**As filed with the Securities and Exchange Commission on July 16, 2014**

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 8-K

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

Date of Report (Date of earliest event reported):
July 16, 2014

# BANK OF AMERICA CORPORATION
**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Delaware** | **1-6523** | **56-0906609** |
| **(State or Other Jurisdiction of Incorporation)** | **(Commission File Number)** | **(IRS Employer Identification No.)** |

**100 North Tryon Street**
**Charlotte, North Carolina 28255**
**(Address of principal executive offices)**

**(704) 386-5681**
**(Registrant's telephone number, including area code)**

**Not Applicable**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On July 16, 2014, Bank of America Corporation (the "Corporation") announced financial results for thesecond quarter ended June 30, 2014, reporting second quarter net income of $2.3 billion, or $0.19 per diluted share. A copy of the press release announcing the Corporation's results for thesecond quarter ended June 30, 2014 (the "Press Release") is attached hereto as Exhibit 99.1 and is incorporated by reference in this Item 2.02. The Press Release is available on the Corporation's website.

The information provided in Item 2.02 of this report, including Exhibit 99.1, shall be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**ITEM 7.01. REGULATION FD DISCLOSURE.**

On July 16, 2014, the Corporation will hold an investor conference call and webcast to discuss financial results for thesecond quarter ended June 30, 2014, including the Press Release and other matters relating to the Corporation.

The Corporation has also made available on its website presentation materials containing certain historical and forward-looking information relating to the Corporation (the "Presentation Materials") and materials that contain additional information about the Corporation's financial results for the quarter ended June 30, 2014 (the "Supplemental Information"). The Presentation Materials and the Supplemental Information are furnished herewith as Exhibit 99.2 and Exhibit 99.3, respectively, and are incorporated by reference in this Item 7.01. All information in Exhibits 99.2 and 99.3 is presented as of the particular date or dates referenced therein, and the Corporation does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

The information provided in Item 7.01 of this report, including Exhibits 99.2 and 99.3, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall the information or Exhibits 99.2 or 99.3 be deemed incorporated by reference in any filings under the Securities Act of 1933, as amended.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

**(d) Exhibits.**

Exhibit 99.1 is filed herewith. Exhibits 99.2 and 99.3 are furnished herewith.

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|---|---|
| 99.1 | The Press Release |
| 99.2 | The Presentation Materials |
| 99.3 | The Supplemental Information |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Corporation has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BANK OF AMERICA CORPORATION**

| | |
|---|---|
| By: | /s/ Neil A. Cotty |
| | Neil A. Cotty |
| | Chief Accounting Officer |

Dated: July 16, 2014

## INDEX TO EXHIBITS

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|---|---|
| 99.1 | The Press Release |
| 99.2 | The Presentation Materials |
| 99.3 | The Supplemental Information |

July 16, 2014

Investors May Contact:
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**Bank of America Reports Second-quarter 2014 Net Income of $2.3 Billion, or $0.19 per Diluted Share, on Revenue of $22.0 Billion(A)**

**Results Include Litigation Expense of $4.0 Billion (Pretax) or Approximately $0.22 per Share (After Tax)**

**Company Reaches Settlement With AIG to Resolve Residential Mortgage-backed Securities Claims for $650 Million**

***Business Metrics Reflect Progress on Customer-focused Strategy***

- *Total Period-end Deposit Balances up $54 Billion, or 5 Percent, From Q2-13 to a Record $1.13 Trillion*
- *Funding of $13.7 Billion in Residential Home Loans and Home Equity Loans in Q2-14 Helped Nearly 43,000 Homeowners Purchase a Home or Refinance a Mortgage*
- *More Than 1.1 Million New Credit Cards Issued in Q2-14, With 65 Percent Going to Existing Customers*
- *Global Wealth and Investment Management Reports Record Revenue of $4.6 Billion and Record Total Client Balances of $2.47 Trillion*
- *Global Banking Average Loan Balances up 6 Percent From Q2-13 to $271 Billion*
- *Bank of America Merrill Lynch Maintained a Leadership Position in Investment Banking with Total Firmwide Fees of $1.6 Billion and Record Equity Issuance Fees in Q2-14, Excluding Self-led Deals*
- *FICC Sales and Trading Revenue, Excluding Net DVA, up 5 Percent* From Q2-13(B)
- *Noninterest Expense, Excluding Litigation, Down 6 Percent From Q2-13 to $14.6 Billion(C)*
- *Credit Quality Continued to Improve With Net Charge-offs Down 49 Percent From Q2-13 to $1.1 Billion; Net Charge-off Ratio of 0.48 Percent Is Lowest in a Decade*

***Capital and Liquidity Measures Remain Strong***

- *Estimated Common Equity Tier 1 Ratio Under Basel 3 (Standardized Approach, Fully Phased-in) Increased to 9.5 Percent in Q2-14; Advanced Approaches Increased to 9.9 Percent in Q2-14(D)*
- *Estimated Supplementary Leverage Ratios Above 2018 Required Minimums(E)*
- *Long-term Debt Down $5 Billion From Year-ago Quarter*
- *Record Global Excess Liquidity Sources of $431 Billion, up $89 Billion From Q2-13; Time-to-required Funding at 38 Months*
- *Tangible Book Value per Share Increased 7 Percent From Q2-13 to $14.24 per Share(F)*

CHARLOTTE — Bank of America Corporation today reported net income of $2.3 billion, or $0.19 per diluted share, for the second quarter of 2014, compared to net income of $4.0 billion, or $0.32 per diluted share, in the year-ago period. Revenue, net of interest expense, on an FTE basis(A) declined 4 percent from the second quarter of 2013 to $22.0 billion.

"The economy continues to strengthen, and our customers and clients are doing more business with us," said Chief Executive Officer Brian Moynihan. "Among other positive indicators, consumers are spending more, brokerage assets are up by double digits and our corporate clients are increasingly turning to us to help finance business expansion and merger activity. We are well positioned for further progress."

"During the quarter, our Basel 3 capital ratios improved and credit losses remained near historical lows," said Chief Financial Officer Bruce Thompson. "In addition, we did a good job managing expenses. Although litigation expenses were higher than the year-ago quarter, total noninterest expense, excluding litigation, declined 6 percent from the second quarter of 2013."(C)

**Selected Financial Highlights**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions, except per share data)* | **June 30 2014** | March 31 2014 | June 30 2013 |
| Net interest income, FTE basis [1] | **$ 10,226** | $ 10,286 | $ 10,771 |
| Noninterest income | **11,734** | 12,481 | 12,178 |
| **Total revenue, net of interest expense, FTE basis** [1] | **21,960** | 22,767 | 22,949 |
| Provision for credit losses | **411** | 1,009 | 1,211 |
| Noninterest expense [2] | **18,541** | 22,238 | 16,018 |
| **Net income (loss)** | **$ 2,291** | $ (276) | $ 4,012 |
| Diluted earnings (loss) per common share | **$ 0.19** | $ (0.05) | $ 0.32 |

[1] Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. For reconciliations to GAAP financial measures, refer to pages 22-24 of this press release. Net interest income on a GAAP basis was $10.0 billion, $10.1 billion and $10.5 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Total revenue, net of interest expense, on a GAAP basis was $21.7 billion, $22.6 billion and $22.7 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

[2] Noninterest expense includes litigation expense of $4.0 billion, $6.0 billion and $0.5 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

Net interest income, on an FTE basis, declined 5 percent from the year-ago quarter to $10.2 billion(A). The decline was driven by lower yields on debt securities due to a $528 million change in market-related premium amortization expense. Excluding these market-related adjustments, net interest income was relatively stable at $10.4 billion for both periods and the net interest margin was 2.26 percent in the second quarter of 2014, compared to 2.28 percent in the second quarter of 2013(A).

Noninterest income was down 4 percent from the year-ago quarter, driven primarily by year-over-year declines in mortgage banking income and equity investment income. The provision for credit losses declined 66 percent from the second quarter of 2013 to $411 million, driven by improved credit quality. Net charge-offs declined 49 percent from the second quarter of 2013 to $1.1 billion, with the net charge-off ratio falling to 0.48 percent in the second quarter of 2014 from 0.94 percent in the year-ago quarter. During the second quarter of 2014, the reserve release was $662 million, compared to a reserve release of $900 million in the second quarter of 2013.

Noninterest expense was $18.5 billion, compared to $16.0 billion in the year-ago quarter, driven by higher mortgage-related litigation expense, partially offset by reduced personnel expense. Substantially all litigation expense incurred in the second quarter of 2014 related to previously disclosed legacy mortgage-related matters. Excluding litigation expense, noninterest expense declined 6 percent from the year-ago quarter to $14.6 billion, reflecting continued progress by the company to realize cost savings in its Legacy Assets and Servicing business as well as Project New BAC[(C)].

The effective tax rate of 18.0 percent for the second quarter of 2014 was driven by the impact of recurring tax preference benefits on the lower level of pretax income. The effective tax rate for the second quarter of 2013 of 27.0 percent was primarily driven by recurring tax preference benefits and an increase in tax benefits from the 2012 non-U.S. restructurings.

At June 30, 2014, the company had 233,201 full-time employees, down 9 percent from the year-ago quarter and 2 percent below the first quarter of 2014.

**AIG Settlement**

On July 15, 2014, Bank of America executed a definitive settlement agreement with AIG to resolve all outstanding residential mortgage-backed securities (RMBS) litigation between the parties. Under the terms of the settlement, AIG will file notices of dismissal in its securities lawsuits against Bank of America and its affiliates pending in California and New York federal courts. Also, AIG has agreed to withdraw its objection to the Bank of New York Mellon private-label securities settlement (Article 77 Proceeding).

The AIG settlement amount of $650 million was covered by litigation reserves as of June 30, 2014. Bank of America has now resolved approximately 95 percent of the unpaid principal balance of all RMBS as to which RMBS securities litigation has been filed or threatened for all Bank of America-related entities.

In addition, the parties agreed to settle three actions brought by Bank of America seeking to collect mortgage insurance proceeds due from AIG's United Guaranty mortgage insurance subsidiaries on legacy Bank of America originated and serviced loans.

**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)

| (Dollars in millions) | Three Months Ended June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| **Total revenue, net of interest expense, FTE basis** | **$ 7,373** | $ 7,438 | $ 7,434 |
| Provision for credit losses | **534** | 812 | 967 |
| Noninterest expense | **4,000** | 3,963 | 4,184 |
| **Net income** | **$ 1,788** | $ 1,666 | $ 1,391 |
| Return on average allocated capital [1] | **24.3%** | 22.9% | 18.6% |
| Average loans | **$ 160,240** | $ 162,061 | $ 163,593 |
| Average deposits | **543,566** | 534,557 | 522,244 |
| **At period-end** | | | |
| Brokerage assets | **$ 105,926** | $ 100,206 | $ 84,182 |

[1] Return on average allocated capital is a non-GAAP financial measure. The company believes the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segments. Other companies may define or calculate this measure differently. For reconciliation to GAAP financial measures, refer to pages 22-24 of this press release.

### Business Highlights

- Average deposit balances increased $21.3 billion, or 4 percent, from the year-ago quarter to $543.6 billion. The increase was primarily driven by growth in liquid products in the current low-rate environment.
- Client brokerage assets increased $21.7 billion, or 26 percent, from the year-ago quarter to $105.9 billion, driven by increased market valuation and account flows.
- Credit card issuance remained strong with the company issuing 1.1 million new credit cards in the second quarter of 2014, up 18 percent from the year-ago quarter. Approximately 65 percent of these cards went to existing customers.
- The number of mobile banking customers increased 17 percent from the year-ago quarter to 15.5 million users, with 10 percent of customer deposit transactions using mobile devices.
- Return on average allocated capital was 24.3 percent in the second quarter of 2014, compared to 18.6 percent in the second quarter of 2013.

**Financial Overview**

Consumer and Business Banking reported net income of $1.8 billion, up $397 million, or 29 percent, from the year-ago quarter, reflecting lower provision for credit losses and continued progress on the company's strategy of deepening relationships and reducing costs by optimizing the delivery network. Revenue was relatively stable compared to the year-ago quarter as higher service charge income was offset by lower net interest income and slightly lower card income.

The provision for credit losses decreased $433 million from the year-ago quarter to $534 million, reflecting continued improvement in credit quality. Noninterest expense decreased 4 percent, or $184 million, from the year-ago quarter to $4.0 billion, driven by lower operating, litigation and personnel expenses. Network optimization continued with the reduction of another 72 banking centers through sales and closures during the second quarter of 2014.

**Consumer Real Estate Services (CRES)**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **June 30 2014** | March 31 2014 | June 30 2013 |
| **Total revenue, net of interest expense, FTE basis** | **$ 1,390** | $ 1,192 | $ 2,115 |
| Provision for credit losses | **(20)** | 25 | 291 |
| Noninterest expense[1] | **5,902** | 8,129 | 3,383 |
| **Net loss** | **$ (2,802)** | $ (5,027) | $ (930) |
| Average loans and leases | **88,257** | 88,914 | 90,114 |
| **At period-end** | | | |
| Loans and leases | **$ 88,156** | $ 88,355 | $ 89,257 |

[1] Noninterest expense includes litigation expense of $3.8 billion, $5.8 billion and $219 million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013.

