽²⁾	(430)	(5,661)	867	(360)	(1,592)	655	400
Balance, end of period	\$ 5,716	\$ 7,378	\$ 5,716	\$ 5,087	\$ 5,708	\$ 7,589	\$ 7,378
Capitalized mortgage servicing rights (% of loans serviced for investors)	55 bps	54 bps	55 bps	45 bps	47 bps	58 bps	54 bps
Mortgage loans serviced for investors (in billions)	\$ 1,045	\$ 1,379	\$ 1,045	\$ 1,142	\$ 1,224	\$ 1,313	\$ 1,379
Loan production:							
Total Corporation ⁽³⁾							
First mortgage	\$ 75,074	\$ 151,756	\$ 21,516	\$ 20,315	\$ 18,005	\$ 15,238	\$ 21,614
First mortgage (excluding correspondent lending)	75,074	80,300	21,516	20,315	18,005	15,238	15,141
Home equity	3,585	4,388	962	933	930	760	759
Consumer Real Estate Services							
First mortgage	\$ 58,518	\$ 139,273	\$ 16,561	\$ 15,566	\$ 14,206	\$ 12,185	\$ 18,053
First mortgage (excluding correspondent lending)	58,518	67,817	16,561	15,566	14,206	12,185	11,580
Home equity	2,832	3,694	765	746	724	597	580
Mortgage banking income (loss)							
Production income (loss):							
Core production revenue	\$ 3,730	\$ 2,797	\$ 974	\$ 942	\$ 885	\$ 929	\$ 502
Representations and warranties provision	(3,939)	(15,591)	(2,955)	(307)	(395)	(282)	(264)
Total production income (loss)	(209)	(12,794)	(1,981)	635	490	647	238
Servicing income:							
Servicing fees	4,734	6,035	1,112	1,088	1,205	1,329	1,335
Impact of customer payments ⁽¹⁾	(1,484)	(2,621)	(335)	(346)	(282)	(521)	(612)
Fair value changes of mortgage servicing rights, net of economic hedge results ⁽⁴⁾	1,845	655	897	560	194	194	1,165
Other servicing-related revenue	645	532	4	255	204	182	203
Total net servicing income	5,740	4,601	1,678	1,557	1,321	1,184	2,091
Total Consumer Real Estate Services mortgage banking income (loss)	5,531	(8,193)	(303)	2,192	1,811	1,831	2,329
Other business segments' mortgage banking loss ⁽⁵⁾	(781)	(637)	(237)	(173)	(152)	(219)	(210)
Total consolidated mortgage banking income (loss)	\$ 4,750	\$ (8,830)	\$ (540)	\$ 2,019	\$ 1,659	\$ 1,612	\$ 2,119

⁽¹⁾ Represents the change in the market value of the mortgage servicing rights asset due to the impact of customer payments received during the year.

⁽²⁾ These amounts reflect the change in discount rates and prepayment speed assumptions, mostly due to changes in interest rates, as well as the effect of changes in other assumptions.

⁽³⁾ In addition to loan production in *Consumer Real Estate Services*, the remaining first mortgage and home equity loan production is primarily in *GWIM*.

⁽⁴⁾ Includes gains and losses on sales of mortgage servicing rights.

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

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

Bank of America Corporation and Subsidiaries

Global Banking Segment Results

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)	\$ 9,225	\$ 9,490	\$ 2,377	\$ 2,265	\$ 2,184	\$ 2,399	\$ 2,309
Noninterest income:							
Service charges	3,168	3,420	751	795	815	807	802
Investment banking income	2,787	3,061	842	662	632	651	629
All other income	2,027	1,341	356	424	655	592	262
Total noninterest income	7,982	7,822	1,949	1,881	2,102	2,050	1,693
Total revenue, net of interest expense (FTE basis)	17,207	17,312	4,326	4,146	4,286	4,449	4,002
Provision for credit losses	(103)	(1,118)	180	68	(113)	(238)	(256)
Noninterest expense	8,308	8,884	1,946	2,021	2,165	2,176	2,136
Income before income taxes	9,002	9,546	2,200	2,057	2,234	2,511	2,122
Income tax expense (FTE basis)	3,277	3,500	768	761	827	921	785
Net income	\$ 5,725	\$ 6,046	\$ 1,432	\$ 1,296	\$ 1,407	\$ 1,590	\$ 1,337
Net interest yield (FTE basis)	3.01%	3.26%	2.96%	2.92%	2.97%	3.18%	3.04%
Return on average equity	12.47	12.76	12.47	11.15	12.31	13.98	11.51
Return on average economic capital ⁽¹⁾	27.21	26.59	27.32	24.14	26.83	30.67	25.06
Efficiency ratio (FTE basis)	48.28	51.31	44.95	48.74	50.53	48.92	53.36
Balance Sheet							
Average							
Total loans and leases	\$ 272,625	\$ 265,568	\$ 278,218	\$ 267,390	\$ 267,813	\$ 277,076	\$ 276,850
Total earnings assets ⁽²⁾	306,724	290,797	319,325	308,357	295,915	303,142	300,912
Total assets ⁽²⁾	352,969	337,337	366,396	355,670	341,151	348,483	347,255
Total deposits	249,317	237,312	268,045	252,226	239,161	237,598	240,757
Allocated equity	45,907	47,384	45,729	46,223	45,958	45,719	46,087
Economic capital ⁽¹⁾	21,053	22,761	20,880	21,371	21,102	20,858	21,188
Period end							
Total loans and leases	\$ 288,261	\$ 278,177	\$ 288,261	\$ 272,052	\$ 265,395	\$ 272,286	\$ 278,177
Total earnings assets ⁽²⁾	315,638	301,662	315,638	308,370	293,840	293,509	301,662
Total assets ⁽²⁾	362,797	348,773	362,797	355,417	340,744	340,740	348,773
Total deposits	269,738	246,360	269,738	260,030	241,529	237,697	246,360

⁽¹⁾ Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credit and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provide additional clarity in assessing the results of the segments. Other companies may define or calculate this measure differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

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

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

Bank of America Corporation and Subsidiaries

Global Banking Key Indicators

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Investment Banking fees ⁽¹⁾							
Advisory ⁽²⁾	\$ 995	\$ 1,183	\$ 284	\$ 207	\$ 314	\$ 190	\$ 265
Debt issuance	1,385	1,287	450	341	247	347	253
Equity issuance	407	591	108	114	71	114	111
Total Investment Banking fees ⁽³⁾	\$ 2,787	\$ 3,061	\$ 842	\$ 662	\$ 632	\$ 651	\$ 629
Business Lending							
Corporate	\$ 3,202	\$ 3,240	\$ 692	\$ 780	\$ 850	\$ 880	\$ 693
Commercial	4,585	4,996	1,151	1,147	1,134	1,153	1,186
Total Business Lending revenue ⁽³⁾	\$ 7,787	\$ 8,236	\$ 1,843	\$ 1,927	\$ 1,984	\$ 2,033	\$ 1,879
Treasury Services							
Corporate	\$ 2,629	\$ 2,507	\$ 716	\$ 649	\$ 620	\$ 644	\$ 632
Commercial	3,561	3,489	864	871	889	937	900
Total Treasury Services revenue ⁽³⁾	\$ 6,190	\$ 5,996	\$ 1,580	\$ 1,520	\$ 1,509	\$ 1,581	\$ 1,532
Average deposit balances							
Interest-bearing	\$ 75,549	\$ 90,219	\$ 77,592	\$ 73,931	\$ 74,387	\$ 76,280	\$ 78,626
Noninterest-bearing	173,768	147,093	190,453	178,295	164,774	161,318	162,131
Total average deposits	\$ 249,317	\$ 237,312	\$ 268,045	\$ 252,226	\$ 239,161	\$ 237,598	\$ 240,757
Loan spread	1.85%	2.03%	1.81%	1.86%	1.82%	1.90%	1.85%
Provision for credit losses	\$ (103)	\$ (1,118)	\$ 180	\$ 68	\$ (113)	\$ (238)	\$ (256)
Credit quality ^(4, 5)							
Reservable utilized criticized exposure	\$ 11,029	\$ 20,072	\$ 11,029	\$ 12,390	\$ 14,843	\$ 17,983	\$ 20,072
	3.82%	7.05%	3.82%	4.50%	5.42%	6.43%	7.05%
Nonperforming loans, leases and foreclosed properties	\$ 2,110	\$ 4,646	\$ 2,110	\$ 2,647	\$ 3,305	\$ 4,130	\$ 4,646
	0.74%	1.70%	0.74%	0.99%	1.27%	1.54%	1.70%
Average loans and leases by product							
U.S. commercial	\$ 127,886	\$ 119,840	\$ 131,326	\$ 125,910	\$ 125,425	\$ 128,866	\$ 124,887
Commercial real estate	32,841	37,665	33,433	31,947	32,335	33,651	34,604
Commercial lease financing	23,446	23,166	24,057	23,214	23,123	23,387	23,050
Non-U.S. commercial	50,416	42,589	53,392	50,032	49,088	49,125	50,877
Direct/Indirect consumer	38,030	42,288	36,003	36,283	37,833	42,040	43,427
Other	6	20	7	4	9	7	5
Total average loans and leases	\$ 272,625	\$ 265,568	\$ 278,218	\$ 267,390	\$ 267,813	\$ 277,076	\$ 276,850
Total Corporation Investment Banking fees							
Advisory ⁽²⁾	\$ 1,066	\$ 1,248	\$ 301	\$ 221	\$ 341	\$ 203	\$ 273
Debt issuance	3,362	2,878	1,078	865	645	774	587
Equity issuance	1,026	1,459	250	279	192	305	268
Total investment banking fees	5,454	5,585	1,629	1,365	1,178	1,282	1,128
Self-led	(155)	(368)	(29)	(29)	(32)	(65)	(115)
Total Investment Banking fees	\$ 5,299	\$ 5,217	\$ 1,600	\$ 1,336	\$ 1,146	\$ 1,217	\$ 1,013

⁽¹⁾ Investment banking fees represent total investment banking fees for *Global Banking* inclusive of self-led deals and fees included within Business Lending.

⁽²⁾ Advisory includes fees on debt and equity advisory and mergers and acquisitions.

⁽³⁾ Investment banking fees represent only the fee component of *Global Banking* and do not include certain less significant items shared with the Investment Banking Group under internal revenue sharing agreements.

⁽⁴⁾ 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 commercial utilized reservable criticized exposure, including loans and leases, standby letters of credit, financial guarantees, commercial letters of credit and bankers' acceptances.

⁽⁵⁾ Nonperforming loans, leases and foreclosed properties are on an end-of-period basis. The nonperforming ratio is nonperforming assets divided by loans, leases and foreclosed properties.

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

Bank of America Corporation and Subsidiaries

Investment Banking Product Rankings

	Year Ended December 31, 2012			
	Global		U.S.	
	Product Ranking	Market Share	Product Ranking	Market Share
High-yield corporate debt	2	9.7%	2	11.1%
Leveraged loans	2	9.8	2	13.1
Mortgage-backed securities	4	8.0	4	9.4
Asset-backed securities	2	11.4	2	14.4
Convertible debt	4	8.7	3	14.9
Common stock underwriting	5	6.8	3	10.7
Investment-grade corporate debt	3	5.5	2	11.5
Syndicated loans	2	8.6	2	13.8
Net investment banking revenue	2	6.6	2	9.8
Announced mergers and acquisitions	8	14.4	5	15.7
Equity capital markets	5	7.0	3	11.1
Debt capital markets	5	5.1	4	8.8

Source: Dealogic data as of January 2, 2013. Figures above include self-led transactions.

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

Highlights

Global top 3 rankings in:

High-yield corporate debt	Investment-grade corporate debt
Leveraged loans	Syndicated loans
Asset-backed securities	

U.S. top 3 rankings in:

High-yield corporate debt	Common stock underwriting
Leveraged loans	Investment-grade corporate debt
Asset-backed securities	Syndicated loans
Convertible debt	Equity capital markets

Top 3 rankings excluding self-led deals:

Global: High-yield corporate debt, Leveraged loans, Asset-backed securities, Investment-grade corporate debt, Syndicated loans

U.S.: High-yield corporate debt, Leveraged loans, Asset-backed securities, Convertible debt, Common stock underwriting, Investment-grade corporate debt, Syndicated loans, Equity capital markets

Bank of America Corporation and Subsidiaries

Global Markets Segment Results

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)	\$ 3,310	\$ 3,682	\$ 1,016	\$ 846	\$ 650	\$ 798	\$ 864
Noninterest income:							
Investment and brokerage services	1,820	2,249	430	428	448	514	450
Investment banking fees	2,214	2,214	668	552	438	556	425
Trading account profits	5,706	6,417	726	1,237	1,706	2,037	369
All other income (loss)	469	236	4	46	127	292	(301)
Total noninterest income	10,209	11,116	1,828	2,263	2,719	3,399	943
Total revenue, net of interest expense (FTE basis) ⁽¹⁾	13,519	14,798	2,844	3,109	3,369	4,197	1,807
Provision for credit losses	3	(56)	16	21	(14)	(20)	(18)
Noninterest expense	10,839	12,244	2,498	2,548	2,715	3,078	2,895
Income (loss) before income taxes	2,677	2,610	330	540	668	1,139	(1,070)
Income tax expense (benefit) (FTE basis)	1,623	1,622	178	899	206	340	(302)
Net income (loss)	\$ 1,054	\$ 988	\$ 152	\$ (359)	\$ 462	\$ 799	\$ (768)
Return on average allocated equity	5.99%	4.36%	3.39%	n/m	10.84%	17.55%	n/m
Return on average economic capital ⁽²⁾	8.20	5.54	4.63	n/m	14.91	23.58	n/m
Efficiency ratio (FTE basis)	80.18	82.75	87.82	81.95%	80.62	73.34	n/m
Balance Sheet							
Average							
Total trading-related assets ⁽³⁾	\$ 466,045	\$ 472,446	\$ 493,188	\$ 462,138	\$ 459,869	\$ 448,731	\$ 444,319
Total earning assets ⁽³⁾	449,660	445,574	482,366	446,948	444,584	424,414	414,186
Total assets	588,459	590,474	628,449	584,345	581,999	558,650	552,911
Allocated equity	17,595	22,671	17,859	17,070	17,136	18,317	19,806
Economic capital ⁽²⁾	12,956	18,046	13,210	12,419	12,527	13,669	15,154
Period end							
Total trading-related assets ⁽³⁾	\$ 465,836	\$ 397,876	\$ 465,836	\$ 455,161	\$ 443,948	\$ 440,091	\$ 397,876
Total earning assets ⁽³⁾	474,335	372,894	474,335	445,230	428,972	417,633	372,894
Total assets	615,297	501,867	615,297	583,223	561,847	548,611	501,867
Trading-related assets (average)							
Trading account securities	\$ 197,618	\$ 197,735	\$ 220,434	\$ 193,694	\$ 190,250	\$ 185,890	\$ 172,955
Reverse repurchases	162,348	165,447	166,399	162,040	160,832	160,079	162,507
Securities borrowed	51,188	48,050	52,391	51,757	53,297	47,286	46,476
Derivative assets	54,891	61,214	53,964	54,647	55,490	55,476	62,381
Total trading-related assets ⁽³⁾	\$ 466,045	\$ 472,446	\$ 493,188	\$ 462,138	\$ 459,869	\$ 448,731	\$ 444,319

⁽¹⁾ Substantially all of *Global Markets* total revenue is sales and trading revenue and investment banking fees, with a small portion related to certain revenue sharing agreements with other business segments. For additional sales and trading revenue information, see page 31.

⁽²⁾ Return on average economic capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

⁽³⁾ Trading related assets include assets which are not considered earning assets (i.e., derivative assets).

n/m = not meaningful

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

Bank of America Corporation and Subsidiaries

Global Markets Key Indicators

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Sales and trading revenue ⁽¹⁾							
Fixed income, currency and commodities	\$ 8,812	\$ 8,897	\$ 1,551	\$ 2,000	\$ 2,418	\$ 2,843	\$ 808
Equities	3,014	3,957	674	667	761	912	673
Total sales and trading revenue	\$ 11,826	\$ 12,854	\$ 2,225	\$ 2,667	\$ 3,179	\$ 3,755	\$ 1,481
Sales and trading revenue, excluding net DVA							
Fixed income, currency and commodities	\$ 11,007	\$ 8,103	\$ 1,788	\$ 2,534	\$ 2,555	\$ 4,130	\$ 1,303
Equities	3,267	3,750	713	715	780	1,059	652
Total sales and trading revenue, excluding net DVA	\$ 14,274	\$ 11,853	\$ 2,501	\$ 3,249	\$ 3,335	\$ 5,189	\$ 1,955
Sales and trading revenue breakdown							
Net interest income	\$ 3,310	\$ 3,682	\$ 1,016	\$ 846	\$ 650	\$ 798	\$ 864
Commissions	1,820	2,249	430	428	448	514	450
Trading	5,706	6,417	726	1,237	1,706	2,037	369
Other	990	506	53	156	375	406	(202)
Total sales and trading revenue	\$ 11,826	\$ 12,854	\$ 2,225	\$ 2,667	\$ 3,179	\$ 3,755	\$ 1,481

⁽¹⁾ Includes *Global Banking* sales and trading revenue of \$521 million and \$270 million for the years ended December 31, 2012 and 2011; \$49 million, \$110 million, \$248 million and \$114 million for the fourth, third, second and first quarters of 2012, respectively, and \$99 million for the fourth quarter of 2011.

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

Bank of America Corporation and Subsidiaries

Global Wealth & Investment Management Segment Results

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)	\$ 5,827	\$ 5,885	\$ 1,490	\$ 1,413	\$ 1,393	\$ 1,531	\$ 1,448
Noninterest income:							
Investment and brokerage services	8,849	8,750	2,272	2,181	2,221	2,175	2,069
All other income	1,841	1,860	432	489	480	440	426
Total noninterest income	10,690	10,610	2,704	2,670	2,701	2,615	2,495
Total revenue, net of interest expense (FTE basis)	16,517	16,495	4,194	4,083	4,094	4,146	3,943
Provision for credit losses	266	398	112	61	47	46	118
Noninterest expense	12,755	13,383	3,195	3,128	3,188	3,244	3,392
Income before income taxes	3,496	2,714	887	894	859	856	433
Income tax expense (FTE basis)	1,273	996	309	332	318	314	161
Net income	\$ 2,223	\$ 1,718	\$ 578	\$ 562	\$ 541	\$ 542	\$ 272
Net interest yield (FTE basis)	2.34%	2.26%	2.30%	2.28%	2.31%	2.46%	2.25%
Return on average allocated equity	12.53	9.90	12.43	12.27	12.48	12.99	6.22
Return on average economic capital ⁽¹⁾	30.52	25.46	28.46	28.81	31.35	34.37	16.02
Efficiency ratio (FTE basis)	77.22	81.13	76.15	76.62	77.89	78.23	86.02
Balance sheet							
Average							
Total loans and leases	\$ 100,456	\$ 96,974	\$ 103,785	\$ 101,016	\$ 98,964	\$ 98,016	\$ 97,722
Total earning assets ⁽²⁾	249,368	260,479	257,350	246,637	242,806	250,623	254,980
Total assets ⁽²⁾	268,490	279,815	276,431	265,672	262,158	269,642	273,874
Total deposits	242,384	241,535	249,658	241,411	238,540	239,859	237,098
Allocated equity	17,739	17,352	18,508	18,229	17,421	16,784	17,366
Economic capital ⁽¹⁾	7,359	6,866	8,149	7,840	7,011	6,420	6,914
Period end							
Total loans and leases	\$ 105,928	\$ 98,654	\$ 105,928	\$ 102,390	\$ 100,261	\$ 97,953	\$ 98,654
Total earning assets ⁽²⁾	277,107	253,407	277,107	248,771	243,515	244,137	253,407
Total assets ⁽²⁾	297,330	273,106	297,330	268,441	263,039	263,535	273,106
Total deposits	266,188	240,540	266,188	243,518	237,339	239,915	240,540

⁽¹⁾ Return on average economic capital is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents allocated equity less goodwill and a percentage of intangible assets. Economic capital and return on average economic capital are non-GAAP financial measures. We believe the use of these non-GAAP financial measures provides additional clarity in assessing the results of the segments. Other companies may define or calculate these measures differently. (See Exhibit A: Non-GAAP Reconciliations - Reconciliations to GAAP Financial Measures on pages 47-50.)

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

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

Bank of America Corporation and Subsidiaries

Global Wealth & Investment Management Key Indicators

(Dollars in millions, except as noted)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Revenues							
Merrill Lynch Global Wealth Management	\$ 13,849	\$ 13,718	\$ 3,530	\$ 3,436	\$ 3,415	\$ 3,468	\$ 3,239
U.S. Trust	2,594	2,693	660	627	654	653	679
Other ⁽¹⁾	74	84	4	20	25	25	25
Total revenues	\$ 16,517	\$ 16,495	\$ 4,194	\$ 4,083	\$ 4,094	\$ 4,146	\$ 3,943
Client Balances							
Client Balances by Business							
Merrill Lynch Global Wealth Management	\$ 1,758,496	\$ 1,640,283	\$ 1,758,496	\$ 1,746,191	\$ 1,689,257	\$ 1,723,402	\$ 1,640,283
U.S. Trust	341,292	324,003	341,292	332,792	323,711	333,876	324,003
Other ⁽¹⁾	66,874	66,182	66,874	64,239	66,091	66,309	66,182
Client Balances by Type							
Assets under management	\$ 698,095	\$ 635,570	\$ 698,095	\$ 692,854	\$ 667,452	\$ 677,602	\$ 635,570
Client brokerage assets	975,388	944,532	975,388	985,699	959,210	989,860	944,532
Assets in custody	117,686	107,982	117,686	115,350	111,351	114,931	107,982
Client deposits	266,188	240,540	266,188	243,518	237,339	239,915	240,540
Loans and leases ⁽²⁾	109,305	101,844	109,305	105,801	103,707	101,279	101,844
Total client balances	\$ 2,166,662	\$ 2,030,468	\$ 2,166,662	\$ 2,143,222	\$ 2,079,059	\$ 2,123,587	\$ 2,030,468
Assets Under Management Flows							
Liquidity assets under management ⁽³⁾	\$ 618	\$ (11,969)	\$ 2,545	\$ (1,875)	\$ (122)	\$ 70	\$ 1,029
Long-term assets under management ⁽⁴⁾	26,390	28,388	9,120	5,779	3,796	7,695	4,813
Total assets under management flows	\$ 27,008	\$ 16,419	\$ 11,665	\$ 3,904	\$ 3,674	\$ 7,765	\$ 5,842
Associates ⁽⁵⁾							
Number of Financial Advisors	16,413	16,457	16,413	16,784	16,760	16,708	16,457
Total Wealth Advisors	17,642	17,796	17,642	18,063	18,053	18,018	17,796
Total Client Facing Professionals	20,408	20,841	20,408	20,832	20,862	21,024	20,841
Merrill Lynch Global Wealth Management Metrics							
Financial Advisory Productivity ⁽⁶⁾ (in thousands)	\$ 909	\$ 938	\$ 935	\$ 903	\$ 903	\$ 897	\$ 872
U.S. Trust Metrics							
Client Facing Professionals	2,077	2,247	2,077	2,120	2,161	2,223	2,247

⁽¹⁾ Other includes the results of BofA Global Capital Management and other administrative items.