**Business Highlights**

- Bank of America funded $13.7 billion in residential home loans and home equity loans during the second quarter of 2014, helping nearly 43,000 homeowners either refinance an existing mortgage or purchase a home. This included more than 5,500 first-time homebuyer mortgages and more than 13,800 mortgages to low- and moderate-income borrowers.

- The number of 60+ days delinquent first mortgage loans serviced by Legacy Assets and Servicing (LAS) declined 5 percent during the second quarter of 2014 to 263,000 loans from 277,000 loans at the end of the first quarter of 2014, and declined 47 percent from 492,000 loans at the end of the second quarter of 2013.

- Noninterest expense in LAS, excluding litigation, declined to $1.4 billion in the second quarter of 2014 from $1.6 billion in the first quarter of 2014 and $2.3 billion in the year-ago quarter as the company continued to focus on reducing the number of delinquent mortgage loans in its portfolio[(G)].

**Financial Overview**

Consumer Real Estate Services reported a net loss of $2.8 billion for the second quarter of 2014, compared to a net loss of $930 million for the same period in 2013, driven largely by a $3.6 billion increase in litigation expense. Revenue declined $725 million from the second quarter of 2013 to $1.4 billion, driven primarily by lower core production revenue due to fewer loan originations as well as lower servicing income, primarily due to a smaller servicing portfolio.

CRES first-mortgage originations declined 59 percent in the second quarter of 2014 compared to the same period in 2013, reflecting a decline in overall market demand for refinance mortgages. Core production revenue decreased $542 million from the year-ago quarter to $318 million due primarily to lower volume and a reduction in revenues from sales of loans that had returned to performing status.

The provision for credit losses decreased $311 million from the year-ago quarter to a provision benefit of $20 million due to the continued improvement in portfolio trends.

Noninterest expense increased $2.5 billion from the year-ago quarter to $5.9 billion, due to a $3.6 billion increase in litigation expense, partially offset by lower LAS default-related staffing and other default-related servicing expenses, and lower Home Loans expenses as refinance demand slowed.

**Global Wealth and Investment Management (GWIM)**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **June 30 2014** | March 31 2014 | June 30 2013 |
| **Total revenue, net of interest expense, FTE basis** | **$ 4,589** | $ 4,547 | $ 4,499 |
| Provision for credit losses | **(8)** | 23 | (15) |
| Noninterest expense | **3,447** | 3,359 | 3,270 |
| **Net income** | **$ 724** | $ 729 | $ 759 |
| Return on average allocated capital [1] | **24.3%** | 24.7% | 30.6% |
| Average loans and leases | **$ 118,512** | $ 115,945 | $ 109,589 |
| Average deposits | **240,042** | 242,792 | 235,344 |
| **At period-end** *(dollars in billions)* | | | |
| Assets under management | **$ 878.7** | $ 841.8 | $ 743.6 |
| Total client balances [2] | **2,468.2** | 2,395.8 | 2,215.1 |

[1] Return on average allocated capital is a non-GAAP financial measure. The company believes the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segments. Other companies may define or calculate this measure differently. For reconciliation to GAAP financial measures, refer to pages 22-24 of this press release.

[2] Total client balances are defined as assets under management, client brokerage assets, assets in custody, client deposits and loans (including margin receivables).

**Business Highlights**

- Client balances increased 11 percent from the year-ago quarter to a record $2.47 trillion, driven by higher market levels and net inflows. Second-quarter 2014 long-term assets under management (AUM) flows of $11.9 billion were the 20th consecutive quarter of positive flows.

- Asset management fees grew to a record $1.95 billion, up 15 percent from the year-ago quarter.

- Average loan balances increased 8 percent from the year-ago quarter to $118.5 billion.

- Pretax margin was 25.1 percent in the second quarter of 2014, compared to the record year-ago margin of 27.6 percent, marking the sixth straight quarter over 25 percent.

**Financial Overview**

Global Wealth and Investment Management reported net income of $724 million, compared to $759 million in the second quarter of 2013. Revenue increased 2 percent from the year-ago quarter to a record $4.6 billion, driven by higher noninterest income related to improved market valuation and long-term AUM flows.

Credit quality remained strong in the second quarter with the provision for credit losses relatively stable compared to the year-ago quarter. Noninterest expense increased 5 percent to $3.4 billion, driven in part by higher revenue-related incentive compensation and other volume-related expenses and additional investments in technology and other areas to support business growth.

Return on average allocated capital was 24.3 percent in the second quarter of 2014, down from 30.6 percent in the year-ago quarter, as relatively stable earnings were more than offset by increased capital allocations.

Client balances rose 11 percent from the year-ago quarter to $2.47 trillion, driven largely by higher market levels, long-term AUM flows of $49.0 billion and period-end client loan growth of $8.5 billion. Assets under management rose $135.1 billion, or 18 percent, from the second quarter of 2013 to $878.7 billion, driven by increased market valuation and long-term AUM flows. Average deposit balances increased $4.7 billion from the second quarter of 2013 to $240.0 billion.

## Global Banking

| (Dollars in millions) | Three Months Ended<br>June 30<br>2014 | March 31<br>2014 | June 30<br>2013 |
|---|---|---|---|
| **Total revenue, net of interest expense, FTE basis** | **$ 4,179** | $ 4,269 | $ 4,138 |
| Provision for credit losses | **132** | 265 | 163 |
| Noninterest expense | **1,899** | 2,028 | 1,849 |
| **Net income** | **$ 1,353** | $ 1,236 | $ 1,297 |
| Return on average allocated capital [1] | **17.5%** | 16.2% | 22.6% |
| Average loans and leases | **$ 271,417** | $ 271,475 | $ 255,674 |
| Average deposits | **258,937** | 256,433 | 226,912 |

[1] Return on average allocated capital is a non-GAAP financial measure. The company believes the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segments. Other companies may define or calculate this measure differently. For reconciliation to GAAP financial measures, refer to pages 22-24 of this press release.

### Business Highlights

- Bank of America Merrill Lynch (BAML) was ranked No. 2 in global net investment banking fees in the second quarter of 2014 with firmwide investment banking fees of $1.6 billion, excluding self-led deals(H). Global Banking achieved record equity underwriting fees, excluding self-led deals.

- BAML ranked among the top three financial institutions globally in leveraged loans, convertible debt, asset-backed securities, common stock underwriting, investment grade corporate debt and syndicated loans during the second quarter of 2014(H).

- BAML was recently awarded two of Euromoney magazine's most prestigious accolades: Best Global Investment Bank and Best Global Transaction Services House, marking the first time Euromoney awarded one firm both awards in the same year.

- Average loan and lease balances increased $15.7 billion, or 6 percent, from the year-ago quarter, to $271.4 billion, with growth in the commercial and industrial loan portfolio and the commercial real estate and leasing portfolios.

- Average deposits increased $32.0 billion, or 14 percent, from the year-ago quarter to $258.9 billion primarily due to increased client liquidity and international growth.

### Financial Overview

Global Banking reported net income of $1.4 billion in the second quarter of 2014, compared to $1.3 billion in the year-ago quarter as a decline in the provision for credit losses was partially offset by higher noninterest expense. Revenue of $4.2 billion was relatively stable compared to the second quarter of 2013.

Global Corporate Banking revenue increased to $1.6 billion in the second quarter of 2014, up $29 million from the year-ago quarter, and Global Commercial Banking revenue decreased $59 million to $1.7 billion. Included in these results are Business Lending revenue of $1.8 billion, down $80 million from the year-ago quarter, and Global Transaction

Services revenue of $1.5 billion, up $50 million from the year-ago period. Global Banking investment banking fees, excluding self-led deals, increased $33 million versus the year-ago quarter.

The provision for credit losses decreased $31 million from the year-ago quarter to $132 million. Noninterest expense increased $50 million, or 3 percent, from the year-ago quarter to $1.9 billion, primarily from higher litigation expense.

Return on average allocated capital was 17.5 percent in the second quarter of 2014, down from 22.6 percent in the year-ago quarter, as modest earnings improvement was more than offset by increased capital allocations.

### Global Markets[1]

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **June 30 2014** | March 31 2014 | June 30 2013 |
| **Total revenue, net of interest expense, FTE basis** | **$ 4,583** | $ 5,012 | $ 4,194 |
| Provision for credit losses | **19** | 19 | (16) |
| Noninterest expense | **2,862** | 3,077 | 2,770 |
| **Net income** | **$ 1,101** | $ 1,308 | $ 962 |
| Return on average allocated capital [2] | **13.0%** | 15.6% | 12.9% |
| Total average assets | **$ 617,103** | $ 601,439 | $ 656,109 |

1 During 2014, the management of structured liabilities and the associated DVA were moved into Global Markets from All Other to better align the performance risk of these instruments. As such, net DVA represents the combined total of net DVA on derivatives and structured liabilities. Prior periods have been reclassified to conform to current period presentation. Net DVA gains were $69 million, $112 million and $49 million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

2 Return on average allocated capital is a non-GAAP financial measure. The company believes the use of this non-GAAP financial measure provides additional clarity in assessing the results of the segments. Other companies may define or calculate this measure differently. For reconciliation to GAAP financial measures, refer to pages 22-24 of this press release.

### Business Highlights

- Fixed Income, Currency and Commodities (FICC) sales and trading revenue, excluding net DVA[(B)], increased 5 percent from the second quarter of 2013 to $2.4 billion.

- Return on average allocated capital was 13.0 percent in the second quarter of 2014, compared to 12.9 percent in the second quarter of 2013, reflecting increased net income which was largely offset by an increase in allocated capital compared to the year-ago quarter.

### Financial Overview

Global Markets reported net income of $1.1 billion in the second quarter of 2014, up 14 percent from the year-ago quarter. Revenue increased $389 million, or 9 percent, from the year-ago quarter to $4.6 billion, reflecting higher equity investment gains (not included in sales and trading) and increased investment banking fees.

Total sales and trading revenue was comparable to the year-ago quarter at $3.5 billion. Excluding net DVA, sales and trading revenue was $3.4 billion in both periods[(I)]. FICC sales and trading revenue, excluding net DVA[(B)], was $2.4 billion in the second quarter of 2014, an increase of $117 million, or 5 percent, from the year-ago quarter, reflecting improved performance in mortgage and municipal products, partially offset by declines in foreign exchange and commodities. Equities sales and trading revenue, excluding net DVA[(J)], was $1.0 billion, a decrease of $162 million, or 14 percent, from the year-ago quarter as low volatility depressed secondary market volumes and reduced client activity. In addition to sales and trading, there was an equity investment gain of $240 million in the second quarter of 2014.

Noninterest expense was $2.9 billion compared to $2.8 billion in the year-ago quarter.

**All Other[1]**

| | Three Months Ended | | |
|---|---|---|---|
| *(Dollars in millions)* | **June 30 2014** | March 31 2014 | June 30 2013 |
| **Total revenue, net of interest expense, FTE basis [2, 3]** | **$ (154)** | $ 309 | $ 569 |
| Provision for credit losses | **(246)** | (135) | (179) |
| Noninterest expense[4] | **431** | 1,682 | 562 |
| **Net income (loss)** | **$ 127** | $ (188) | $ 533 |
| Total average loans | **210,575** | 217,391 | 238,910 |

1 All Other consists of ALM activities, equity investments, the international consumer card business, 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, the impact of certain allocation methodologies and accounting hedge ineffectiveness.

2 Revenue includes equity investment income of $56 million, $674 million and $576 million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively, and gains on sales of debt securities of $382 million, $357 million and $452 million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

3 During 2014, the management of structured liabilities and the associated DVA were moved into Global Markets from All Other to better align the performance risk of these instruments. Prior periods have been reclassified to conform to current period presentation.

4 The three months ended March 31, 2014 included $717 million of expense related to annual retirement-eligible incentive compensation.

All Other reported net income of $127 million in the second quarter of 2014, compared to net income of $533 million for the same period a year ago. The decline was primarily driven by lower equity investment income and the negative quarterly impact of market-related net interest income adjustments compared to the year-ago quarter. This was partially offset by an improvement in the provision for credit losses driven primarily by recoveries on bulk sales of nonperforming loans, and lower noninterest expense.

**Credit Quality**

| (Dollars in millions) | Three Months Ended June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| Provision for credit losses | **$ 411** | $ 1,009 | $ 1,211 |
| Net charge-offs[1] | **1,073** | 1,388 | 2,111 |
| Net charge-off ratio[1, 2] | **0.48 %** | 0.62 % | 0.94 % |
| Net charge-off ratio, excluding the PCI loan portfolio [2] | **0.49** | 0.64 | 0.97 |
| Net charge-off ratio, including PCI write-offs [2] | **0.55** | 0.79 | 1.07 |
| **At period-end** | | | |
| Nonperforming loans, leases and foreclosed properties | **$ 15,300** | $ 17,732 | $ 21,280 |
| Nonperforming loans, leases and foreclosed properties ratio [3] | **1.70 %** | 1.96 % | 2.33 % |
| Allowance for loan and lease losses | **$ 15,811** | $ 16,618 | $ 21,235 |
| Allowance for loan and lease losses ratio [4] | **1.75 %** | 1.84 % | 2.33 % |

[1] Excludes write-offs of PCI loans of $160 million, $391 million and $313 million for thethree months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

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

[3] 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.

[4] 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 accounted for under the fair value option.