⁽²⁾ Includes margin receivables which are classified in customer and other receivables on the Corporation's Consolidated Balance Sheet.

⁽³⁾ Defined as assets under advisory and discretion of *GWIM* in which the investment strategy seeks a high level of income while maintaining liquidity and capital preservation. The duration of these strategies is less than one year.

⁽⁴⁾ Defined as assets under advisory and discretion of *GWIM* in which the duration of the investment strategy is longer than one year.

⁽⁵⁾ Includes Financial Advisors in *Consumer & Business Banking* of 1,496 and 1,143 at December 31, 2012 and 2011, and 1,496, 1,457, 1,383, 1,337 and 1,143 at December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively.

⁽⁶⁾ Financial Advisor Productivity is defined as annualized Merrill Lynch Global Wealth Management total revenue divided by the total number of financial advisors (excluding Financial Advisors in *Consumer & Business Banking*). Total revenue excludes corporate allocation of net interest income related to certain ALM activities.

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

Bank of America Corporation and Subsidiaries

All Other Results ⁽¹⁾

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net interest income (FTE basis)	\$ 1,111	\$ 1,946	\$ 241	\$ 264	\$ 136	\$ 470	\$ 449
Noninterest income:							
Card income	360	465	96	93	84	87	91
Equity investment income (loss)	1,135	7,105	570	172	(36)	429	3,136
Gains on sales of debt securities	1,510	3,097	116	328	354	712	1,101
All other income (loss)	(4,906)	3,482	(1,168)	(1,704)	68	(2,102)	(264)
Total noninterest income (loss)	(1,901)	14,149	(386)	(1,111)	470	(874)	4,064
Total revenue, net of interest expense (FTE basis)	(790)	16,095	(145)	(847)	606	(404)	4,513
Provision for credit losses	2,620	6,172	448	390	536	1,246	792
Goodwill impairment	—	581	—	—	—	—	581
Merger and restructuring charges	—	638	—	—	—	—	101
All other noninterest expense	6,092	5,034	971	1,563	1,068	2,490	1,419
Income (loss) before income taxes	(9,502)	3,670	(1,564)	(2,800)	(998)	(4,140)	1,620
Income tax expense (benefit) (FTE basis)	(5,874)	(1,042)	(2,428)	(1,232)	(662)	(1,552)	270
Net income (loss)	\$ (3,628)	\$ 4,712	\$ 864	\$ (1,568)	\$ (336)	\$ (2,588)	\$ 1,350
Balance Sheet							
Average							
Total loans and leases	\$ 258,012	\$ 289,010	\$ 245,820	\$ 254,894	\$ 262,431	\$ 269,074	\$ 277,744
Total assets ⁽²⁾	302,287	380,253	265,431	291,865	324,731	327,636	346,425
Total deposits	43,083	62,582	36,939	39,262	43,718	52,524	58,946
Allocated equity ⁽³⁾	87,103	72,578	89,697	87,203	87,475	84,008	77,215
Period end							
Total loans and leases	\$ 240,667	\$ 272,385	\$ 240,667	\$ 251,345	\$ 258,605	\$ 264,895	\$ 272,385
Total assets ⁽⁴⁾	247,284	320,491	247,284	279,455	309,939	326,501	320,491
Total deposits	36,061	45,532	36,061	37,554	39,358	42,870	45,532

⁽¹⁾ All Other consists of ALM activities, equity investments, liquidating businesses and other. ALM activities encompass the whole-loan residential mortgage portfolio and investment securities, interest rate and foreign currency risk management activities including the residual net interest income allocation, gains/losses on structured liabilities, and the impact of certain allocation methodologies and accounting hedge ineffectiveness. Equity Investments includes Global Principal Investments, strategic and certain other investments. Other includes certain residential mortgage and discontinued real estate loans that are managed by Legacy Assets & Servicing within *Consumer Real Estate Services*.

⁽²⁾ Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) of \$520.5 billion and \$496.1 billion for the years ended December 31, 2012 and December 31, 2011; \$542.4 billion, \$529.4 billion, \$507.7 billion, \$502.3 billion and \$491.3 billion for the fourth, third, second, and first quarters of 2012 and the fourth quarter of 2011, respectively.

⁽³⁾ Represents the economic capital assigned to All Other as well as the remaining portion of equity not specifically allocated to the business segments.

⁽⁴⁾ Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) of \$554.4 billion, \$529.2 billion, \$517.3 billion, \$510.2 billion and \$492.3 billion at December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively.

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

Bank of America Corporation and Subsidiaries

Equity Investments

(Dollars in millions)

	Global Principal Investments Exposures					Equity Investment Income	
	December 31, 2012				September 30 2012	December 31, 2012	
	Book Value	Unfunded Commitments	Total	Total	Three Months Ended	Year Ended	
Global Principal Investments							
Private Equity Investments	\$ 1,041	\$ 57	\$ 1,098	\$ 1,190	\$ 33	\$ 199	
Global Real Estate	475	31	506	526	10	20	
Global Strategic Capital	1,257	128	1,385	1,451	50	240	
Legacy/Other Investments	697	8	705	744	74	130	
Total Global Principal Investments	\$ 3,470	\$ 224	\$ 3,694	\$ 3,911	\$ 167	\$ 589	

Components of Equity Investment Income

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Global Principal Investments	\$ 589	\$ 399	\$ 167	\$ 156	\$ (137)	\$ 403	\$ 212
Strategic and other investments	546	6,706	403	16	101	26	2,924
Total equity investment income (loss) included in <i>All Other</i>	1,135	7,105	570	172	(36)	429	3,136
Total equity investment income included in the business segments	935	255	129	66	404	336	91
Total consolidated equity investment income	\$ 2,070	\$ 7,360	\$ 699	\$ 238	\$ 368	\$ 765	\$ 3,227

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

Bank of America Corporation and Subsidiaries

Outstanding Loans and Leases

(Dollars in millions)

	December 31 2012	September 30 2012	December 31 2011
Consumer			
Residential mortgage ⁽¹⁾	\$ 243,181	\$ 247,340	\$ 262,290
Home equity	107,996	112,260	124,699
Discontinued real estate ⁽²⁾	9,892	9,876	11,095
U.S. credit card	94,835	93,162	102,291
Non-U.S. credit card	11,697	13,320	14,418
Direct/Indirect consumer ⁽³⁾	83,205	82,404	89,713
Other consumer ⁽⁴⁾	1,628	2,714	2,688
Total consumer loans excluding loans accounted for under the fair value option	552,434	561,076	607,194
Consumer loans accounted for under the fair value option ⁽⁵⁾	1,005	1,202	2,190
Total consumer	553,439	562,278	609,384
Commercial			
U.S. commercial ⁽⁶⁾	209,719	205,384	193,199
Commercial real estate ⁽⁷⁾	38,637	37,579	39,596
Commercial lease financing	23,843	22,855	21,989
Non-U.S. commercial	74,184	58,503	55,418
Total commercial loans excluding loans accounted for under the option	346,383	324,321	310,202
Commercial loans accounted for under the fair value option ⁽⁵⁾	7,997	6,436	6,614
Total commercial	354,380	330,757	316,816
Total loans and leases	\$ 907,819	\$ 893,035	\$ 926,200

⁽¹⁾ Includes non-U.S. residential mortgage loans of \$93 million, \$94 million and \$85 million at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽²⁾ Includes \$8.8 billion, \$8.8 billion and \$9.9 billion of pay option loans, and \$1.1 billion, \$1.1 billion and \$1.2 billion of subprime loans at December 31, 2012, September 30, 2012 and December 31, 2011, respectively. The Corporation no longer originates these products.

⁽³⁾ Includes dealer financial services loans of \$35.9 billion, \$36.0 billion and \$43.0 billion, consumer lending loans of \$4.7 billion, \$5.6 billion and \$8.0 billion, U.S. securities-based lending margin loans of \$28.3 billion, \$26.7 billion and \$23.6 billion, student loans of \$4.8 billion, \$5.0 billion and \$6.0 billion, non-U.S. consumer loans of \$8.3 billion, \$7.9 billion and \$7.6 billion, and other consumer loans of \$1.2 billion, \$1.2 billion and \$1.5 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁴⁾ Includes consumer finance loans of \$1.4 billion, \$1.5 billion and \$1.7 billion, other non-U.S. consumer loans of \$5 million, \$1.1 billion and \$929 million, and consumer overdrafts of \$177 million, \$152 million and \$103 million at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁵⁾ Consumer loans accounted for under the fair value option were residential mortgage loans of \$147 million, \$160 million and \$906 million and discontinued real estate loans of \$858 million, \$1.0 billion and \$1.3 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively. Commercial loans accounted for under the fair value option were U.S. commercial loans of \$2.3 billion, \$2.0 billion and \$2.2 billion, and non-U.S. commercial loans of \$5.7 billion, \$4.4 billion and \$4.4 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁶⁾ Includes U.S. small business commercial loans, including card-related products, of \$12.6 billion, \$12.6 billion and \$13.3 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁷⁾ Includes U.S. commercial real estate loans of \$37.2 billion, \$36.0 billion and \$37.8 billion, and non-U.S. commercial real estate loans of \$1.5 billion, \$1.6 billion and \$1.8 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

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

Bank of America Corporation and Subsidiaries

Quarterly Average Loans and Leases by Business Segment

(Dollars in millions)