Credit quality continued to improve in thesecond quarter of 2014. Compared with the second quarter a year ago, net charge-offs declined across all major portfolios and the provision for credit losses decreased. The number of 30+ days performing delinquent loans, excluding fully-insured loans, declined across all consumer portfolios from the year-ago quarter, reaching record low levels in the U.S. credit card portfolio. Additionally, reservable criticized balances and nonperforming loans, leases and foreclosed properties continued to decline, down 17 percent and 28 percent respectively, from the year-ago period.

Net charge-offs were $1.1 billion in the second quarter of 2014, down from $1.4 billion in the first quarter of 2014 and $2.1 billion in the second quarter of 2013. The second quarter of 2014 included $185 million of recoveries associated with the $2.1 billion bulk sale of nonperforming loans.

The provision for credit losses declined to $411 million in the second quarter of 2014 from $1.2 billion in the second quarter of 2013, driven by lower levels of delinquencies across the consumer lending portfolio, as well as improvement in the consumer real estate portfolios, primarily due to increased home prices. During the second quarter of 2014, the reserve release was$662 million compared to a reserve release of $900 million in the second quarter of 2013.

The allowance for loan and lease losses to annualized net charge-off coverage ratio was 3.67 times in the second quarter of 2014, compared with 2.95 times in the first quarter of 2014 and 2.51 times in the second quarter of 2013. The increase was due to the improvement in net charge-offs discussed above. The allowance to annualized net charge-off coverage ratio, excluding the purchased credit-impaired (PCI) portfolio, was 3.25 times, 2.58 times and 2.04 times for the same periods, respectively.

Nonperforming loans, leases and foreclosed properties were $15.3 billion at June 30, 2014, a decrease from $17.7 billion at March 31, 2014 and $21.3 billion at June 30, 2013.

**Capital and Liquidity Management[1,2,3]**

| *(Dollars in billions)* | **At June 30 2014** | At March 31 2014 |
|---|---|---|
| **Basel 3 Transition (under standardized approach)** | | |
| Common equity tier 1 capital - Basel 3 | **$ 153.6** | $ 150.9 |
| Risk-weighted assets | **1,282.7** | 1,282.1 |
| Common equity tier 1 capital ratio - Basel 3 | **12.0%** | 11.8% |
| **Basel 3 Fully Phased-in (under standardized approach) [3]** | | |
| Common equity tier 1 capital - Basel 3 | **$ 137.2** | 130.1 |
| Risk-weighted assets | **1,437.0** | 1,447.4 |
| Common equity tier 1 capital ratio - Basel 3 | **9.5%** | 9.0% |

| *(Dollars in millions, except per share information)* | **At June 30 2014** | At March 31 2014 | At June 30 2013 |
|---|---|---|---|
| Tangible common equity ratio [4] | **7.14%** | 7.00% | 6.98% |
| Total shareholders' equity | **$ 237,411** | $ 231,888 | $ 231,032 |
| Common equity ratio | **10.25%** | 10.17% | 10.21% |
| Tangible book value per share [4] | **$ 14.24** | $ 13.81 | $ 13.32 |
| Book value per share | **21.16** | 20.75 | 20.18 |

1 Regulatory capital ratios are preliminary.
2 On January 1, 2014, the Basel 3 rules became effective, subject to transition provisions primarily related to regulatory deductions and adjustments impacting common equity tier 1 capital and tier 1 capital.
3 Basel 3 common equity tier 1 capital and risk-weighted assets on a fully phased-in basis are non-GAAP financial measures. For reconciliations to GAAP financial measures, refer to page 18 of this press release. The company's fully phased-in Basel 3 estimates are based on its current understanding of the Standardized and Advanced approaches under the Basel 3 rules, assuming all relevant regulatory model approvals, except for the potential reduction to risk-weighted assets resulting from removal of the Comprehensive Risk Measure surcharge. The Basel 3 rules require approval by banking regulators of certain models used as part of risk-weighted asset calculations. If these models are not approved, the company's capital ratio would likely be adversely impacted, which in some cases could be significant.
4 Tangible common equity ratio and tangible book value per share are non-GAAP financial measures. For reconciliations to GAAP financial measures, refer to pages 22-24 of this press release.

The common equity tier 1 capital ratio under the Basel 3 Standardized approach for measuring risk-weighted assets was 12.0 percent at June 30, 2014, up from 11.8 percent at March 31, 2014.

While the Basel 3 fully phased-in Standardized and fully phased-in Advanced approaches do not go into effect until 2018, the company is providing the following estimates for comparative purposes.

The estimated common equity tier 1 capital ratio under the Basel 3 Standardized approach on a fully phased-in basis was 9.5 percent at June 30, 2014, up from 9.0 percent at March 31, 2014 (D).

The estimated common equity tier 1 capital ratio under the Basel 3 Advanced approaches on a fully phased-in basis increased to 9.9 percent from 9.6 percent at March 31, 2014(D).

In connection with the final U.S. rule and Notice of Proposed Rulemaking (NPR) issued on April 8 and effective in 2018(E), the company's estimated supplementary leverage ratios were above the 5 percent supplementary leverage ratio minimum for bank holding companies, and both of the company's primary bank subsidiaries were above the 6 percent supplementary leverage ratio minimum for primary bank subsidiaries.

At June 30, 2014, the company's Global Excess Liquidity Sources totaled $431 billion, compared to $427 billion at March 31, 2014 and $342 billion at June 30, 2013. Time-to-required funding was 38 months at June 30, 2014, compared to 35 months at March 31, 2014 and 32 months at June 30, 2013.

Period-end common shares issued and outstanding were 10.52 billion at June 30, 2014, 10.53 billion at March 31, 2014 and 10.74 billion at June 30, 2013. During the second quarter of 2014, approximately 14 million common shares were repurchased for approximately $233 million at an average price of $16.16 per share.

Tangible book value per share(F) was $14.24 at June 30, 2014, compared to $13.81 at March 31, 2014 and $13.32 at June 30, 2013. Book value per share was $21.16 at June 30, 2014, compared to $20.75 at March 31, 2014 and $20.18 at June 30, 2013.

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End Notes

(A) Fully taxable-equivalent (FTE) basis is a non-GAAP financial measure. For reconciliation to GAAP financial measures, refer to pages 22-24 of this press release. Net interest income on a GAAP basis was $10.0 billion, $10.1 billion and $10.5 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Net interest income on an FTE basis excluding market-related adjustments represents a non-GAAP financial measure. Market-related adjustments of premium amortization expense and hedge ineffectiveness were ($0.2) billion, ($0.3) billion, and $0.4 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Total revenue, net of interest expense, on a GAAP basis was $21.7 billion, $22.6 billion and $22.7 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(B) FICC sales and trading revenue, excluding net DVA is a non-GAAP financial measure. Net DVA included in FICC revenue was gains (losses) of $56 million, $80 million and $(37) million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(C) Noninterest expense excluding litigation is a non-GAAP financial measure. Noninterest expense including litigation was $18.5 billion, $22.2 billion and $16.0 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Noninterest expense excluding litigation was $14.6 billion, $16.2 billion and $15.5 billion or the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Litigation expense was $4.0 billion, $6.0 billion and $0.5 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(D) Basel 3 common equity tier 1 capital and risk-weighted assets on a fully phased-in basis are non-GAAP financial measures. For reconciliation to GAAP financial measures, refer to page 18 of this press release. The company's fully phased-in Basel 3 estimates are based on its current understanding of the Standardized and Advanced approaches under the Basel 3 rules, assuming all relevant regulatory model approvals, except for the potential reduction to risk-weighted assets resulting from removal of the Comprehensive Risk Measure surcharge. These estimates will evolve over time as the company’s businesses change and as a result of further rulemaking or clarification by U.S. regulatory agencies. The Basel 3 rules require approval by banking regulators of certain models used as part of risk-weighted asset calculations. If these models are not approved, the company's capital ratio would likely be adversely impacted, which in some cases could be significant. The company continues to evaluate the potential impact of proposed rules and anticipates it will be in compliance with any final rules by the proposed effective dates.

(E) The supplementary leverage ratio includes the estimated increase to the supplementary leverage exposure in accordance with the U.S. Notice of Proposed Rulemaking approved on April 8, 2014. The supplementary leverage ratio is measured using the quarter-end tier 1 capital calculated under Basel 3 on a fully phased-in basis, divided by the simple average of the sum of on-balance sheet assets and certain off-balance sheet exposures, including, among other items, derivatives and securities financing transactions, at the end of each month in the quarter.

(F) Tangible book value per share of common stock is a non-GAAP financial measure. Other companies may define or calculate this measure differently. Book value per share was $21.16 at June 30, 2014, compared to $20.75 at March 31, 2014 and $20.18 at June 30, 2013. For more information, refer to pages 22-24 of this press release.

(G) Legacy Assets and Servicing (LAS) noninterest expense, excluding litigation, is a non-GAAP financial measure. LAS noninterest expense was $5.2 billion, $7.4 billion and $2.5 billion for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. LAS litigation expense was $3.8 billion, $5.8 billion and $0.2 billion in the three months ended June 30, 2014, March 31, 2014 and June 30, 2013.

(H) Rankings per Dealogic as of July 1, 2014.

(I) Sales and trading revenue excluding the impact of net DVA is a non-GAAP financial measure. Net DVA gains were $69 million, $112 million and $49 million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively. In the first quarter of 2014, the management of structured liabilities and the associated DVA were moved into Global Markets from All Other to better align the performance risk of these instruments. As such, net DVA represents the combined total of net DVA on derivatives and structured liabilities. Prior periods have been reclassified to conform to current period presentation.

(J) Equity sales and trading revenue, excluding net DVA is a non-GAAP financial measure. Equities net DVA gains were $13 million, $32 million and $86 million for the three months ended June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

*Note: Chief Executive Officer Brian Moynihan and Chief Financial Officer Bruce Thompson will discuss second-quarter 2014 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 website at http://investor.bankofamerica.com. For a listen-only connection to the conference call, dial 1.877.200.4456 (U.S.) or 1.785.424.1732 (international), and the conference ID is: 79795. Please dial in 10 minutes prior to the start of the call.*

*A replay will be available via webcast through the Bank of America Investor Relations website. A replay will also be available beginning at noon on July 16 through midnight, July 24 by telephone at 800.753.8546 (U.S.) or 1.402.220.0685 (international).*

Bank of America

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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," "hopes," "estimates," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "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, and future business and economic conditions more generally, and other 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 the following uncertainties and risks, as well as the risks and uncertainties more fully discussed under Item 1A. Risk Factors of Bank of America's 2013 Annual Report on Form 10-K, and in any of Bank of America's subsequent Securities and Exchange Commission filings: the potential negative impacts of the Company's prior adjustment to its regulatory capital ratios, including without limitation the results of the Federal Reserve's review of the resubmitted Comprehensive Capital Analysis and Review, or the revised capital actions that have been resubmitted to the Federal Reserve, the Company's ability to resolve representations and warranties repurchase 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 counterparties, including monolines or private-label and other investors; the possibility that final court approval of negotiated settlements is not obtained; the possibility that the court decision with respect to the BNY Mellon Settlement is overturned on appeal in whole or in part; potential claims, damages, penalties and fines resulting from pending or future litigation and regulatory proceedings, including proceedings instituted by the U.S. Department of Justice, state Attorneys General and other members of the RMBS Working Group of the Financial Fraud Enforcement Task Force concerning mortgage-related matters; the possibility that the European Commission will impose remedial measures in relation to its investigation of the Company's competitive practices; the possible outcome of LIBOR, other reference rate and foreign exchange inquiries and investigations; the possibility that future representations and warranties losses may occur in excess of the Company's recorded liability and estimated range of possible loss for its representations and warranties exposures; the possibility that the Company may not collect mortgage insurance claims; the possibility that future claims, damages, penalties and fines may occur in excess of the Company's recorded liability and estimated range of possible losses for litigation exposures; uncertainties about the financial stability and growth rates of non-U.S. jurisdictions, the risk that those jurisdictions may face difficulties servicing their sovereign debt, and related stresses on financial markets, currencies and trade, and the Company's exposures to such risks, including direct, indirect and operational; uncertainties related to the timing and pace of Federal Reserve tapering of quantitative easing, and the impact on global interest rates, currency exchange rates, and economic conditions in a number of countries; the possibility of future inquiries or investigations regarding pending or completed foreclosure activities; the possibility that unexpected foreclosure delays could impact the rate of decline of default-related servicing costs; uncertainty regarding timing and the potential impact of regulatory capital and liquidity requirements (including Basel 3); 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 potential impact of implementing and conforming to the Volcker Rule; the potential impact of future derivative regulations; 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; reputational damage that may result from negative publicity, fines and penalties from regulatory violations and judicial proceedings; the Company's ability to fully realize the anticipated cost savings in Legacy Assets and Servicing and the anticipated cost savings and other benefits from Project New BAC, including in accordance with currently anticipated timeframes; a failure in or breach of the Company's operational or security systems or infrastructure, or those of third parties with which we do business, including as a result of cyber attacks; the impact on the Company's business, financial condition and results of operations of a potential higher interest rate environment; 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)