Fourth Quarter 2012							
	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Consumer							
Residential mortgage	\$ 245,879	\$ —	\$ 191	\$ —	\$ 93	\$ 40,204	\$ 205,391
Home equity	110,105	—	96,651	—	84	13,164	206
Discontinued real estate	10,850	—	922	—	—	—	9,928
U.S. credit card	92,849	92,849	—	—	—	—	—
Non-U.S. credit card	13,081	—	—	—	—	—	13,081
Direct/Indirect consumer	82,583	5,097	75	36,003	23	31,225	10,160
Other consumer	1,602	721	—	7	—	7	867
Total consumer	556,949	98,667	97,839	36,010	200	84,600	239,633
Commercial							
U.S. commercial	209,496	31,398	72	131,326	21,913	17,691	7,096
Commercial real estate	38,192	2,338	1	33,433	303	1,427	690
Commercial lease financing	22,839	—	—	24,057	458	4	(1,680)
Non-U.S. commercial	65,690	18	—	53,392	12,136	63	81
Total commercial	336,217	33,754	73	242,208	34,810	19,185	6,187
Total loans and leases	\$ 893,166	\$ 132,421	\$ 97,912	\$ 278,218	\$ 35,010	\$ 103,785	\$ 245,820
Third Quarter 2012							
	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Consumer							
Residential mortgage	\$ 250,505	\$ —	\$ 213	\$ —	\$ 92	\$ 38,788	\$ 211,412
Home equity	116,184	—	102,324	—	104	13,540	216
Discontinued real estate	10,956	—	1,008	—	—	—	9,948
U.S. credit card	93,292	93,292	—	—	—	—	—
Non-U.S. credit card	13,329	—	—	—	—	—	13,329
Direct/Indirect consumer	82,635	6,022	78	36,283	35	29,935	10,282
Other consumer	2,654	690	—	4	—	8	1,952
Total consumer	569,555	100,004	103,623	36,287	231	82,271	247,139
Commercial							
U.S. commercial	201,072	31,568	84	125,910	18,732	17,268	7,510
Commercial real estate	36,929	2,294	1	31,947	225	1,445	1,017
Commercial lease financing	21,545	—	—	23,214	13	4	(1,686)
Non-U.S. commercial	59,758	15	—	50,032	8,769	28	914
Total commercial	319,304	33,877	85	231,103	27,739	18,745	7,755
Total loans and leases	\$ 888,859	\$ 133,881	\$ 103,708	\$ 267,390	\$ 27,970	\$ 101,016	\$ 254,894
Fourth Quarter 2011							
	Total Corporation	Consumer & Business Banking	Consumer Real Estate Services	Global Banking	Global Markets	GWIM	All Other
Consumer							
Residential mortgage	\$ 266,144	\$ —	\$ 1,106	\$ —	\$ 95	\$ 37,023	\$ 227,920
Home equity	126,251	—	111,138	—	—	14,805	308
Discontinued real estate	14,073	—	2,848	—	—	8	11,217
U.S. credit card	102,241	102,241	—	—	—	—	—
Non-U.S. credit card	15,981	—	—	—	—	—	15,981
Direct/Indirect consumer	90,861	8,546	93	43,427	776	26,999	11,020
Other consumer	2,751	654	—	5	—	5	2,087
Total consumer	618,302	111,441	115,185	43,432	871	78,840	268,533
Commercial							
U.S. commercial	196,778	33,217	1,806	124,887	11,428	17,111	8,329
Commercial real estate	40,673	2,478	2	34,604	428	1,589	1,572
Commercial lease financing	21,278	—	—	23,050	—	4	(1,776)
Non-U.S. commercial	55,867	14	—	50,877	3,712	178	1,086
Total commercial	314,596	35,709	1,808	233,418	15,568	18,882	9,211
Total loans and leases	\$ 932,898	\$ 147,150	\$ 116,993	\$ 276,850	\$ 16,439	\$ 97,722	\$ 277,744

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

Bank of America Corporation and Subsidiaries

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

(Dollars in millions)

	Commercial Utilized			Total Commercial Committed		
	December 31 2012	September 30 2012	December 31 2011	December 31 2012	September 30 2012	December 31 2011
Diversified financials	\$ 66,201	\$ 62,783	\$ 64,957	\$ 99,673	\$ 96,651	\$ 94,969
Real estate ⁽⁴⁾	47,479	45,495	48,138	65,639	61,447	62,566
Government and public education	41,449	40,493	43,090	50,285	49,855	57,021
Capital goods	25,071	23,764	24,025	49,196	48,285	48,013
Retailing	28,065	27,373	25,478	47,719	46,414	46,290
Healthcare equipment and services	29,396	28,508	31,298	45,488	44,003	48,141
Banks	40,245	35,740	35,231	45,238	39,637	38,735
Materials	21,809	23,402	19,384	40,493	41,661	38,070
Energy	17,684	16,145	15,151	38,464	35,149	32,074
Food, beverage and tobacco	14,738	14,287	15,904	37,344	32,183	30,501
Consumer services	23,093	21,855	24,445	36,367	34,893	38,498
Commercial services and supplies	19,020	18,089	20,089	30,257	28,878	30,831
Utilities	8,410	8,186	8,102	23,432	22,844	24,552
Media	13,091	11,406	11,447	21,705	20,676	21,158
Transportation	13,791	12,878	12,683	20,255	19,971	19,036
Individuals and trusts	13,916	13,946	14,993	17,801	17,195	19,001
Insurance, including monolines	8,519	8,384	10,090	14,145	14,024	16,157
Software and services	5,549	4,550	4,304	12,125	10,410	9,579
Pharmaceuticals and biotechnology	3,854	5,691	4,141	11,409	14,340	11,328
Technology hardware and equipment	5,118	4,725	5,247	11,108	10,838	12,173
Telecommunication services	4,029	4,024	4,297	10,297	10,018	10,424
Religious and social organizations	6,850	7,184	8,536	9,107	9,711	11,160
Consumer durables and apparel	4,246	4,140	4,505	8,438	8,312	8,965
Automobiles and components	3,312	2,937	2,813	7,675	7,360	7,178
Food and staples retailing	3,528	3,065	3,273	6,838	6,444	6,476
Other	3,264	4,391	4,888	6,507	7,232	7,636
Total commercial credit exposure by industry	\$ 471,727	\$ 453,441	\$ 466,509	\$ 767,005	\$ 738,431	\$ 750,532
Net credit default protection purchased on total commitments ⁽⁵⁾				\$ (14,657)	\$ (17,164)	\$ (19,356)

⁽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 carried at fair value, reflect the effects of legally enforceable master netting agreements and have been reduced by the amount of cash collateral applied of \$58.1 billion, \$60.0 billion and \$58.9 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively. Not reflected in utilized and committed exposure is additional derivative collateral held of \$18.7 billion, \$17.6 billion and \$16.1 billion which consists primarily of other marketable securities at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽²⁾ Total commercial utilized and total commercial committed exposure includes loans and letters of credit measured at fair value and are comprised of loans outstanding of \$8.0 billion, \$6.4 billion and \$6.6 billion and issued letters of credit at notional value of \$672 million, \$697 million and \$1.3 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively. In addition, total commercial committed exposure includes unfunded loan commitments at notional value of \$17.6 billion, \$19.8 billion and \$24.4 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽³⁾ Includes U.S. small business commercial 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 on the borrowers' or counterparties' primary business activity using operating cash flows and primary source of repayment as key factors.

⁽⁵⁾ Represents net notional credit protection purchased.

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

Bank of America Corporation and Subsidiaries

Net Credit Default Protection by Maturity Profile ⁽¹⁾

	December 31 2012	September 30 2012
Less than or equal to one year	21%	15%
Greater than one year and less than or equal to five years	75	79
Greater than five years	4	6
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⁾

(Dollars in millions)

Ratings ^(2,3)	December 31, 2012		September 30, 2012	
	Net Notional ⁽⁴⁾	Percent of Total	Net Notional ⁽⁴⁾	Percent of Total
AAA	\$ (120)	0.8%	\$ (184)	1.1%
AA	(474)	3.2	(837)	4.9
A	(5,861)	40.0	(7,329)	42.7
BBB	(6,067)	41.4	(6,407)	37.3
BB	(1,101)	7.5	(1,128)	6.6
B	(937)	6.4	(946)	5.5
CCC and below	(247)	1.7	(486)	2.8
NR ⁽⁵⁾	150	(1.0)	153	(0.9)
Total net credit default protection	\$ (14,657)	100.0%	\$ (17,164)	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⁾ Ratings of BBB- or higher are considered to meet the definition of investment-grade.

⁽⁴⁾ Represents net credit default protection (purchased) sold.

⁽⁵⁾ "NR" is comprised of names that have not been rated.

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

Bank of America Corporation and Subsidiaries

Top 20 Non-U.S. Countries Exposure ⁽¹⁾

(Dollars in millions)

	Funded Loans and Loan Equivalents ⁽²⁾	Unfunded Loan Commitments	Net Counterparty Exposure ⁽³⁾	Securities/ Other Investments ⁽⁴⁾	Country Exposure at December 31 2012	Hedges and Credit Default Protection ⁽⁵⁾	Net Country Exposure at December 31 2012 ⁽⁶⁾	Increase (Decrease) from September 30 2012
United Kingdom	\$ 28,820	\$ 10,593	\$ 4,823	\$ 6,082	\$ 50,318	\$ (3,126)	\$ 47,192	\$ (9,993)
Japan	16,939	488	2,156	6,150	25,733	(1,894)	23,839	1,440
Canada	6,197	7,298	1,772	5,074	20,341	(1,365)	18,976	1,693
France	6,723	6,295	1,332	4,616	18,966	(2,675)	16,291	858
India	8,696	604	342	4,330	13,972	(254)	13,718	2,422
Brazil	8,251	494	517	3,617	12,879	(376)	12,503	3,424
Germany	4,407	5,392	3,008	3,334	16,141	(5,121)	11,020	(11,992)
Netherlands	6,177	2,257	614	2,850	11,898	(1,216)	10,682	4,031
Singapore	3,003	5,112	434	1,725	10,274	(100)	10,174	5,052
Australia	4,816	2,905	646	2,109	10,476	(747)	9,729	(1,410)
China	6,864	329	707	2,382	10,282	(1,095)	9,187	1,421
South Korea	4,766	691	319	2,618	8,394	(1,245)	7,149	873
Switzerland	2,476	3,199	509	605	6,789	(969)	5,820	(1,387)
Hong Kong	3,770	550	147	1,084	5,551	(108)	5,443	(262)
Russian Federation	3,187	1,398	87	678	5,350	(438)	4,912	2,599
Italy	2,858	2,825	2,295	521	8,499	(3,661)	4,838	(1,956)
Mexico	2,335	596	181	1,080	4,192	(533)	3,659	(337)
Taiwan	2,012	64	159	999	3,234	(12)	3,222	66
United Arab Emirates	2,134	412	186	116	2,848	(96)	2,752	73
Spain	1,899	1,018	192	604	3,713	(1,059)	2,654	26
Total top 20 non-U.S. countries exposure	\$ 126,330	\$ 52,520	\$ 20,426	\$ 50,574	\$ 249,850	\$ (26,090)	\$ 223,760	\$ (3,359)

⁽¹⁾ Beginning in the fourth quarter of 2012, Top 20 Non-U.S. Countries Exposure replaces our previous presentation of Selected Emerging Markets.

⁽²⁾ Includes loans, leases, overdrafts, acceptances, due froms, standby letters of credit, commercial letters of credit and formal guarantees, which have not been reduced by collateral, hedges or credit default protection. Funded loans are reported net of charge-offs, prior to any impairment provision.

⁽³⁾ Net counterparty exposure includes the fair value of derivatives including the counterparty risk associated with credit default protection and secured financing transactions. Derivatives have been reduced by \$43.1 billion in collateral, predominantly in cash, pledged under legally enforceable netting agreements. Secured financing transactions have been reduced by eligible cash or securities pledged. The notional amount of reverse repurchase transactions was \$80.8 billion at December 31, 2012. Counterparty exposure has not been reduced by hedges or credit default protection.

⁽⁴⁾ Long securities exposures have been netted on a single-name basis to but not below zero by short positions and net CDS purchased, consisting of single-name and index and tranch CDS.

⁽⁵⁾ Represents credit default protection purchased, net of credit default protection sold, which is used to mitigate the Corporation's risk to exposures listed that comprise Country Exposure as listed, consisting of single-name and index and tranch CDS. Amounts are calculated based on the credit default protection notional amount assuming zero recovery adjusted for any fair value receivable or payable.

⁽⁶⁾ Represents country exposure less hedges and credit default protection.

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

Bank of America Corporation and Subsidiaries

Selected European Countries

(Dollars in millions)

	Funded Loans and Loan Equivalents ⁽¹⁾	Unfunded Loan Commitments	Net Counterparty Exposure ⁽²⁾	Securities/ Other Investments ⁽³⁾	Country Exposure at December 31 2012	Hedges and Credit Default Protection ⁽⁴⁾	Net Country Exposure at December 31 2012 ⁽⁵⁾	Increase (Decrease) from September 30 2012
Greece								
Sovereign	\$ —	\$ —	\$ —	\$ 2	\$ 2	\$ —	\$ 2	\$ (3)
Financial institutions	—	—	—	6	6	(11)	(5)	—
Corporates	173	139	19	2	333	(24)	309	(7)
Total Greece	\$ 173	\$ 139	\$ 19	\$ 10	\$ 341	\$ (35)	\$ 306	\$ (10)
Ireland								
Sovereign	\$ 19	\$ —	\$ 27	\$ 22	\$ 68	\$ (10)	\$ 58	\$ 45
Financial institutions	437	31	106	40	614	(22)	592	122
Corporates	587	300	32	33	952	(23)	929	(387)
Total Ireland	\$ 1,043	\$ 331	\$ 165	\$ 95	\$ 1,634	\$ (55)	\$ 1,579	\$ (220)
Italy								
Sovereign	\$ 14	\$ —	\$ 1,843	\$ 58	\$ 1,915	\$ (1,885)	\$ 30	\$ (841)
Financial institutions	1,373	18	200	85	1,676	(599)	1,077	(471)
Corporates	1,471	2,807	252	378	4,908	(1,177)	3,731	(644)
Total Italy	\$ 2,858	\$ 2,825	\$ 2,295	\$ 521	\$ 8,499	\$ (3,661)	\$ 4,838	\$ (1,956)
Portugal								
Sovereign	\$ —	\$ —	\$ 31	\$ —	\$ 31	\$ (68)	\$ (37)	\$ (3)
Financial institutions	4	—	1	49	54	(16)	38	39
Corporates	194	43	4	8	249	(164)	85	41
Total Portugal	\$ 198	\$ 43	\$ 36	\$ 57	\$ 334	\$ (248)	\$ 86	\$ 77
Spain								
Sovereign	\$ 35	\$ —	\$ 64	\$ 182	\$ 281	\$ (54)	\$ 227	\$ (43)
Financial institutions	42	7	69	162	280	(122)	158	84
Corporates	1,822	1,011	59	260	3,152	(883)	2,269	(15)
Total Spain	\$ 1,899	\$ 1,018	\$ 192	\$ 604	\$ 3,713	\$ (1,059)	\$ 2,654	\$ 26
Total								
Sovereign	\$ 68	\$ —	\$ 1,965	\$ 264	\$ 2,297	\$ (2,017)	\$ 280	\$ (845)
Financial institutions	1,856	56	376	342	2,630	(770)	1,860	(226)
Corporates	4,247	4,300	366	681	9,594	(2,271)	7,323	(1,012)
Total selected European exposure	\$ 6,171	\$ 4,356	\$ 2,707	\$ 1,287	\$ 14,521	\$ (5,058)	\$ 9,463	\$ (2,083)

⁽¹⁾ Includes loans, leases, overdrafts, acceptances, due froms, standby letters of credit, commercial letters of credit and formal guarantees, which have not been reduced by collateral, hedges or credit default protection. Funded loans are reported net of charge-offs, prior to any impairment provision.

⁽²⁾ Net counterparty exposure includes the fair value of derivatives including the counterparty risk associated with credit default protection and secured financing transactions. Derivatives have been reduced by \$3.1 billion in collateral, predominantly in cash, pledged under legally enforceable netting agreements. Secured financing transactions have been reduced by eligible cash or securities pledged. The notional amount of reverse repurchase transactions was \$1.3 billion at December 31, 2012. Counterparty exposure has not been reduced by hedges or credit default protection.

⁽³⁾ Long securities exposures have been netted on a single-name basis to but not below zero by short positions of \$6.5 billion and net CDS purchased of \$1.8 billion, consisting of \$2.0 billion of net single-name CDS purchased and \$207 million of net index and tranch CDS sold.

⁽⁴⁾ Represents credit default protection purchased, net of credit default protection sold, which is used to mitigate the Corporation's risk to exposures listed that comprise Country Exposure as listed, including \$2.7 billion, consisting of \$3.0 billion in net single-name CDS purchased and \$346 million in net index and tranch CDS sold, to hedge loans and securities, \$2.3 billion in additional credit default protection purchased to hedge derivative assets and \$60 million in other short positions. Amounts are calculated based on the credit default protection notional amount assuming zero recovery adjusted for any fair value receivable or payable.

⁽⁵⁾ Represents country exposure less hedges and credit default protection.

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

Bank of America Corporation and Subsidiaries

Nonperforming Loans, Leases and Foreclosed Properties

(Dollars in millions)

	December 31 2012	September 30 2012	June 30 2012	March 31 2012	December 31 2011
Residential mortgage ⁽¹⁾	\$ 14,808	\$ 15,175	\$ 14,621	\$ 15,049	\$ 15,970
Home equity ^(1, 2)	4,281	4,275	4,207	4,360	2,453
Discontinued real estate ⁽¹⁾	248	266	257	269	290
Direct/Indirect consumer	92	36	35	41	40
Other consumer	2	1	1	5	15
Total consumer	19,431	19,753	19,121	19,724	18,768
U.S. commercial	1,484	1,609	1,841	2,048	2,174
Commercial real estate	1,513	2,028	2,498	3,404	3,880
Commercial lease financing	44	33	39	38	26
Non-U.S. commercial	68	139	194	140	143
	3,109	3,809	4,572	5,630	6,223
U.S. small business commercial	115	139	143	121	114
Total commercial	3,224	3,948	4,715	5,751	6,337
Total nonperforming loans and leases	22,655	23,701	23,836	25,475	25,105
Foreclosed properties ⁽³⁾	900	1,224	1,541	2,315	2,603
Total nonperforming loans, leases and foreclosed properties ^(4, 5, 6)	\$ 23,555	\$ 24,925	\$ 25,377	\$ 27,790	\$ 27,708
Fully-insured home loans past due 90 days or more and still accruing	\$ 22,157	\$ 21,817	\$ 22,287	\$ 21,176	\$ 21,164
Consumer credit card past due 90 days or more and still accruing	1,649	1,695	1,847	2,160	2,412
Other loans past due 90 days or more and still accruing	776	807	865	984	1,060
Total loans past due 90 days or more and still accruing ^(5, 7, 8)	\$ 24,582	\$ 24,319	\$ 24,999	\$ 24,320	\$ 24,636
Nonperforming loans, leases and foreclosed properties/Total assets ⁽⁹⁾	1.07%	1.14%	1.18%	1.28%	1.31%
Nonperforming loans, leases and foreclosed properties/Total loans, leases and foreclosed properties ⁽⁹⁾	2.62	2.81	2.87	3.10	3.01
Nonperforming loans and leases/Total loans and leases ⁽⁹⁾	2.52	2.68	2.70	2.85	2.74
Commercial utilized reservable criticized exposure ⁽¹⁰⁾	\$ 15,936	\$ 17,374	\$ 20,442	\$ 24,457	\$ 27,247
Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure ⁽¹⁰⁾	4.10%	4.69%	5.64%	6.77%	7.41%
Total commercial utilized criticized exposure/Commercial utilized exposure ⁽¹⁰⁾	4.44	5.03	5.92	6.86	7.47

⁽¹⁾ During the third quarter of 2012, as a result of new regulatory guidance, we changed the treatment of loans discharged as part of a Chapter 7 bankruptcy to write down these loans to collateral value and classify as nonperforming. As a result of this change, we reclassified \$557 million of residential mortgage loans, \$483 million of home equity loans and \$10 million of discontinued real estate loans to nonperforming as of September 30, 2012. Prior period amounts have not been restated.

⁽²⁾ During the first quarter of 2012, the bank regulatory agencies jointly issued interagency supervisory guidance on nonaccrual status for junior-lien consumer real estate loans. In accordance with this regulatory interagency guidance, we classify junior-lien home equity loans as nonperforming when the first-lien loan becomes 90 days past due even if the junior-lien loan is performing. As a result of this change, we reclassified \$1.9 billion of performing home equity loans to nonperforming as of March 31, 2012. Prior period amounts have not been restated.

⁽³⁾ Foreclosed property balances do not include loans that are insured by the Federal Housing Administration and have entered foreclosure of \$2.5 billion and \$1.4 billion at December 31, 2012 and 2011.

⁽⁴⁾ Balances do not include past due consumer credit card, consumer loans secured by real estate where repayments are insured by the Federal Housing Administration and individually insured long-term stand-by agreements (fully-insured home loans), and in general, other consumer and commercial loans not secured by real estate.

⁽⁵⁾ Balances do not include purchased credit-impaired loans even though the customer may be contractually past due. Purchased credit-impaired loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the loan.

⁽⁶⁾ Balances do not include the following:

	December 31 2012	September 30 2012	June 30 2012	March 31 2012	December 31 2011
Nonperforming loans held-for-sale	\$ 1,113	\$ 1,397	\$ 1,363	\$ 1,491	\$ 1,730
Nonperforming loans accounted for under the fair value option	401	458	453	798	786
Nonaccruing troubled debt restructured loans removed from the purchased credit-impaired portfolio prior to January 1, 2010	521	540	461	459	477

⁽⁷⁾ Balances do not include loans held-for-sale past due 90 days or more and still accruing of \$130 million, \$26 million, \$31 million, \$49 million and \$41 million at December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively. At December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, there were no loans accounted for under the fair value option past due 90 days or more and still accruing interest.

⁽⁸⁾ These balances are excluded from total nonperforming loans, leases and foreclosed properties.

⁽⁹⁾ Total assets and total loans and leases do not include loans accounted for under the fair value option of \$9.0 billion, \$7.6 billion, \$8.4 billion, \$9.2 billion and \$8.8 billion at December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively.

⁽¹⁰⁾ Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. The reservable criticized exposure excludes loans held-for-sale, exposure accounted for under the fair value option and other nonreservable exposure.