| Summary Income Statement | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|---|---|
| Net interest income | $ 20,098 | $ 21,213 | $ 10,013 | $ 10,085 | $ 10,549 |
| Noninterest income | 24,215 | 24,711 | 11,734 | 12,481 | 12,178 |
| Total revenue, net of interest expense | 44,313 | 45,924 | 21,747 | 22,566 | 22,727 |
| Provision for credit losses | 1,420 | 2,924 | 411 | 1,009 | 1,211 |
| Noninterest expense | 40,779 | 35,518 | 18,541 | 22,238 | 16,018 |
| Income (loss) before income taxes | 2,114 | 7,482 | 2,795 | (681) | 5,498 |
| Income tax expense (benefit) | 99 | 1,987 | 504 | (405) | 1,486 |
| Net income (loss) | $ 2,015 | $ 5,495 | $ 2,291 | $ (276) | $ 4,012 |
| Preferred stock dividends | 494 | 814 | 256 | 238 | 441 |
| Net income (loss) applicable to common shareholders | $ 1,521 | $ 4,681 | $ 2,035 | $ (514) | $ 3,571 |
| | | | | | |
| Common shares issued | 25,149 | 44,480 | 224 | 24,925 | 364 |
| Average common shares issued and outstanding | 10,539,769 | 10,787,357 | 10,519,359 | 10,560,518 | 10,775,867 |
| Average diluted common shares issued and outstanding[1] | 10,599,641 | 11,549,693 | 11,265,123 | 10,560,518 | 11,524,510 |
| | | | | | |
| **Summary Average Balance Sheet** | | | | | |
| Total loans and leases | $ 916,012 | $ 910,269 | $ 912,580 | $ 919,482 | $ 914,234 |
| Total debt securities | 337,845 | 349,794 | 345,889 | 329,711 | 343,260 |
| Total earning assets | 1,822,177 | 1,845,651 | 1,840,850 | 1,803,298 | 1,833,541 |
| Total assets | 2,154,494 | 2,198,443 | 2,169,555 | 2,139,266 | 2,184,610 |
| Total deposits | 1,123,399 | 1,077,631 | 1,128,563 | 1,118,178 | 1,079,956 |
| Common shareholders' equity | 222,705 | 218,509 | 222,215 | 223,201 | 218,790 |
| Total shareholders' equity | 236,173 | 236,024 | 235,797 | 236,553 | 235,063 |
| | | | | | |
| **Performance Ratios** | | | | | |
| Return on average assets | 0.19 % | 0.50 % | 0.42 % | n/m | 0.74 % |
| Return on average tangible common shareholders' equity [2] | 2.05 | 6.53 | 5.47 | n/m | 9.88 |
| | | | | | |
| **Per common share information** | | | | | |
| Earnings (loss) | $ 0.14 | $ 0.43 | $ 0.19 | $ (0.05) | $ 0.33 |
| Diluted earnings (loss)[1] | 0.14 | 0.42 | 0.19 | (0.05) | 0.32 |
| Dividends paid | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 |
| Book value | 21.16 | 20.18 | 21.16 | 20.75 | 20.18 |
| Tangible book value [2] | 14.24 | 13.32 | 14.24 | 13.81 | 13.32 |

| Summary Period-End Balance Sheet | June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| Total loans and leases | $ 911,899 | $ 916,217 | $ 921,570 |
| Total debt securities | 352,883 | 340,696 | 336,403 |
| Total earning assets | 1,830,546 | 1,812,832 | 1,779,883 |
| Total assets | 2,170,557 | 2,149,851 | 2,123,320 |
| Total deposits | 1,134,329 | 1,133,650 | 1,080,783 |
| Common shareholders' equity | 222,565 | 218,536 | 216,791 |
| Total shareholders' equity | 237,411 | 231,888 | 231,032 |
| Period-end common shares issued and outstanding | 10,515,825 | 10,530,045 | 10,743,098 |

| Credit Quality | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|---|---|
| Total net charge-offs | $ 2,461 | $ 4,628 | $ 1,073 | $ 1,388 | $ 2,111 |
| Net charge-offs as a percentage of average loans and leases outstanding[3] | 0.55 % | 1.04 % | 0.48 % | 0.62 % | 0.94 % |
| Provision for credit losses | $ 1,420 | $ 2,924 | $ 411 | $ 1,009 | $ 1,211 |

| | June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| Total nonperforming loans, leases and foreclosed properties[4] | $ 15,300 | $ 17,732 | $ 21,280 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Nonperforming loans, leases and foreclosed properties as a percentage of total loans, leases and foreclosed properties[3] | | **1.70%** | | 1.96% | | 2.33% |
| Allowance for loan and lease losses | **$** | **15,811** | $ | 16,618 | $ | 21,235 |
| Allowance for loan and lease losses as a percentage of total loans and leases outstanding[3] | | **1.75%** | | 1.84% | | 2.33% |

For footnotes see page 18.

More

This information is preliminary and based on company data available at the time of the presentation.

**Bank of America Corporation and Subsidiaries**

## Selected Financial Data (continued)

(Dollars in millions)

| Capital Management | Basel 3 Transition | | Basel 1 |
|---|---|---|---|
| | **June 30 2014** | March 31 2014 | June 30 2013 |
| **Risk-based capital metrics[5, 6]:** | | | |
| Common equity tier 1 capital | **$ 153,582** | $ 150,922 | n/a |
| Tier 1 common capital | **n/a** | n/a | $ 136,546 |
| Common equity tier 1 capital ratio | **12.0 %** | 11.8 % | n/a |
| Tier 1 common capital ratio[7] | **n/a** | n/a | 10.6 % |
| Tier 1 leverage ratio | **7.7** | 7.4 | 7.4 |
| Tangible equity ratio[8] | **7.85** | 7.65 | 7.67 |
| Tangible common equity ratio[8] | **7.14** | 7.00 | 6.98 |

| Regulatory Capital Reconciliations[5, 6] | **June 30 2014** | March 31 2014 |
|---|---|---|
| **Regulatory capital – Basel 3 transition to fully phased-in** | | |
| **Common equity tier 1 capital (transition)** | **$ 153,582** | $ 150,922 |
| Adjustments and deductions recognized in Tier 1 capital during transition | **(10,547 )** | (11,302 ) |
| Other adjustments and deductions phased in during transition | **(5,852 )** | (9,474 ) |
| **Common equity tier 1 capital (fully phased-in)** | **$ 137,183** | $ 130,146 |

| | **June 30 2014** | March 31 2014 |
|---|---|---|
| **Risk-weighted assets – As reported to Basel 3 (fully phased-in)** | | |
| **As reported risk-weighted assets** | **$ 1,282,720** | $ 1,282,117 |
| Change in risk-weighted assets from reported to fully phased-in | **154,240** | 165,332 |
| **Basel 3 Standardized approach risk-weighted assets (fully phased-in)** | **1,436,960** | 1,447,449 |
| Change in risk-weighted assets for advanced models | **(49,464 )** | (86,234 ) |
| **Basel 3 Advanced approaches risk-weighted assets (fully phased-in)** | **$ 1,387,496** | $ 1,361,215 |
| **Regulatory capital ratios** | | |
| Basel 3 Standardized approach common equity tier 1 (transition) | **12.0 %** | 11.8 % |
| Basel 3 Standardized approach common equity tier 1 (fully phased-in) | **9.5** | 9.0 |
| Basel 3 Advanced approaches common equity tier 1 (fully phased-in) | **9.9** | 9.6 |

(1) The diluted earnings (loss) per common share excludes the effect of any equity instruments that are antidilutive to earnings per share. There were no potential common shares that were dilutive in the first quarter of 2014 because of the net loss.
(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 Measureson pages 22-24.
(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) Regulatory capital ratios are preliminary.
(6) On January 1, 2014, the Basel 3 rules became effective, subject to transition provisions primarily related to regulatory deductions and adjustments impacting common equity tier 1 capital and Tier 1 capital. We reported under Basel 1 (which included the Market Risk Final Rules) at June 30, 2013.Basel 3 common equity tier 1 capital and risk-weighted assets on a fully phased-in basis are non-GAAP financial measures. For reconciliations to GAAP financial measures, see above. The company's fully phased-in Basel 3 estimates are based on its current understanding of the Standardized and Advanced approaches under the Basel 3 rules, assuming all relevant regulatory model approvals, except for the potential reduction to risk-weighted assets resulting from removal of the Comprehensive Risk Measure surcharge. The Basel 3 rules require approval by banking regulators of certain models used as part of risk-weighted asset calculations. If these models are not approved, the company's capital ratio would likely be adversely impacted, which in some cases could be significant.
(7) Tier 1 common capital ratio equals Tier 1 capital excluding preferred stock, trust preferred securities, hybrid securities and minority interest divided by risk-weighted assets.
(8) Tangible equity ratio equals period-end tangible shareholders' equity divided by period-end tangible assets. Tangible common equity ratio 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 Measureson pages 22-24.

n/a = not applicable
n/m = not meaningful

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)

| | Second Quarter 2014 | | | | | |
|---|---|---|---|---|---|---|
| | **Consumer & Business Banking** | **Consumer Real Estate Services** | **GWIM** | **Global Banking** | **Global Markets** | **All Other** |
| Total revenue, net of interest expense (FTE basis)[1] | **$ 7,373** | **$ 1,390** | **$ 4,589** | **$ 4,179** | **$ 4,583** | **$ (154)** |
| Provision for credit losses | **534** | **(20)** | **(8)** | **132** | **19** | **(246)** |
| Noninterest expense | **4,000** | **5,902** | **3,447** | **1,899** | **2,862** | **431** |
| Net income (loss) | **1,788** | **(2,802)** | **724** | **1,353** | **1,101** | **127** |
| Return on average allocated capital [2] | **24.33%** | **n/m** | **24.33%** | **17.51%** | **13.01%** | **n/m** |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | **$ 160,240** | **$ 88,257** | **$ 118,512** | **$ 271,417** | **$ 63,579** | **$ 210,575** |
| Total deposits | **543,566** | **n/m** | **240,042** | **258,937** | **n/m** | **35,851** |
| Allocated capital [2] | **29,500** | **23,000** | **12,000** | **31,000** | **34,000** | **n/m** |
| **Period end** | | | | | | |
| Total loans and leases | **$ 161,142** | **$ 88,156** | **$ 120,187** | **$ 270,683** | **$ 66,260** | **$ 205,471** |
| Total deposits | **545,530** | **n/m** | **237,046** | **270,268** | **n/m** | **31,999** |

| | First Quarter 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Total revenue, net of interest expense (FTE basis)[1] | $ 7,438 | $ 1,192 | $ 4,547 | $ 4,269 | $ 5,012 | $ 309 |
| Provision for credit losses | 812 | 25 | 23 | 265 | 19 | (135) |
| Noninterest expense | 3,963 | 8,129 | 3,359 | 2,028 | 3,077 | 1,682 |
| Net income (loss) | 1,666 | (5,027) | 729 | 1,236 | 1,308 | (188) |
| Return on average allocated capital [2] | 22.92% | n/m | 24.74% | 16.18% | 15.64% | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 162,061 | $ 88,914 | $ 115,945 | $ 271,475 | $ 63,696 | $ 217,391 |
| Total deposits | 534,557 | n/m | 242,792 | 256,433 | n/m | 34,381 |
| Allocated capital [2] | 29,500 | 23,000 | 12,000 | 31,000 | 34,000 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 160,127 | $ 88,355 | $ 116,482 | $ 273,239 | $ 64,598 | $ 213,416 |
| Total deposits | 552,211 | n/m | 244,051 | 257,502 | n/m | 32,818 |

| | Second Quarter 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Total revenue, net of interest expense (FTE basis)[1] | $ 7,434 | $ 2,115 | $ 4,499 | $ 4,138 | $ 4,194 | $ 569 |
| Provision for credit losses | 967 | 291 | (15) | 163 | (16) | (179) |
| Noninterest expense | 4,184 | 3,383 | 3,270 | 1,849 | 2,770 | 562 |
| Net income (loss) | 1,391 | (930) | 759 | 1,297 | 962 | 533 |
| Return on average allocated capital[2] | 18.62% | n/m | 30.59% | 22.62% | 12.89% | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 163,593 | $ 90,114 | $ 109,589 | $ 255,674 | $ 56,354 | $ 238,910 |
| Total deposits | 522,244 | n/m | 235,344 | 226,912 | n/m | 34,017 |
| Allocated capital [2] | 30,000 | 24,000 | 10,000 | 23,000 | 30,000 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 164,851 | $ 89,257 | $ 111,785 | $ 258,503 | $ 63,127 | $ 234,047 |
| Total deposits | 525,085 | n/m | 235,012 | 228,934 | n/m | 34,858 |

(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 allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 22-24.)