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

Bank of America Corporation and Subsidiaries

Nonperforming Loans, Leases and Foreclosed Properties Activity ⁽¹⁾

(Dollars in millions)

	Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
Nonperforming Consumer Loans:					
Balance, beginning of period	\$ 19,753	\$ 19,121	\$ 19,724	\$ 18,768	\$ 19,147
Additions to nonperforming loans:					
New nonperforming loans	3,323	3,306	3,259	3,308	3,757
Impact of change in treatment of loans discharged in bankruptcies ⁽²⁾	n/a	1,050	n/a	n/a	n/a
Impact of regulatory interagency guidance ⁽³⁾	n/a	n/a	n/a	1,853	n/a
Reductions in nonperforming loans:					
Paydowns	(968)	(822)	(858)	(1,153)	(803)
Sales	(47)	—	—	—	—
Returns to performing status ⁽⁴⁾	(1,076)	(943)	(1,271)	(913)	(1,018)
Charge-offs ⁽⁵⁾	(1,439)	(1,827)	(1,541)	(1,737)	(1,833)
Transfers to foreclosed properties	(115)	(132)	(192)	(402)	(482)
Total net additions (reductions) to nonperforming loans	(322)	632	(603)	956	(379)
Total nonperforming consumer loans, end of period	19,431	19,753	19,121	19,724	18,768
Foreclosed properties	650	799	1,108	1,805	1,991
Nonperforming consumer loans and foreclosed properties, end of period	\$ 20,081	\$ 20,552	\$ 20,229	\$ 21,529	\$ 20,759
Nonperforming Commercial Loans and Leases ⁽⁶⁾:					
Balance, beginning of period	\$ 3,948	\$ 4,715	\$ 5,751	\$ 6,337	\$ 7,299
Additions to nonperforming loans and leases:					
New nonperforming loans and leases	473	474	788	599	1,084
Advances	5	42	14	24	20
Reductions in nonperforming loans and leases:					
Paydowns	(445)	(548)	(806)	(573)	(949)
Sales	(198)	(113)	(392)	(137)	(211)
Return to performing status ⁽⁷⁾	(249)	(262)	(152)	(145)	(358)
Charge-offs ⁽⁸⁾	(273)	(221)	(379)	(291)	(386)
Transfers to foreclosed properties	(37)	(93)	(109)	(63)	(128)
Transfers to loans held-for-sale	—	(46)	—	—	(34)
Total net reductions to nonperforming loans and leases	(724)	(767)	(1,036)	(586)	(962)
Total nonperforming commercial loans and leases, end of period	3,224	3,948	4,715	5,751	6,337
Foreclosed properties	250	425	433	510	612
Nonperforming commercial loans, leases and foreclosed properties, end of period	\$ 3,474	\$ 4,373	\$ 5,148	\$ 6,261	\$ 6,949

⁽¹⁾ For amounts excluded from nonperforming loans, leases and foreclosed properties, see footnotes to Nonperforming Loans, Leases and Foreclosed Properties table on page 42.

⁽²⁾ During the third quarter of 2012, as a result of new regulatory guidance, we changed the treatment of loans discharged from Chapter 7 bankruptcy to write down these loans to collateral value and classify as nonperforming. As a result of this change, we reclassified a net \$1.1 billion of consumer real estate loans to nonperforming as of September 30, 2012. Prior period amounts have not been restated.

⁽³⁾ During the first quarter of 2012, the bank regulatory agencies jointly issued interagency supervisory guidance on nonaccrual status for junior-lien consumer real estate loans. In accordance with this regulatory interagency guidance, we classify junior-lien home equity loans as nonperforming when the first-lien loan becomes 90 days past due even if the junior-lien loan is performing. As a result of this change, we reclassified \$1.9 billion of performing home equity loans to nonperforming as of March 31, 2012. Prior period amounts have not been restated.

⁽⁴⁾ Consumer loans may be returned to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected, or when the loan otherwise becomes well-secured and is in the process of collection. Certain troubled debt restructurings are classified as nonperforming at the time of restructure and may only be returned to performing status after considering the borrower's sustained repayment performance for a reasonable period, generally six months.

⁽⁵⁾ Our policy is not to classify consumer credit card and non-bankruptcy related consumer loans not secured by real estate as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity and therefore are excluded from this table.

⁽⁶⁾ Includes U.S. small business commercial activity.

⁽⁷⁾ 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.

⁽⁸⁾ Small business card loans are not classified as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity and accordingly are excluded from this table.

n/a = not applicable

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

Bank of America Corporation and Subsidiaries

Quarterly Net Charge-offs and Net Charge-off Ratios ^(1, 2, 3, 4)

(Dollars in millions)

	Fourth Quarter 2012		Third Quarter 2012		Second Quarter 2012		First Quarter 2012		Fourth Quarter 2011	
Net Charge-offs	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Residential mortgage	\$ 714	1.16%	\$ 707	1.12%	\$ 734	1.16%	\$ 898	1.39%	\$ 834	1.25%
Home equity	767	2.77	1,621	5.55	892	3.00	957	3.13	939	2.95
Discontinued real estate	16	0.63	15	0.59	16	0.65	16	0.59	22	0.76
U.S. credit card	978	4.19	1,079	4.60	1,244	5.27	1,331	5.44	1,432	5.55
Non-U.S. credit card	119	3.62	124	3.70	135	3.97	203	5.78	(36)	(0.89)
Direct/Indirect consumer	195	0.94	161	0.78	181	0.86	226	1.03	284	1.24
Other consumer	64	15.78	63	9.53	49	7.71	56	8.59	63	9.04
Total consumer	2,853	2.04	3,770	2.64	3,251	2.25	3,687	2.48	3,538	2.28
U.S. commercial ⁽⁵⁾	27	0.05	55	0.12	94	0.20	66	0.15	78	0.17
Commercial real estate	84	0.88	91	0.97	77	0.83	132	1.36	200	1.95
Commercial lease financing	1	0.02	(12)	(0.22)	14	0.25	(9)	(0.16)	32	0.59
Non-U.S. commercial	17	0.12	9	0.06	7	0.06	(5)	(0.04)	18	0.15
	129	0.16	143	0.19	192	0.26	184	0.25	328	0.44
U.S. small business commercial	122	3.86	209	6.59	183	5.74	185	5.63	188	5.55
Total commercial	251	0.30	352	0.45	375	0.49	369	0.48	516	0.66
Total net charge-offs	\$ 3,104	1.40	\$ 4,122	1.86	\$ 3,626	1.64	\$ 4,056	1.80	\$ 4,054	1.74

By Business Segment

Consumer & Business Banking	\$ 1,284	3.86%	\$ 1,499	4.45%	\$ 1,669	4.91%	\$ 1,766	5.02%	\$ 1,925	5.19%
Consumer Real Estate Services	732	3.01	1,567	6.08	845	3.21	915	3.39	894	3.14
Global Banking	230	0.33	116	0.18	159	0.24	171	0.25	304	0.45
Global Markets	1	0.01	—	—	—	—	7	0.17	10	0.26
Global Wealth & Investment Management	91	0.35	97	0.38	88	0.36	94	0.38	113	0.46
All Other	766	1.24	843	1.32	865	1.33	1,103	1.65	808	1.15
Total net charge-offs	\$ 3,104	1.40	\$ 4,122	1.86	\$ 3,626	1.64	\$ 4,056	1.80	\$ 4,054	1.74

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

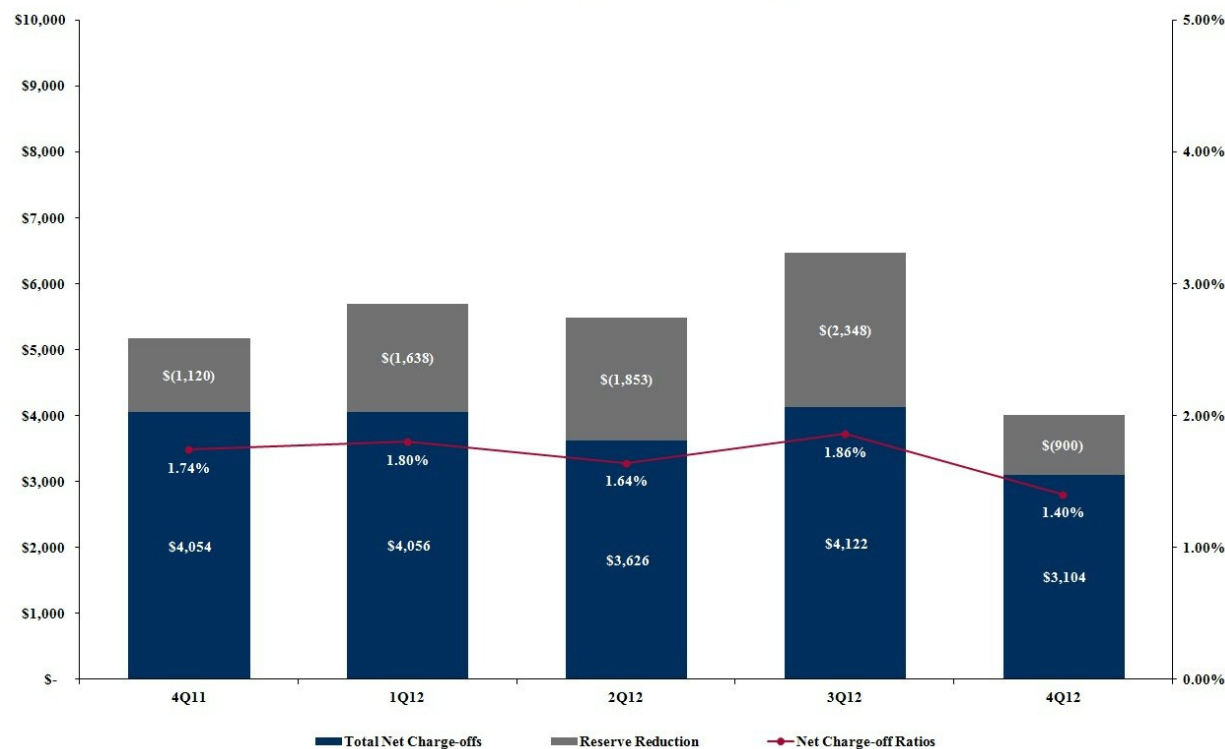
⁽²⁾ Excludes write-offs of purchased credit-impaired loans of \$1.1 billion and \$1.7 billion for the three months ended December 31, 2012 and September 30, 2012.

⁽³⁾ During the three months ended September 30, 2012, the Corporation changed the treatment of loans discharged from Chapter 7 bankruptcy to write down these loans to collateral value irrespective of the borrower's payment status. As a result of the completion of implementation, the Corporation charged off \$73 million and \$478 million of current or less than 60 days delinquent loans for the three months ended December 31, 2012 and September 30, 2012.

⁽⁴⁾ Includes \$435 million of charge-offs incurred during the three months ended September 30, 2012 as a result of National Mortgage Settlement activities.

⁽⁵⁾ Excludes U.S. small business commercial loans.

Net Charge-offs (Reserve Reduction)



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

Bank of America Corporation and Subsidiaries
Annual Net Charge-offs and Net Charge-off Ratios ^(1, 2, 3, 4)

(Dollars in millions)

Net Charge-offs	Year Ended December 31			
	2012		2011	
	Amount	Percent	Amount	Percent
Residential mortgage	\$ 3,053	1.21%	\$ 3,832	1.45%
Home equity	4,237	3.62	4,473	3.42
Discontinued real estate	63	0.61	92	0.75
U.S. credit card	4,632	4.88	7,276	6.90
Non-U.S. credit card	581	4.29	1,169	4.86
Direct/Indirect consumer	763	0.90	1,476	1.64
Other consumer	232	9.85	202	7.32
Total consumer	13,561	2.36	18,520	2.94
U.S. commercial ⁽⁵⁾	242	0.13	195	0.11
Commercial real estate	384	1.01	947	2.13
Commercial lease financing	(6)	(0.03)	24	0.11
Non-U.S. commercial	28	0.05	152	0.36
	648	0.21	1,318	0.46
U.S. small business commercial	699	5.46	995	7.12
Total commercial	1,347	0.43	2,313	0.77
Total net charge-offs	\$ 14,908	1.67	\$ 20,833	2.24
By Business Segment				
Consumer & Business Banking	\$ 6,218	4.57%	\$ 9,768	6.36%
Consumer Real Estate Services	4,059	3.93	4,257	3.68
Global Banking	676	0.25	1,258	0.48
Global Markets	8	0.03	9	0.07
Global Wealth & Investment Management	370	0.37	465	0.48
All Other	3,577	1.39	5,076	1.76
Total net charge-offs	\$ 14,908	1.67	\$ 20,833	2.24

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

⁽²⁾ The 2012 amounts exclude write-offs of purchased credit-impaired loans of \$2.8 billion.

⁽³⁾ During 2012, the Corporation changed the treatment of loans discharged from Chapter 7 bankruptcy to write down these loans to collateral value irrespective of the borrower's payment status. As a result of the completion of implementation, the Corporation charged off \$551 million of current or less than 60 days delinquent loans for the year ended December 31, 2012.

⁽⁴⁾ The 2012 amounts include \$435 million of charge-offs incurred as a result of National Mortgage Settlement activities.

⁽⁵⁾ Excludes U.S. small business commercial loans.

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

Bank of America Corporation and Subsidiaries

Allocation of the Allowance for Credit Losses by Product Type

(Dollars in millions)

	December 31, 2012			September 30, 2012			December 31, 2011		
	Amount	Percent of Total	Percent of Loans and Leases Outstanding ⁽¹⁾	Amount	Percent of Total	Percent of Loans and Leases Outstanding ⁽¹⁾	Amount	Percent of Total	Percent of Loans and Leases Outstanding ⁽¹⁾
Allowance for loan and lease losses									
Residential mortgage	\$ 5,004	20.69%	2.06%	\$ 5,202	19.84%	2.10%	\$ 5,715	16.92%	2.18%
Home equity	7,845	32.45	7.26	8,949	34.11	7.97	13,094	38.76	10.50
Discontinued real estate	2,084	8.62	21.07	2,383	9.08	24.13	2,270	6.72	20.46
U.S. credit card	4,718	19.51	4.97	4,898	18.67	5.26	6,322	18.71	6.18
Non-U.S. credit card	600	2.48	5.13	712	2.71	5.35	946	2.80	6.56
Direct/Indirect consumer	718	2.97	0.86	791	3.02	0.96	1,153	3.41	1.29
Other consumer	104	0.43	6.40	120	0.46	4.43	148	0.44	5.50
Total consumer	21,073	87.15	3.81	23,055	87.89	4.11	29,648	87.76	4.88
U.S. commercial ⁽²⁾	1,885	7.80	0.90	1,908	7.27	0.93	2,441	7.23	1.26
Commercial real estate	846	3.50	2.19	894	3.41	2.38	1,349	3.99	3.41
Commercial lease financing	78	0.32	0.33	81	0.31	0.35	92	0.27	0.42
Non-U.S. commercial	297	1.23	0.40	295	1.12	0.50	253	0.75	0.46
Total commercial ⁽³⁾	3,106	12.85	0.90	3,178	12.11	0.98	4,135	12.24	1.33
Allowance for loan and lease losses	24,179	100.00%	2.69	26,233	100.00%	2.96	33,783	100.00%	3.68
Reserve for unfunded lending commitments	513			518			714		
Allowance for credit losses	\$ 24,692			\$ 26,751			\$ 34,497		

Asset Quality Indicators

Allowance for loan and lease losses/Total loans and leases ⁽⁴⁾	2.69%	2.96%	3.68%
Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total loans and leases (excluding purchased credit-impaired loans) ^(4, 5)	2.14	2.23	2.86
Allowance for loan and lease losses/Total nonperforming loans and leases ⁽⁶⁾	107	111	135
Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases ⁽⁵⁾	82	81	101
Ratio of the allowance for loan and lease losses/Annualized net charge-offs ⁽⁷⁾	1.96	1.60	2.10
Ratio of the allowance for loan and lease losses (excluding purchased credit-impaired loans)/Annualized net charge-offs ^(5, 7)	1.51	1.17	1.57

⁽¹⁾ 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. Consumer loans accounted for under the fair value option include residential mortgage loans of \$147 million, \$160 million and \$906 million and discontinued real estate loans of \$858 million, \$1.0 billion and \$1.3 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively. Commercial loans accounted for under the fair value option include U.S. commercial loans of \$2.3 billion, \$2.0 billion and \$2.2 billion and non-U.S. commercial loans of \$5.7 billion, \$4.4 billion and \$4.4 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽²⁾ Includes allowance for U.S. small business commercial loans of \$642 million, \$701 million and \$893 million at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽³⁾ Includes allowance for loan and lease losses for impaired commercial loans of \$330 million, \$391 million and \$545 million at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁴⁾ Total loans and leases do not include loans accounted for under the fair value option of \$9.0 billion, \$7.6 billion and \$8.8 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁵⁾ Excludes valuation allowance on purchased credit-impaired loans of \$5.5 billion, \$7.1 billion and \$8.5 billion at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁶⁾ Allowance for loan and lease losses includes \$12.0 billion, \$13.9 billion and \$17.5 billion allocated to products (primarily the Card Services portfolios within *Consumer & Business Banking* and purchased credit-impaired loans) that are excluded from nonperforming loans and leases at December 31, 2012, September 30, 2012 and December 31, 2011, respectively. Excluding these amounts, allowance for loan and lease losses as a percentage of total nonperforming loans and leases was 54 percent, 52 percent and 65 percent at December 31, 2012, September 30, 2012 and December 31, 2011, respectively.

⁽⁷⁾ Excluding recoveries related to the bulk sale of previously charged-off U.K. credit card loans and home equity lien protection insurance, the ratio of the allowance for loan and lease losses to annualized net charge-offs would have been 1.92 and 1.44 (excluding purchased credit-impaired loans) for the quarter ended December 31, 2011.

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

Exhibit A: Non-GAAP Reconciliations

Bank of America Corporation and Subsidiaries

Reconciliations to GAAP Financial Measures

(Dollars in millions)

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

The Corporation also evaluates its business based on the following ratios that utilize tangible equity, a non-GAAP financial measure. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of average common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible shareholders' equity measures the Corporation's earnings contribution as a percentage of average shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible common equity ratio represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. The tangible equity ratio represents total ending shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents ending common shareholders' equity less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity (i.e., capital). In addition, profitability, relationship and investment models all use return on average tangible shareholders' equity as key measures to support our overall growth goals.

In addition, the Corporation evaluates its business segment results based on return on average economic capital, a non-GAAP financial measure. Return on average economic capital for the segments is calculated as net income adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average economic capital. Economic capital represents average allocated equity less goodwill and a percentage of intangible assets (excluding mortgage servicing rights). It also believes the use of this non-GAAP financial measure provides additional clarity in assessing the segments.

In certain presentations, earnings and diluted earnings per common share, the efficiency ratio, return on average assets, return on common shareholders' equity, return on average tangible common shareholders' equity and return on average tangible shareholders' equity are calculated excluding the impact of goodwill impairment charges of \$581 million and \$2.6 billion recorded in the fourth and second quarters of 2011. Accordingly, these are non-GAAP financial measures.

See the tables below and on pages 48-50 for reconciliations of these non-GAAP financial measures with financial measures defined by GAAP for the three months ended December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011 and the years ended December 31, 2012 and 2011. The Corporation believes the use of these non-GAAP financial measures provides additional clarity in assessing the results of the Corporation. Other companies may define or calculate supplemental financial data differently.

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Reconciliation of net interest income to net interest income on a fully taxable-equivalent basis							
Net interest income	\$ 40,656	\$ 44,616	\$ 10,324	\$ 9,938	\$ 9,548	\$ 10,846	\$ 10,701
Fully taxable-equivalent adjustment	901	972	231	229	234	207	258
Net interest income on a fully taxable-equivalent basis	\$ 41,557	\$ 45,588	\$ 10,555	\$ 10,167	\$ 9,782	\$ 11,053	\$ 10,959
Reconciliation of total revenue, net of interest expense to total revenue, net of interest expense on a fully taxable-equivalent basis							
Total revenue, net of interest expense	\$ 83,334	\$ 93,454	\$ 18,660	\$ 20,428	\$ 21,968	\$ 22,278	\$ 24,888
Fully taxable-equivalent adjustment	901	972	231	229	234	207	258
Total revenue, net of interest expense on a fully taxable-equivalent basis	\$ 84,235	\$ 94,426	\$ 18,891	\$ 20,657	\$ 22,202	\$ 22,485	\$ 25,146
Reconciliation of total noninterest expense to total noninterest expense, excluding goodwill impairment charges							
Total noninterest expense	\$ 72,093	\$ 80,274	\$ 18,360	\$ 17,544	\$ 17,048	\$ 19,141	\$ 19,522
Goodwill impairment charges	—	(3,184)	—	—	—	—	(581)
Total noninterest expense, excluding goodwill impairment charges	\$ 72,093	\$ 77,090	\$ 18,360	\$ 17,544	\$ 17,048	\$ 19,141	\$ 18,941
Reconciliation of income tax expense (benefit) to income tax expense (benefit) on a fully taxable-equivalent basis							
Income tax expense (benefit)	\$ (1,116)	\$ (1,676)	\$ (2,636)	\$ 770	\$ 684	\$ 66	\$ 441
Fully taxable-equivalent adjustment	901	972	231	229	234	207	258
Income tax expense (benefit) on a fully taxable-equivalent basis	\$ (215)	\$ (704)	\$ (2,405)	\$ 999	\$ 918	\$ 273	\$ 699
Reconciliation of net income to net income, excluding goodwill impairment charges							
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 2,463	\$ 653	\$ 1,991
Goodwill impairment charges	—	3,184	—	—	—	—	581
Net income, excluding goodwill impairment charges	\$ 4,188	\$ 4,630	\$ 732	\$ 340	\$ 2,463	\$ 653	\$ 2,572
Reconciliation of net income (loss) applicable to common shareholders to net income (loss) applicable to common shareholders, excluding goodwill impairment charges							
Net income (loss) applicable to common shareholders	\$ 2,760	\$ 85	\$ 367	\$ (33)	\$ 2,098	\$ 328	\$ 1,584
Goodwill impairment charges	—	3,184	—	—	—	—	581
Net income (loss) applicable to common shareholders, excluding goodwill impairment charges	\$ 2,760	\$ 3,269	\$ 367	\$ (33)	\$ 2,098	\$ 328	\$ 2,165