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**

## Year-to-Date Results by Business Segment

(Dollars in millions)

| | Six Months Ended June 30, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Total revenue, net of interest expense (FTE basis)[1] | $ 14,811 | $ 2,582 | $ 9,136 | $ 8,448 | $ 9,595 | $ 155 |
| Provision for credit losses | 1,346 | 5 | 15 | 397 | 38 | (381) |
| Noninterest expense | 7,963 | 14,031 | 6,806 | 3,927 | 5,939 | 2,113 |
| Net income (loss) | 3,454 | (7,829) | 1,453 | 2,589 | 2,409 | (61) |
| Return on average allocated capital [2] | 23.63% | n/m | 24.53% | 16.85% | 14.32% | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 161,145 | $ 88,584 | $ 117,235 | $ 271,446 | $ 63,637 | $ 213,965 |
| Total deposits | 539,087 | n/m | 241,409 | 257,692 | n/m | 35,119 |
| Allocated capital [2] | 29,500 | 23,000 | 12,000 | 31,000 | 34,000 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 161,142 | $ 88,156 | $ 120,187 | $ 270,683 | $ 66,260 | $ 205,471 |
| Total deposits | 545,530 | n/m | 237,046 | 270,268 | n/m | 31,999 |

| | Six Months Ended June 30, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Total revenue, net of interest expense (FTE basis)[1] | $ 14,846 | $ 4,427 | $ 8,920 | $ 8,168 | $ 8,973 | $ 1,023 |
| Provision for credit losses | 1,919 | 626 | 7 | 312 | (11) | 71 |
| Noninterest expense | 8,349 | 8,788 | 6,523 | 3,685 | 5,843 | 2,330 |
| Net income (loss) | 2,833 | (3,086) | 1,479 | 2,581 | 2,074 | (386) |
| Return on average allocated capital[2] | 19.08% | n/m | 30.00% | 22.64% | 13.97% | n/m |
| **Balance Sheet** | | | | | | |
| **Average** | | | | | | |
| Total loans and leases | $ 164,713 | $ 91,531 | $ 107,845 | $ 249,903 | $ 54,529 | $ 241,748 |
| Total deposits | 512,424 | n/m | 244,329 | 224,132 | n/m | 34,883 |
| Allocated capital [2] | 30,000 | 24,000 | 10,000 | 23,000 | 30,000 | n/m |
| **Period end** | | | | | | |
| Total loans and leases | $ 164,851 | $ 89,257 | $ 111,785 | $ 258,503 | $ 63,127 | $ 234,047 |
| Total deposits | 525,085 | n/m | 235,012 | 228,934 | n/m | 34,858 |

(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 allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 22-24.)

n/m = not meaningful

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



This information is preliminary and based on company data available at the time of the presentation.

**Bank of America Corporation and Subsidiaries**

## Supplemental Financial Data

(Dollars in millions)

| Fully taxable-equivalent (FTE) basis data[1] | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|---|---|
| Net interest income | $ 20,512 | $ 21,646 | $ 10,226 | $ 10,286 | $ 10,771 |
| Total revenue, net of interest expense | 44,727 | 46,357 | 21,960 | 22,767 | 22,949 |
| Net interest yield[2] | 2.26 % | 2.36 % | 2.22 % | 2.29 % | 2.35 % |
| Efficiency ratio | 91.17 | 76.62 | 84.43 | 97.68 | 69.80 |

| Other Data | June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| Number of banking centers - U.S. | 5,023 | 5,095 | 5,328 |
| Number of branded ATMs - U.S. | 15,976 | 16,214 | 16,354 |
| Ending full-time equivalent employees | 233,201 | 238,560 | 257,158 |

(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 Measureson pages 22-24.

(2) Beginning in the first quarter of 2014, interest-bearing deposits placed with the Federal Reserve and certain non-U.S. central banks are included in earning assets. Prior period yields have been reclassified to conform to current period presentation.

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. For purposes of this calculation, the Corporation uses the federal statutory tax rate of 35 percent. 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 measures 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. Tangible equity represents an adjusted shareholders' equity or common shareholders' equity amount which has been reduced by goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of adjusted average common shareholders' equity. The tangible common equity ratio represents adjusted ending common shareholders' equity divided by total assets 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 adjusted average total shareholders' equity. The tangible equity ratio represents adjusted ending shareholders' equity 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 adjusted ending common shareholders' equity divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity. 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 measures that utilize average allocated capital. The Corporation allocates capital to its business segments using a methodology that considers the effect of regulatory capital requirements in addition to internal risk-based capital models. The Corporation's internal risk-based capital models use a risk-adjusted methodology incorporating each segment's credit, market, interest rate, business and operational risk components. Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return both represent non-GAAP financial measures. Allocated capital is reviewed periodically and refinements are made based on multiple considerations that include, but are not limited to, business segment exposures and risk profile, regulatory constraints and strategic plans. As part of this process, in the first quarter of 2014, the Corporation adjusted the amount of capital being allocated to its business segments. This change resulted in a reduction of the unallocated capital, which is reflected in *All Other*, and an aggregate increase to the amount of capital being allocated to the business segments. Prior periods were not restated.

See the tables below and on pages23-24 for reconciliations of these non-GAAP financial measures to financial measures defined by GAAP for the six months ended June 30, 2014 and 2013, and the three months ended June 30, 2014, March 31, 2014 and June 30, 2013. 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.

| | Six Months Ended June 30 | | Second Quarter | First Quarter | Second Quarter |
|---|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2014 | 2013 |
| **Reconciliation of net interest income to net interest income on a fully taxable-equivalent basis** | | | | | |
| Net interest income | **$ 20,098** | $ 21,213 | **$ 10,013** | $ 10,085 | $ 10,549 |
| Fully taxable-equivalent adjustment | **414** | 433 | **213** | 201 | 222 |
| **Net interest income on a fully taxable-equivalent basis** | **$ 20,512** | $ 21,646 | **$ 10,226** | $ 10,286 | $ 10,771 |
| **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 | **$ 44,313** | $ 45,924 | **$ 21,747** | $ 22,566 | $ 22,727 |
| Fully taxable-equivalent adjustment | **414** | 433 | **213** | 201 | 222 |
| **Total revenue, net of interest expense on a fully taxable-equivalent basis** | **$ 44,727** | $ 46,357 | **$ 21,960** | $ 22,767 | $ 22,949 |
| **Reconciliation of income tax expense (benefit) to income tax expense (benefit) on a fully taxable-equivalent basis** | | | | | |
| Income tax expense (benefit) | **$ 99** | $ 1,987 | **$ 504** | $ (405) | $ 1,486 |
| Fully taxable-equivalent adjustment | **414** | 433 | **213** | 201 | 222 |
| **Income tax expense (benefit) on a fully taxable-equivalent basis** | **$ 513** | $ 2,420 | **$ 717** | $ (204) | $ 1,708 |
| **Reconciliation of average common shareholders' equity to average tangible common shareholders' equity** | | | | | |
| Common shareholders' equity | **$ 222,705** | $ 218,509 | **$ 222,215** | $ 223,201 | $ 218,790 |
| Goodwill | **(69,832)** | (69,937) | **(69,822)** | (69,842) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,354)** | (6,409) | **(5,235)** | (5,474) | (6,270) |
| Related deferred tax liabilities | **2,132** | 2,393 | **2,100** | 2,165 | 2,360 |
| **Tangible common shareholders' equity** | **$ 149,651** | $ 144,556 | **$ 149,258** | $ 150,050 | $ 144,950 |
| **Reconciliation of average shareholders' equity to average tangible shareholders' equity** | | | | | |
| Shareholders' equity | **$ 236,173** | $ 236,024 | **$ 235,797** | $ 236,553 | $ 235,063 |
| Goodwill | **(69,832)** | (69,937) | **(69,822)** | (69,842) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,354)** | (6,409) | **(5,235)** | (5,474) | (6,270) |
| Related deferred tax liabilities | **2,132** | 2,393 | **2,100** | 2,165 | 2,360 |
| **Tangible shareholders' equity** | **$ 163,119** | $ 162,071 | **$ 162,840** | $ 163,402 | $ 161,223 |

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|---|---|
| **Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity** | | | | | |
| Common shareholders' equity | **$ 222,565** | $ 216,791 | **$ 222,565** | $ 218,536 | $ 216,791 |
| Goodwill | **(69,810)** | (69,930) | **(69,810)** | (69,842) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,099)** | (6,104) | **(5,099)** | (5,337) | (6,104) |
| Related deferred tax liabilities | **2,078** | 2,297 | **2,078** | 2,100 | 2,297 |
| **Tangible common shareholders' equity** | **$ 149,734** | $ 143,054 | **$ 149,734** | $ 145,457 | $ 143,054 |
| **Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity** | | | | | |
| Shareholders' equity | **$ 237,411** | $ 231,032 | **$ 237,411** | $ 231,888 | $ 231,032 |
| Goodwill | **(69,810)** | (69,930) | **(69,810)** | (69,842) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,099)** | (6,104) | **(5,099)** | (5,337) | (6,104) |
| Related deferred tax liabilities | **2,078** | 2,297 | **2,078** | 2,100 | 2,297 |
| **Tangible shareholders' equity** | **$ 164,580** | $ 157,295 | **$ 164,580** | $ 158,809 | $ 157,295 |
| **Reconciliation of period-end assets to period-end tangible assets** | | | | | |
| Assets | **$ 2,170,557** | $ 2,123,320 | **$ 2,170,557** | $ 2,149,851 | $ 2,123,320 |
| Goodwill | **(69,810)** | (69,930) | **(69,810)** | (69,842) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,099)** | (6,104) | **(5,099)** | (5,337) | (6,104) |
| Related deferred tax liabilities | **2,078** | 2,297 | **2,078** | 2,100 | 2,297 |
| **Tangible assets** | **$ 2,097,726** | $ 2,049,583 | **$ 2,097,726** | $ 2,076,772 | $ 2,049,583 |
| **Book value per share of common stock** | | | | | |
| Common shareholders' equity | **$ 222,565** | $ 216,791 | **$ 222,565** | $ 218,536 | $ 216,791 |
| Ending common shares issued and outstanding | **10,515,825** | 10,743,098 | **10,515,825** | 10,530,045 | 10,743,098 |
| **Book value per share of common stock** | **$ 21.16** | $ 20.18 | **$ 21.16** | $ 20.75 | $ 20.18 |
| **Tangible book value per share of common stock** | | | | | |
| Tangible common shareholders' equity | **$ 149,734** | $ 143,054 | **$ 149,734** | $ 145,457 | $ 143,054 |
| Ending common shares issued and outstanding | **10,515,825** | 10,743,098 | **10,515,825** | 10,530,045 | 10,743,098 |
| **Tangible book value per share of common stock** | **$ 14.24** | $ 13.32 | **$ 14.24** | $ 13.81 | $ 13.32 |

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|---|---|
| **Reconciliation of return on average allocated capital[1]** | | | | | |
| **Consumer & Business Banking** | | | | | |
| Reported net income | **$ 3,454** | $ 2,833 | **$ 1,788** | $ 1,666 | $ 1,391 |
| Adjustment related to intangibles[2] | **2** | 4 | **1** | 1 | 2 |
| **Adjusted net income** | **$ 3,456** | $ 2,837 | **$ 1,789** | $ 1,667 | $ 1,393 |
| Average allocated equity[3] | **$ 61,468** | $ 62,063 | **$ 61,460** | $ 61,475 | $ 62,050 |
| Adjustment related to goodwill and a percentage of intangibles | **(31,968)** | (32,063) | **(31,960)** | (31,975) | (32,050) |
| **Average allocated capital** | **$ 29,500** | $ 30,000 | **$ 29,500** | $ 29,500 | $ 30,000 |
| **Global Wealth & Investment Management** | | | | | |
| Reported net income | **$ 1,453** | $ 1,479 | **$ 724** | $ 729 | $ 759 |
| Adjustment related to intangibles[2] | **7** | 9 | **4** | 3 | 4 |
| **Adjusted net income** | **$ 1,460** | $ 1,488 | **$ 728** | $ 732 | $ 763 |
| Average allocated equity[3] | **$ 22,233** | $ 20,311 | **$ 22,222** | $ 22,243 | $ 20,300 |
| Adjustment related to goodwill and a percentage of intangibles | **(10,233)** | (10,311) | **(10,222)** | (10,243) | (10,300) |
| **Average allocated capital** | **$ 12,000** | $ 10,000 | **$ 12,000** | $ 12,000 | $ 10,000 |
| **Global Banking** | | | | | |
| Reported net income | **$ 2,589** | $ 2,581 | **$ 1,353** | $ 1,236 | $ 1,297 |
| Adjustment related to intangibles[2] | **1** | 1 | **1** | — | 1 |
| **Adjusted net income** | **$ 2,590** | $ 2,582 | **$ 1,354** | $ 1,236 | $ 1,298 |
| Average allocated equity[3] | **$ 53,406** | $ 45,411 | **$ 53,405** | $ 53,407 | $ 45,416 |
| Adjustment related to goodwill and a percentage of intangibles | **(22,406)** | (22,411) | **(22,405)** | (22,407) | (22,416) |
| **Average allocated capital** | **$ 31,000** | $ 23,000 | **$ 31,000** | $ 31,000 | $ 23,000 |
| **Global Markets** | | | | | |
| Reported net income | **$ 2,409** | $ 2,074 | **$ 1,101** | $ 1,308 | $ 962 |
| Adjustment related to intangibles[2] | **5** | 4 | **3** | 2 | 2 |
| **Adjusted net income** | **$ 2,414** | $ 2,078 | **$ 1,104** | $ 1,310 | $ 964 |
| Average allocated equity[3] | **$ 39,374** | $ 35,364 | **$ 39,373** | $ 39,375 | $ 35,357 |
| Adjustment related to goodwill and a percentage of intangibles | **(5,374)** | (5,364) | **(5,373)** | (5,375) | (5,357) |
| **Average allocated capital** | **$ 34,000** | $ 30,000 | **$ 34,000** | $ 34,000 | $ 30,000 |

(1) There are no adjustments to reported net income (loss) or average allocated equity for *Consumer Real Estate Services*.
(2) Represents cost of funds, earnings credits and certain expenses related to intangibles.
(3) Average allocated equity is comprised of average allocated capital plus capital for the portion of goodwill and intangibles specifically assigned to the business segment.

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

# Bank of America
# 2Q14 Financial Results

July 16, 2014

Bank of America

# 2Q14 Results

**Summary Income Statement ($B, except EPS) [1]**

| | 2Q14 |
|---|---|
| Net interest income [2, 3] | $10.2 |
| Noninterest income | 11.7 |
| Total revenue, net of interest expense [2, 3] | 22.0 |
| Noninterest expense | 18.5 |
| Pre-tax, pre-provision earnings [2, 3] | 3.4 |
| Provision for credit losses | 0.4 |
| Income before income taxes [2, 3] | 3.0 |
| Income tax expense [2, 3] | 0.7 |
| Net income | $2.3 |
| | |
| Diluted earnings per share | $0.19 |
| Average diluted common shares (in billions) | 11.3 |

- 2Q14 net income of $2.3B, or $0.19 per diluted share, included pre-tax litigation expense of $4.0B, or $0.22 per share after-tax

[1] Amounts may not total due to rounding.
[2] FTE basis. Represents a non-GAAP financial measure.
[3] Represents a non-GAAP financial measure. On a GAAP basis, net interest income; total revenue, net of interest expense; pre-tax, pre-provision earnings; income before income taxes; and income tax expense were $10.0B, $21.7B, $3.2B, $2.8B, and $504MM, respectively, for 2Q14. For reconciliations of these measures to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

# Balance Sheet Highlights

| $ in billions, except for share amounts; end of period balances | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| **Balance Sheet** | | | |
| Total assets | $2,170.6 | $2,149.9 | $2,123.3 |
| Total loans and leases | 911.9 | 916.2 | 921.6 |
| Total deposits | 1,134.3 | 1,133.7 | 1,080.8 |
| Long-term debt | 257.1 | 254.8 | 262.5 |
| Preferred stock | 14.8 | 13.4 | 14.2 |
| **Per Share Data** | | | |
| Tangible book value per common share [1] | $14.24 | $13.81 | $13.32 |
| Book value per common share | 21.16 | 20.75 | 20.18 |
| Common shares outstanding (in billions) | 10.52 | 10.53 | 10.74 |
| **Capital** | | | |
| Tangible common shareholders' equity [1] | $149.7 | $145.5 | $143.1 |
| Tangible common equity ratio [1] | 7.14 % | 7.00 % | 6.98 % |
| Common shareholders' equity | $222.6 | $218.5 | $216.8 |
| Common equity ratio | 10.25 % | 10.17 % | 10.21 % |
| **Returns** | | | |
| Return on average assets | 0.42 % | n/m | 0.74 % |
| Return on average common shareholders' equity | 3.68 | n/m | 6.55 |
| Return on average tangible common shareholders' equity [1] | 5.47 | n/m | 9.88 |

- Total assets increased $20.7B from 1Q14, driven by increased repo activity and higher securities balances
- Total loans and leases declined $4.3B from 1Q14, due principally to reductions in our discretionary residential mortgage portfolio, which included $2.1B in bulk sales of nonperforming loans
  - Excluding residential mortgage, consumer loans increased slightly as total U.S. credit card balances grew $1.3B and securities-based lending to our wealth management clients increased $1.8B, while home equity continued to decline
  - Commercial loan growth was mostly offset by reductions in commercial real estate and certain large paydowns in the quarter
- Deposits remain at record levels
- Issued $1.5B of preferred stock during 2Q14
- Tangible book value per share increased to $14.24 [1] and tangible common equity ratio grew to 7.14% [1], driven by earnings as well as improvement in accumulated other comprehensive income (AOCI) from increasing value of debt securities

[1] Represents a non-GAAP financial measure. For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
n/m = not meaningful

# Regulatory Capital [1]

| Basel 3 Transition (under Standardized approach) [2] | | |
|---|---|---|
| $ in billions | 2Q14 | 1Q14 |
| Common equity tier 1 capital | $153.6 | $150.9 |
| Risk-weighted assets | 1,282.7 | 1,282.1 |
| Common equity tier 1 capital ratio | 12.0 % | 11.8 % |
| Tier 1 capital ratio | 12.5 | 11.9 |
| Tier 1 leverage ratio | 7.7 | 7.4 |

| Basel 3 Fully Phased-in | | | |
|---|---|---|---|
| $ in billions | 2Q14 | 1Q14 | Required Minimum [3] |
| Common equity tier 1 capital [4] | $137.2 | $130.1 | |
| Risk-weighted assets (under Standardized approach) [4] | 1,437.0 | 1,447.4 | |
| Common equity tier 1 capital ratio (under Standardized approach) [4] | 9.5 % | 9.0 % | 8.5% by 2019 |
| Bank Holding Company SLR [5] | > 5.0 | ~ 5.0 | 5% by 2018 |
| Bank SLR [5] | > 6.0 | > 6.0 | 6% by 2018 |

**Basel 3 Transition (under Standardized approach) [2]**

- Common equity tier 1 capital (CET1) ratio was 12.0% in 2Q14

**Basel 3 Fully Phased-in [4]**

- CET1 capital increased $7.0B from 1Q14 on earnings, AOCI improvement and lower capital deductions
- Under the fully phased-in Standardized approach, the estimated CET1 ratio increased to 9.5% in 2Q14 from 9.0% in 1Q14
- Under the fully phased-in Advanced approaches, the estimated CET1 ratio increased to 9.9% in 2Q14 from 9.6% in 1Q14

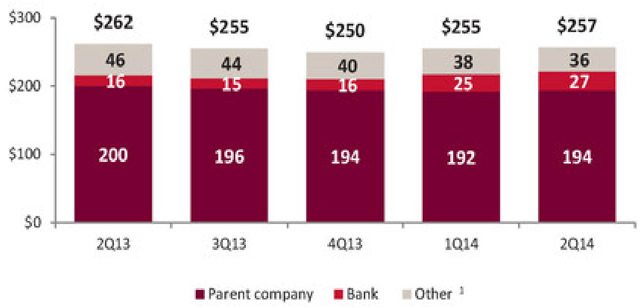
**Supplementary Leverage Ratio (SLR) [3, 5]**

- In connection with the final U.S. rule and proposed NPR issued on April 8, 2014, on a fully phased-in basis, we estimate our bank holding company SLR is above the 5% required minimum and both primary bank subsidiaries are in excess of the 6% required minimum

[1] Regulatory capital ratios are preliminary. For important presentation information, see slide 24.
[2] On January 1, 2014, the Basel 3 rules became effective, subject to transition provisions primarily related to regulatory deductions and adjustments impacting CET1 capital and Tier 1 capital.
[3] The fully phased-in 8.5% CET1 capital ratio minimum includes the 2.5% capital conservation buffer, 0% countercyclical buffer and an estimated 1.5% SIFI buffer (based on the Financial Stability Board's "Update of group of global systemically important banks (G-SIBs)" issued on November 11, 2013). The 5.0% Bank Holding Company SLR minimum includes the 2.0% leverage buffer.
[4] Represents a non-GAAP financial measure. See slide 22 tor reconciliations.
[5] Includes the estimated increase to the supplementary leverage exposure as proposed by banking regulators on April 8, 2014. The ratio is measured using quarter-end tier 1 capital calculated under Basel 3 on a fully phased-in basis. The denominator is calculated as the simple average of the sum of on-balance sheet assets and certain off-balance sheet exposures, including, among other items, derivatives and securities financing transactions, at the end of each month in the quarter.

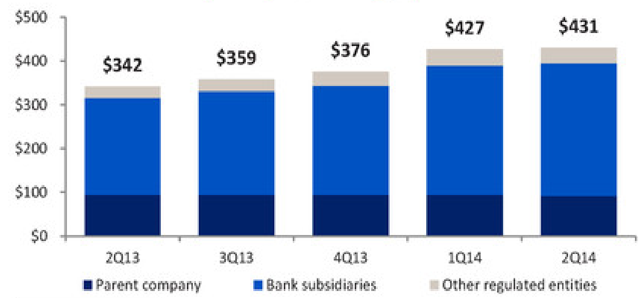
# Funding and Liquidity

## Long-term Debt ($B)

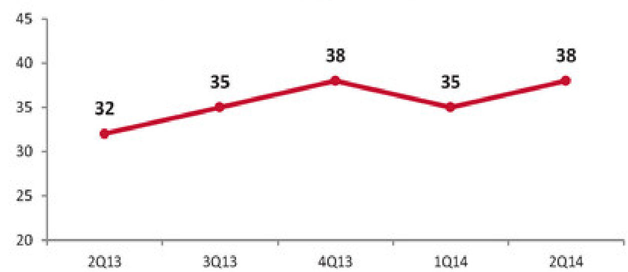



- Long-term debt increased $2.3B from 1Q14, which includes the $7.6B issuance that settled on April 1, 2014
  - Long-term debt yields declined 12bps from 1Q14, primarily driven by lower new issuance spreads
  - Parent long-term debt issuance expected to be less than contractual maturities of $13B during the second half of 2014 [3]
- Global Excess Liquidity Sources [2] of $431B, up $4B from 1Q14, driven by increased liquidity at our bank subsidiaries
  - Parent company liquidity remained strong at $92B
  - Time to Required Funding [4] at 38 months

## Global Excess Liquidity Sources ($B) [2]




## Time to Required Funding (months) [4]




[1] Includes consolidated variable interest entities, some of which are securitizations that consolidate into our bank entities, and other non-holding company long-term debt.

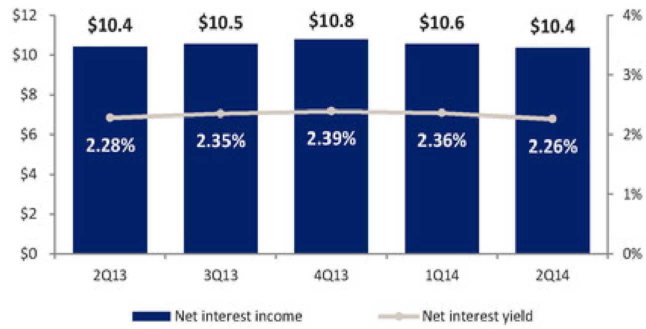
[2] Global Excess Liquidity Sources include cash and high-quality, liquid, unencumbered securities, limited to U.S. government securities, U.S. agency securities, U.S. agency MBS, and a select group of non-U.S. government and supranational securities, and are readily available to meet funding requirements as they arise. It does not include Federal Reserve Discount Window or Federal Home Loan Bank borrowing capacity. Transfers of liquidity from the bank or other regulated entities are subject to certain regulatory restrictions.

[3] Parent company debt maturities are defined as maturities of senior or subordinated debt issued by Bank of America Corporation. Remaining contractual maturities of $13B include $3B of structured note maturities.

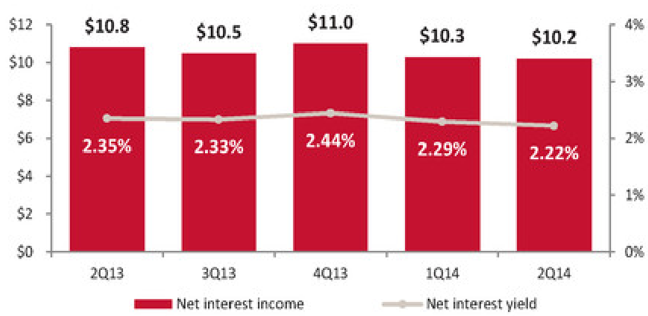
[4] Time to Required Funding (TTF) is a debt coverage measure and is expressed as the number of months unsecured holding company obligations of Bank of America Corporation can be met using only its Global Excess Liquidity Sources without issuing debt or sourcing additional liquidity. For 2Q13 through 2Q14, we have included in the amount of unsecured contractual obligations the $8.6B liability, including estimated costs, for settlements such as the previously announced BNY Mellon private-label securitization settlement. 1Q14 TTF is adjusted for the FHFA settlement. Including the $7.6B long-term debt issuance unsettled as of 1Q14, TTF for 1Q14 would have been 37 months.

# Net Interest Income

**NII Excluding Market-related Adjustments ($B) [1,2]**




**Reported Net Interest Income (NII) ($B) [1]**




- Reported NII of $10.2B, down $0.1B from 1Q14
- Excluding market-related adjustments, NII of $10.4B declined $0.2B from 1Q14, and the net interest yield declined 10bps to 2.26%

  Drivers included:

  - Lower consumer loan balances and lower loan yields
  - Seasonal decline in trading NII

  Partially offset by:

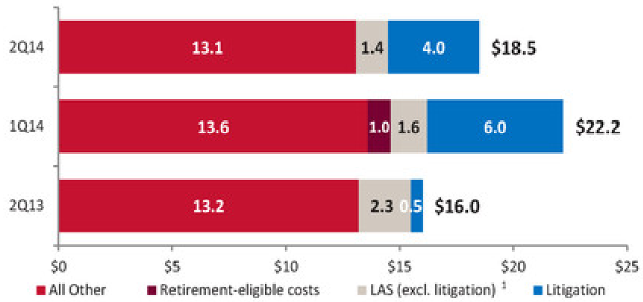
  - One additional interest accrual day
- The balance sheet continues to be asset sensitive and positioned for NII to benefit as rates move higher, particularly on the short-end of the curve

[1] FTE basis. Represents a non-GAAP financial measure. On a GAAP basis, reported NII was $10.0B, $10.1B, $10.8B, $10.3B and $10.5B for 2Q14, 1Q14, 4Q13, 3Q13 and 2Q13, respectively. For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

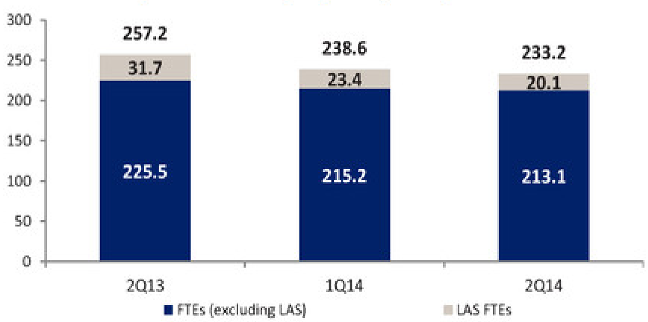
[2] NII on a FTE basis excluding market-related adjustments represents a non-GAAP financial measure. Market-related adjustments of premium amortization expense and hedge ineffectiveness were ($0.2)B, ($0.3)B, $0.2B, $0.0B and $0.4B for 2Q14, 1Q14, 4Q13, 3Q13 and 2Q13, respectively.