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

Exhibit A: Non-GAAP Reconciliations (continued)

Bank of America Corporation and Subsidiaries

Reconciliations to GAAP Financial Measures

(Dollars in millions)

	Year Ended December 31		Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
	2012	2011	2012	2012	2012	2012	2011
Reconciliation of average common shareholders' equity to average tangible common shareholders' equity							
Common shareholders' equity	\$ 216,996	\$ 211,709	\$ 219,744	\$ 217,273	\$ 216,782	\$ 214,150	\$ 209,324
Goodwill	(69,974)	(72,334)	(69,976)	(69,976)	(69,976)	(69,967)	(70,647)
Intangible assets (excluding mortgage servicing rights)	(7,366)	(9,180)	(6,874)	(7,194)	(7,533)	(7,869)	(8,566)
Related deferred tax liabilities	2,593	2,898	2,490	2,556	2,626	2,700	2,775
Tangible common shareholders' equity	\$ 142,249	\$ 133,093	\$ 145,384	\$ 142,659	\$ 141,899	\$ 139,014	\$ 132,886
Reconciliation of average shareholders' equity to average tangible shareholders' equity							
Shareholders' equity	\$ 235,677	\$ 229,095	\$ 238,512	\$ 236,039	\$ 235,558	\$ 232,566	\$ 228,235
Goodwill	(69,974)	(72,334)	(69,976)	(69,976)	(69,976)	(69,967)	(70,647)
Intangible assets (excluding mortgage servicing rights)	(7,366)	(9,180)	(6,874)	(7,194)	(7,533)	(7,869)	(8,566)
Related deferred tax liabilities	2,593	2,898	2,490	2,556	2,626	2,700	2,775
Tangible shareholders' equity	\$ 160,930	\$ 150,479	\$ 164,152	\$ 161,425	\$ 160,675	\$ 157,430	\$ 151,797
Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity							
Common shareholders' equity	\$ 218,188	\$ 211,704	\$ 218,188	\$ 219,838	\$ 217,213	\$ 213,711	\$ 211,704
Goodwill	(69,976)	(69,967)	(69,976)	(69,976)	(69,976)	(69,976)	(69,967)
Intangible assets (excluding mortgage servicing rights)	(6,684)	(8,021)	(6,684)	(7,030)	(7,335)	(7,696)	(8,021)
Related deferred tax liabilities	2,428	2,702	2,428	2,494	2,559	2,628	2,702
Tangible common shareholders' equity	\$ 143,956	\$ 136,418	\$ 143,956	\$ 145,326	\$ 142,461	\$ 138,667	\$ 136,418
Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity							
Shareholders' equity	\$ 236,956	\$ 230,101	\$ 236,956	\$ 238,606	\$ 235,975	\$ 232,499	\$ 230,101
Goodwill	(69,976)	(69,967)	(69,976)	(69,976)	(69,976)	(69,976)	(69,967)
Intangible assets (excluding mortgage servicing rights)	(6,684)	(8,021)	(6,684)	(7,030)	(7,335)	(7,696)	(8,021)
Related deferred tax liabilities	2,428	2,702	2,428	2,494	2,559	2,628	2,702
Tangible shareholders' equity	\$ 162,724	\$ 154,815	\$ 162,724	\$ 164,094	\$ 161,223	\$ 157,455	\$ 154,815
Reconciliation of period-end assets to period-end tangible assets							
Assets	\$2,209,974	\$2,129,046	\$2,209,974	\$2,166,162	\$2,160,854	\$2,181,449	\$2,129,046
Goodwill	(69,976)	(69,967)	(69,976)	(69,976)	(69,976)	(69,976)	(69,967)
Intangible assets (excluding mortgage servicing rights)	(6,684)	(8,021)	(6,684)	(7,030)	(7,335)	(7,696)	(8,021)
Related deferred tax liabilities	2,428	2,702	2,428	2,494	2,559	2,628	2,702
Tangible assets	\$2,135,742	\$2,053,760	\$2,135,742	\$2,091,650	\$2,086,102	\$2,106,405	\$2,053,760

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

Exhibit A: Non-GAAP Reconciliations (continued)

Bank of America Corporation and Subsidiaries Reconciliations to GAAP Financial Measures

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Reconciliation of return on average economic capital							
Consumer & Business Banking							
Reported net income	\$ 5,321	\$ 7,447	\$ 1,428	\$ 1,285	\$ 1,155	\$ 1,453	\$ 1,242
Adjustment related to intangibles ⁽¹⁾	13	20	3	3	4	3	5
Adjusted net income	\$ 5,334	\$ 7,467	\$ 1,431	\$ 1,288	\$ 1,159	\$ 1,456	\$ 1,247
Average allocated equity	\$ 53,646	\$ 52,908	\$ 54,194	\$ 53,982	\$ 53,452	\$ 52,947	\$ 53,004
Adjustment related to goodwill and a percentage of intangibles	(30,468)	(30,635)	(30,417)	(30,447)	(30,485)	(30,522)	(30,587)
Average economic capital	\$ 23,178	\$ 22,273	\$ 23,777	\$ 23,535	\$ 22,967	\$ 22,425	\$ 22,417
Consumer Real Estate Services							
Reported net loss	\$ (6,507)	\$ (19,465)	\$ (3,722)	\$ (876)	\$ (766)	\$ (1,143)	\$ (1,442)
Adjustment related to intangibles ⁽¹⁾	—	—	—	—	—	—	—
Goodwill impairment charge	—	2,603	—	—	—	—	—
Adjusted net loss	\$ (6,507)	\$ (16,862)	\$ (3,722)	\$ (876)	\$ (766)	\$ (1,143)	\$ (1,442)
Average allocated equity	\$ 13,687	\$ 16,202	\$ 12,525	\$ 13,332	\$ 14,116	\$ 14,791	\$ 14,757
Adjustment related to goodwill and a percentage of intangibles (excluding mortgage servicing rights)	—	(1,350)	—	—	—	—	—
Average economic capital	\$ 13,687	\$ 14,852	\$ 12,525	\$ 13,332	\$ 14,116	\$ 14,791	\$ 14,757
Global Banking							
Reported net income	\$ 5,725	\$ 6,046	\$ 1,432	\$ 1,296	\$ 1,407	\$ 1,590	\$ 1,337
Adjustment related to intangibles ⁽¹⁾	4	6	1	1	1	1	1
Adjusted net income	\$ 5,729	\$ 6,052	\$ 1,433	\$ 1,297	\$ 1,408	\$ 1,591	\$ 1,338
Average allocated equity	\$ 45,907	\$ 47,384	\$ 45,729	\$ 46,223	\$ 45,958	\$ 45,719	\$ 46,087
Adjustment related to goodwill and a percentage of intangibles	(24,854)	(24,623)	(24,849)	(24,852)	(24,856)	(24,861)	(24,899)
Average economic capital	\$ 21,053	\$ 22,761	\$ 20,880	\$ 21,371	\$ 21,102	\$ 20,858	\$ 21,188
Global Markets							
Reported net income (loss)	\$ 1,054	\$ 988	\$ 152	\$ (359)	\$ 462	\$ 799	\$ (768)
Adjustment related to intangibles ⁽¹⁾	9	12	2	2	3	2	3
Adjusted net income (loss)	\$ 1,063	\$ 1,000	\$ 154	\$ (357)	\$ 465	\$ 801	\$ (765)
Average allocated equity	\$ 17,595	\$ 22,671	\$ 17,859	\$ 17,070	\$ 17,136	\$ 18,317	\$ 19,806
Adjustment related to goodwill and a percentage of intangibles	(4,639)	(4,625)	(4,649)	(4,651)	(4,609)	(4,648)	(4,652)
Average economic capital	\$ 12,956	\$ 18,046	\$ 13,210	\$ 12,419	\$ 12,527	\$ 13,669	\$ 15,154
Global Wealth & Investment Management							
Reported net income	\$ 2,223	\$ 1,718	\$ 578	\$ 562	\$ 541	\$ 542	\$ 272
Adjustment related to intangibles ⁽¹⁾	23	30	5	6	6	6	7
Adjusted net income	\$ 2,246	\$ 1,748	\$ 583	\$ 568	\$ 547	\$ 548	\$ 279
Average allocated equity	\$ 17,739	\$ 17,352	\$ 18,508	\$ 18,229	\$ 17,421	\$ 16,784	\$ 17,366
Adjustment related to goodwill and a percentage of intangibles	(10,380)	(10,486)	(10,359)	(10,389)	(10,410)	(10,364)	(10,452)
Average economic capital	\$ 7,359	\$ 6,866	\$ 8,149	\$ 7,840	\$ 7,011	\$ 6,420	\$ 6,914

For footnote see page 50.

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

Exhibit A: Non-GAAP Reconciliations (continued)

Bank of America Corporation and Subsidiaries Reconciliations to GAAP Financial Measures

(Dollars in millions)

	Year Ended December 31		Fourth Quarter	Third Quarter	Fourth Quarter
	2012	2011	2012	2012	2011
Consumer & Business Banking					
<u>Deposits</u>					
Reported net income	\$ 917	\$ 1,217	\$ 216	\$ 207	\$ 154
Adjustment related to intangibles ⁽¹⁾	1	3	—	—	1
Adjusted net income	\$ 918	\$ 1,220	\$ 216	\$ 207	\$ 155
Average allocated equity	\$ 24,329	\$ 23,734	\$ 25,076	\$ 25,047	\$ 23,861
Adjustment related to goodwill and a percentage of intangibles	(17,924)	(17,948)	(17,915)	(17,920)	(17,939)
Average economic capital	\$ 6,405	\$ 5,786	\$ 7,161	\$ 7,127	\$ 5,922
<u>Card Services</u>					
Reported net income	\$ 4,061	\$ 5,811	\$ 1,099	\$ 994	\$ 1,028
Adjustment related to intangibles ⁽¹⁾	12	17	3	3	4
Adjusted net income	\$ 4,073	\$ 5,828	\$ 1,102	\$ 997	\$ 1,032
Average allocated equity	\$ 20,578	\$ 21,127	\$ 20,652	\$ 20,463	\$ 20,610
Adjustment related to goodwill and a percentage of intangibles	(10,447)	(10,589)	(10,405)	(10,429)	(10,549)
Average economic capital	\$ 10,131	\$ 10,538	\$ 10,247	\$ 10,034	\$ 10,061
<u>Business Banking</u>					
Reported net income	\$ 343	\$ 419	\$ 113	\$ 84	\$ 60
Adjustment related to intangibles ⁽¹⁾	—	—	—	—	—
Adjusted net income	\$ 343	\$ 419	\$ 113	\$ 84	\$ 60
Average allocated equity	\$ 8,739	\$ 8,047	\$ 8,466	\$ 8,472	\$ 8,533
Adjustment related to goodwill and a percentage of intangibles	(2,097)	(2,098)	(2,097)	(2,098)	(2,099)
Average economic capital	\$ 6,642	\$ 5,949	\$ 6,369	\$ 6,374	\$ 6,434

⁽¹⁾ Represents cost of funds, earnings credits and certain expenses related to intangibles.

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