# Expense Highlights

## Noninterest Expense ($B)




## Full-time Equivalent Employees (000's)

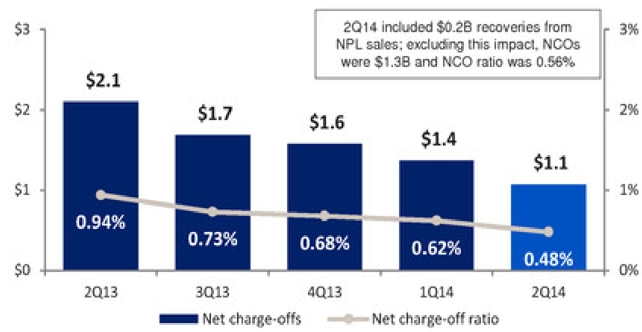



- Total noninterest expense of $18.5B in 2Q14 declined $3.7B from 1Q14
  - Litigation expense of $4.0B, down $2.0B from 1Q14
  - 1Q14 included annual retirement-eligible incentive compensation costs of $1.0B
- Litigation expense in 2Q14 driven by $3.8B net increase in reserves for previously disclosed legacy mortgage-related matters, including the AIG settlement
- Noninterest expense, excluding litigation and retirement-eligible costs [2], declined $0.7B from 1Q14, due primarily to lower revenue-related incentive compensation
  - Lower LAS expenses, and to a lesser extent New BAC cost savings, drove $1.0B decline compared to 2Q13
- FTE headcount down 2.3% from 1Q14, due primarily to reductions in LAS as well as Home Loans staff in response to lower mortgage originations over the past few quarters
- Quarterly New BAC cost savings of $2.0B now expected to be achieved by 4Q14
- Quarterly LAS expense, excluding litigation, now expected to decline to $1.1B by 1Q15

[1] Represents a non-GAAP financial measure. LAS noninterest expense was $5.2B, $7.4B and $2.5B in 2Q14, 1Q14 and 2Q13, respectively. LAS mortgage-related litigation expense was $3.8B, $5.8B and $215MM in 2Q14, 1Q14 and 2Q13, respectively.
[2] Represents a non-GAAP financial measure.

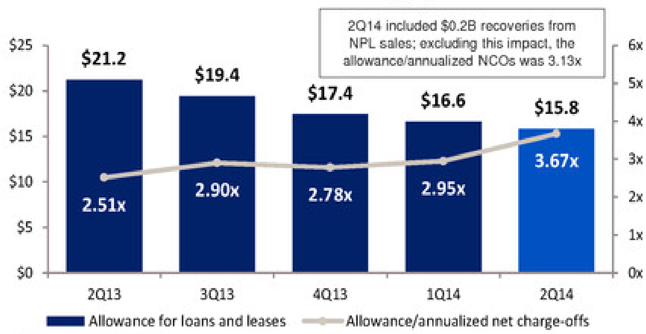
# Asset Quality Trends Continued to Improve

## Net Charge-offs ($B) [1, 2]




## Consumer 30+ Days Performing Past Due ($B) [3]


## Allowance for Loans and Leases ($B) [2, 4]




## Provision for Credit Losses ($B)


[1] Net charge-offs exclude write-offs of PCI loans of $160MM, $391MM, $741MM, $443MM and $313MM for 2Q14, 1Q14, 4Q13, 3Q13 and 2Q13, respectively. Including the write-offs of PCI loans, total annualized net charge-offs and PCI write-offs as a percentage of total average loans and leases outstanding were 0.55%, 0.79%, 1.00%, 0.92% and 1.07% for 2Q14, 1Q14, 4Q13, 3Q13 and 2Q13, respectively.

[2] 4Q13 includes $144MM of charge-offs associated with a clarification of regulatory guidance on the accounting for TDRs in the home loans portfolio. Excluding this impact, NCOs were $1.4B, NCO ratio was 62bps and the allowance/annualized NCOs ratio was 3.08x.

[3] Excludes FHA-insured loans and other loans individually insured under long-term standby agreements.

[4] The allowance/annualized net charge-offs and PCI write-offs ratios were 3.20x, 2.30x, 1.89x, 2.30x and 2.18x, and the allowance (excluding PCI loans)/annualized net charge-offs ratios were 3.25x, 2.58x, 2.38x, 2.42x and 2.04x, which excludes valuation allowance on PCI loans of $1.8B, $2.1B, $2.5B, $3.2B and $3.9B for 2Q14, 1Q14, 4Q13, 3Q13 and 2Q13, respectively.

# Consumer & Business Banking (CBB)

| $ in millions | 2Q14 | Inc/(Dec) 1Q14 | 2Q13 |
|---|---|---|---|
| Net interest income [1] | $4,929 | ($22) | ($105) |
| Noninterest income | 2,444 | (43) | 44 |
| Total revenue, net of interest expense [1] | 7,373 | (65) | (61) |
| Provision for credit losses | 534 | (278) | (433) |
| Noninterest expense | 4,000 | 37 | (184) |
| Income tax expense [1] | 1,051 | 54 | 159 |
| Net income | $1,788 | $122 | $397 |

| Key Indicators ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Average deposits | $543.6 | $534.6 | $522.2 |
| Rate paid on deposits | 0.06 % | 0.07 % | 0.12 % |
| Average loans and leases | $160.2 | $162.1 | $163.6 |
| Client brokerage assets | 105.9 | 100.2 | 84.2 |
| Debit card purchase volumes | 69.5 | 65.9 | 67.7 |
| Mobile banking customers (MM) | 15.5 | 15.0 | 13.2 |
| Number of banking centers | 5,023 | 5,095 | 5,328 |
| Return on average allocated capital [2] | 24.3 % | 22.9 % | 18.6 % |
| Allocated capital [2] | $29.5 | $29.5 | $30.0 |

| Total U.S. consumer credit card [3] ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Average outstandings | $88.1 | $89.5 | $89.7 |
| Credit card purchase volumes | 53.6 | 48.9 | 51.9 |
| New card accounts (MM) | 1.13 | 1.03 | 0.96 |
| Net charge-off ratio | 3.11 % | 3.25 % | 4.10 % |
| Risk-adjusted margin | 8.97 | 9.49 | 8.41 |

- Net income of $1.8B, up 7% from 1Q14 and 29% from 2Q13
- Revenue was relatively flat vs. both comparative periods, as lower NII was partially offset by higher service charges
- Provision for credit losses declined vs. both 1Q14 and 2Q13, driven by continued improvement in credit quality
- Expenses down 4% from 2Q13 and up slightly vs. 1Q14
- Customer activity highlights:
  - Organic average deposit growth of $10.7B from 1Q14 and $24.5B from 2Q13
    - Rate paid on deposits declined to 6bps in 2Q14
  - Client brokerage assets increased to $106B in 2Q14, driven by improved market valuation and account flows
  - Mobile banking users reached 15.5MM; 10% of deposit transactions completed through mobile devices
  - Banking centers reduced to 5,023, down 72 from 1Q14
  - Issued over 1.1MM new total U.S. consumer credit cards, 65% to existing customers
    - Average total U.S. consumer credit card [3] balances decreased from 1Q14 due to seasonality; ending balances up $1.3B

[1] FTE basis.
[2] Represents a non-GAAP financial measure. For important presentation information, see slide 24, and for reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
[3] Total U.S. consumer credit card includes portfolios in CBB and GWIM. In 2Q14 and 1Q14, $3.2B and $3.3B, respectively, of the U.S. consumer credit card portfolio was included in GWIM with the remaining in CBB.

# Consumer Real Estate Services (CRES) [1]

| $ in millions | 2Q14 | Inc/(Dec) 1Q14 | 2Q13 |
|---|---|---|---|
| Net interest income [2] | $697 | ($4) | ($2) |
| Noninterest income | 693 | 202 | (723) |
| Total revenue, net of interest expense [2] | 1,390 | 198 | (725) |
| Provision for credit losses | (20) | (45) | (311) |
| Noninterest expense, excluding litigation [3] | 2,094 | (196) | (1,070) |
| Litigation expense | 3,808 | (2,031) | 3,589 |
| Income tax expense (benefit) [2] | (1,690) | 245 | (1,061) |
| Net loss | ($2,802) | $2,225 | ($1,872) |

| Key Indicators ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Average loans and leases | $88.3 | $88.9 | $90.1 |
| Total home loan originations [4]: | | | |
| First mortgage | 11.1 | 8.9 | 25.3 |
| Home equity | 2.6 | 2.0 | 1.5 |
| Core production revenue [5] | 0.3 | 0.3 | 0.9 |
| Servicing income | 0.4 | 0.4 | 0.7 |
| First lien servicing portfolio (# loans in MM) | 4.1 | 4.2 | 5.3 |
| MSR, end of period (EOP) | 4.1 | 4.6 | 5.8 |
| Capitalized MSR (bps) | 82 | 87 | 77 |
| Serviced for investors (EOP, in trillions) | 0.5 | 0.5 | 0.8 |
| LAS expense (excluding litigation) [3] | 1.4 | 1.6 | 2.3 |
| 60+ days delinquent first lien loans (000's) | 263 | 277 | 492 |
| LAS employees (000's) [6] | 22.3 | 26.2 | 37.9 |

- 2Q14 net loss of $2.8B decreased $2.2B from 1Q14, driven primarily by lower litigation expense
- Total first-lien retail mortgage originations [4] increased 25% from 1Q14 to $11.1B
  - Origination pipeline at the end of 2Q14 was up 15% vs. 1Q14
- Core production revenue increased $45MM from 1Q14 and reflects improved volumes
- Servicing income was relatively flat vs. 1Q14, as lower servicing fees were offset by improved net MSR hedge results
- Representations and warranties provision of $87MM declined $91MM from 1Q14
- Provision for credit losses improved $45MM from 1Q14, driven by continued portfolio improvements
- LAS expense, excluding litigation [3], declined to $1.4B from $1.6B in 1Q14
  - 60+ days delinquent loans serviced dropped 14k from 1Q14 to 263k in 2Q14
- Total staffing declined 14% from 1Q14, due primarily to continued reductions in LAS, as well as actions taken in sales and fulfillment as refinance demand slowed

[1] CRES includes Home Loans and Legacy Assets & Servicing.
[2] FTE basis.
[3] Represents a non-GAAP financial measure. CRES noninterest expense was $5.9B, $8.1B and $3.4B in 2Q14, 1Q14 and 2Q13, respectively. CRES litigation expense was $3.8B, $5.8B and $219MM for 2Q14, 1Q14 and 2Q13, respectively. LAS noninterest expense was $5.2B, $7.4B and $2.5B in 2Q14, 1Q14 and 2Q13, respectively. LAS litigation expense was $3.8B, $5.8B and $215MM for 2Q14, 1Q14 and 2Q13, respectively.
[4] Home loan originations include loan production in CRES with the remaining first mortgage and home equity loan production primarily in GWIM.
[5] Core production revenue excludes representations and warranties provision.
[6] Includes other FTEs supporting LAS (contractors and offshore).

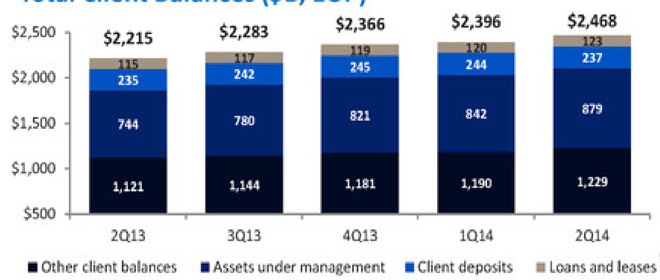
# Global Wealth & Investment Management (GWIM)

| $ in millions | 2Q14 | Inc/(Dec) 1Q14 | Inc/(Dec) 2Q13 |
|---|---|---|---|
| Net interest income [1] | $1,485 | $0 | ($20) |
| Noninterest income | 3,104 | 42 | 110 |
| Total revenue, net of interest expense [1] | 4,589 | 42 | 90 |
| Provision for credit losses | (8) | (31) | 7 |
| Noninterest expense | 3,447 | 88 | 177 |
| Income tax expense [1] | 426 | (10) | (59) |
| Net income | $724 | ($5) | ($35) |

| Key Indicators ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Long-term AUM flows | $11.9 | $17.4 | $7.7 |
| Liquidity AUM flows | 0.1 | (2.4) | (0.7) |
| Financial Advisors (in thousands) [2] | 15.6 | 15.3 | 15.8 |
| Financial Advisor Productivity ($ in MM) [3] | $1.06 | $1.06 | $1.01 |
| Wealth Advisors (in thousands) [2] | 16.7 | 16.5 | 17.0 |
| Pre-tax margin | 25.1 % | 25.6 % | 27.6 % |
| Return on average allocated capital [4] | 24.3 | 24.7 | 30.6 |
| Allocated capital [4] | $12.0 | $12.0 | $10.0 |

- Solid 2Q14 results included record revenue of $4.6B
- Net income was $0.7B, and pre-tax margin was 25.1%
- Record asset management fees drove noninterest income higher, despite lower transactional activity
- Noninterest expense increased from 2Q13, reflecting higher revenue-related incentive compensation, other volume-related expenses and additional investments in technology and other areas to support business growth
  - Increase versus 1Q14 driven by higher revenue-related incentive compensation, litigation-related costs and marketing
- Client balances grew to nearly $2.5T, driven by improved market valuation and net inflows
  - Long-term AUM flows of $11.9B, positive for the 20th consecutive quarter
  - Record period-end loans of $123B, up 3% from 1Q14

## Total Client Balances ($B, EOP)




[1] FTE basis.
[2] Includes Financial Advisors in CBB of 1,716, 1,598 and 1,587 at 2Q14, 1Q14 and 2Q13, respectively.
[3] 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 CBB). Total revenue excludes corporate allocation of net interest income related to certain ALM activities.
[4] Represents a non-GAAP financial measure. For important presentation information, see slide 24, and for reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
[5] Includes margin receivables which are classified in customer and other receivables on the Consolidated Balance Sheet.

# Global Banking

| $ in millions | 2Q14 | Inc/(Dec) 1Q14 | 2Q13 |
|---|---|---|---|
| Net interest income [1] | $2,239 | ($63) | ($13) |
| Noninterest income | 1,940 | (27) | 54 |
| Total revenue, net of interest expense [1] | 4,179 | (90) | 41 |
| Provision for credit losses | 132 | (133) | (31) |
| Noninterest expense | 1,899 | (129) | 50 |
| Income tax expense [1] | 795 | 55 | (34) |
| Net income | $1,353 | $117 | $56 |

| Key Indicators ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Average loans and leases | $271.4 | $271.5 | $255.7 |
| Average deposits | 258.9 | 256.4 | 226.9 |
| Business Lending revenue | 1.8 | 1.9 | 1.9 |
| Global Transaction Services revenue | 1.5 | 1.5 | 1.4 |
| Return on average allocated capital [2] | 17.5 % | 16.2 % | 22.6 % |
| Allocated capital [2] | $31.0 | $31.0 | $23.0 |
| Net charge-off ratio | (0.04) % | (0.03) % | 0.12 % |
| Reservable criticized | $9.5 | $9.5 | $10.6 |
| Nonperforming assets | 0.7 | 0.7 | 1.1 |

| Corporation-wide IB Fees ($ in millions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Advisory | $265 | $286 | $262 |
| Debt | 891 | 1,025 | 987 |
| Equity | 514 | 313 | 356 |
| Gross IB fees (incl. self-led) | 1,670 | 1,624 | 1,605 |
| Self-led | (39) | (82) | (49) |
| Net IB fees (excl. self-led) | $1,631 | $1,542 | $1,556 |

- Net income of $1.4B, up 9% from 1Q14 and 4% from 2Q13
- Maintained leadership position with $1.6B in corporation-wide investment banking fees (excluding self-led deals)
  - Record equity underwriting fees, up 44% from 2Q13
  - Ranked #2 globally in IB fees with 6.7% market share [3]
- Provision for credit losses declined $133MM from 1Q14
- Noninterest expense decreased $129MM vs. 1Q14, due to lower incentive compensation and business support expenses, and increased $50MM from 2Q13 driven primarily by higher litigation expense
- Average loans and leases of $271.4B, up $15.7B, or 6%, from 2Q13, due to growth in Commercial & Industrial, Commercial Real Estate and Leasing
  - Flat relative to 1Q14 due to reductions in commercial real estate and certain large paydowns
- Average deposits increased 14% from 2Q13 and 1% from 1Q14, benefitting from increased customer liquidity
- Return on average allocated capital increased to 17.5% from 16.2% in 1Q14

[1] FTE basis.
[2] Represents a non-GAAP financial measure. For important presentation information, see slide 24, and for reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.
[3] Ranking per Dealogic as of July 1, 2014.

# Global Markets

| $ in millions | 2Q14 | Inc/(Dec) 1Q14 | Inc/(Dec) 2Q13 |
|---|---|---|---|
| Net interest income [1] | $952 | ($45) | ($57) |
| Noninterest income | 3,631 | (384) | 446 |
| Total revenue, net of interest expense [1,2] | 4,583 | (429) | 389 |
| Provision for credit losses | 19 | 0 | 35 |
| Noninterest expense | 2,862 | (215) | 92 |
| Income tax expense [1] | 601 | (7) | 123 |
| Net income | $1,101 | ($207) | $139 |

| Key Indicators ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Average trading-related assets | $459.9 | $437.1 | $491.0 |
| Average loans and leases | 63.6 | 63.7 | 56.4 |
| IB fees | 0.8 | 0.7 | 0.7 |
| Sales and trading revenue | 3.5 | 4.2 | 3.5 |
| Sales and trading revenue (excl. net DVA) [3] | 3.4 | 4.1 | 3.4 |
| FICC (excl. net DVA) [4] | 2.4 | 2.9 | 2.3 |
| Equities (excl. net DVA) [4] | 1.0 | 1.2 | 1.2 |
| Average VaR ($ in MM) [5] | 51 | 71 | 69 |
| Return on average allocated capital [6] | 13.0 % | 15.6 % | 12.9 % |
| Allocated capital [6] | $34.0 | $34.0 | $30.0 |

- Net income of $1.1B increased 14% vs. 2Q13
- Revenue increased $389MM, or 9%, from 2Q13, driven by higher equity investment gains (not included in sales and trading) and increased investment banking fees
- Excluding net DVA [3,4], sales and trading revenue of $3.4B was relatively flat vs. 2Q13 and decreased $697MM, or 17%, vs. 1Q14
  - FICC revenue increased $117MM, or 5%, vs. 2Q13, driven by improved conditions in mortgages and munis, partially offset by a decline in FX and commodities
    - 2Q14 revenues decreased $576MM, or 20%, vs. 1Q14, following a seasonally stronger first quarter
  - Equities revenue decreased $162MM, or 14%, vs. 2Q13 and $121MM, or 11%, vs. 1Q14 as low volatility depressed secondary market volumes and client activity
- Noninterest expense declined $215MM from 1Q14; up $92MM from 2Q13 driven by investments in technology and staff support

[1] FTE basis.
[2] In addition to sales and trading revenue, Global Markets shares with Global Banking in certain deal economics from investment banking and loan origination activities.
[3] Represents a non-GAAP financial measure. During 1Q14, the management of structured liabilities and the associated DVA were moved into Global Markets from All Other to better align the performance risk of these instruments. As such, net DVA represents the combined total of net DVA on derivatives and structured liabilities. Prior periods have been reclassified to conform to current period presentation. Net DVA results were gains of $69MM, $112MM and $49MM for 2Q14, 1Q14 and 2Q13, respectively.
[4] For this presentation, sales and trading revenue excludes net DVA gains (losses), which represents a non-GAAP financial measure. Net DVA included in FICC revenue was gains (losses) of $56MM, $80MM and ($37)MM for 2Q14, 1Q14 and 2Q13, respectively. Net DVA included in equities revenue was gains of $13MM, $32MM and $86MM for 2Q14, 1Q14 and 2Q13, respectively.
[5] VaR model uses historical simulation approach based on three years of historical data and an expected shortfall methodology equivalent to a 99% confidence level. Using a 95% confidence level, average VaR was $27MM, $37MM and $40MM for 2Q14, 1Q14 and 2Q13, respectively.
[6] Represents a non-GAAP financial measure. For important presentation information, see slide 24, and for reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

# All Other [1]

| $ in millions | 2Q14 | Inc/(Dec) 1Q14 | 2Q13 |
|---|---|---|---|
| Net interest income [2] | ($76) | $74 | ($348) |
| Noninterest income | (78) | (537) | (375) |
| Total revenue, net of interest expense [2] | (154) | (463) | (723) |
| Provision for credit losses | (246) | (111) | (67) |
| Noninterest expense | 431 | (1,251) | (131) |
| Income tax expense (benefit) [2] | (466) | 584 | (119) |
| Net income | $127 | $315 | ($406) |

| Key Indicators ($ in billions) | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Average loans and leases | $210.6 | $217.4 | $238.9 |
| Average deposits | 35.9 | 34.4 | 34.0 |
| Book value of Global Principal Investments | 1.1 | 1.3 | 2.2 |
| Total BAC equity investment exposure | 11.5 | 12.0 | 14.3 |

- Net income improvement from 1Q14 driven by the absence of the 1Q14 annual retirement-eligible incentive compensation costs and improvement in provision for credit losses, partially offset by lower equity investment gains
- Revenue was impacted by the following selected items:

| $ in millions | 2Q14 | 1Q14 | 2Q13 |
|---|---|---|---|
| Equity investment income | $56 | $674 | $576 |
| Gains on sales of debt securities | 382 | 357 | 452 |
| U.K. payment protection insurance provision [3] | (43) | (141) | (29) |

- Provision improved from 1Q14, primarily driven by $0.2B of recoveries on bulk sales of nonperforming loans
- Noninterest expense decreased from 1Q14, driven by the absence of the 1Q14 annual retirement-eligible incentive compensation costs

[1] All Other consists of ALM activities, equity investments, the international consumer card business, liquidating businesses, residual expense allocations 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, the impact of certain allocation methodologies and accounting hedge ineffectiveness. The results of certain ALM activities are allocated to our business segments. Equity investments include Global Principal Investments and certain other investments. Additionally, All Other includes certain residential mortgage loans that are managed by LAS. During 1Q14, the management of structured liabilities and the associated DVA (previously referred to as fair value adjustments on structured liabilities) were moved into Global Markets from All Other to better align the performance risk of these instruments. Prior periods have been reclassified to conform to current period presentation.

[2] FTE basis.

[3] In the U.K., we previously sold payment protection insurance through our international card services business to credit card and consumer loan customers.

# Key Takeaways

- Business performance showed good progress
  - Solid client activity across all segments
  - Global Banking, Global Markets and Global Wealth & Investment Management grew revenue from 2Q13
  - Consumer and Business Banking improved earnings 29% from 2Q13
  - Legacy Assets and Servicing reduced delinquent loans and associated costs
- Continued progress on legacy issues
  - Completed a definitive agreement with AIG
    - Resolves all outstanding RMBS litigation with AIG
    - AIG agreed to withdraw its objection to the Bank of New York Mellon PLS settlement (Article 77 Proceeding)
  - Increased reserves for previously disclosed legacy mortgage-related matters
- Further strengthened capital and liquidity levels
- Lowered costs to drive improved efficiency
- Asset quality improved to decade lows

# Appendix

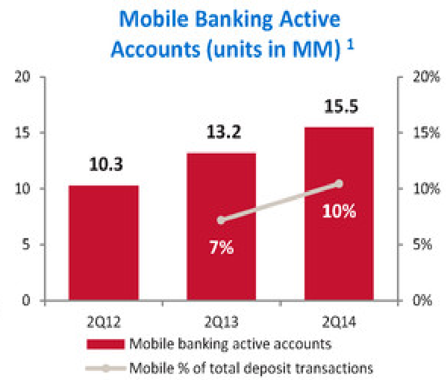
# Results by Business Segment

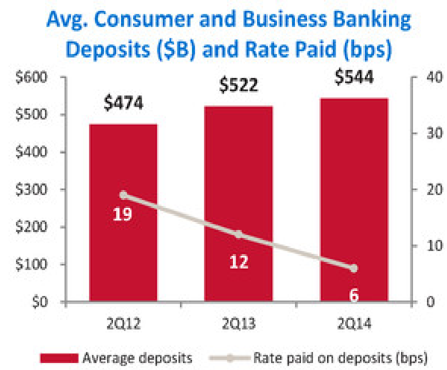
| $ in millions | 2Q14 Total Corporation | CBB | CRES | GWIM | Global Banking | Global Markets | All Other |
|---|---|---|---|---|---|---|---|
| **Net interest income** [1,2] | **$10,226** | $4,929 | $697 | $1,485 | $2,239 | $952 | ($76) |
| Card income | **1,441** | 1,166 | - | 46 | 102 | 39 | 88 |
| Service charges | **1,866** | 1,091 | - | 19 | 680 | 76 | - |
| Investment and brokerage services | **3,291** | 62 | - | 2,642 | 36 | 540 | 11 |
| Investment banking income (loss) | **1,631** | 2 | (1) | 75 | 834 | 760 | (39) |
| Equity investment income | **357** | 41 | - | 1 | - | 259 | 56 |
| Trading account profits (losses) | **1,832** | (1) | 3 | 45 | 34 | 1,768 | (17) |
| Mortgage banking income (loss) | **527** | - | 606 | 1 | - | - | (80) |
| Gains (losses) on sales of debt securities | **382** | - | 7 | - | - | (7) | 382 |
| Other income (loss) | **407** | 83 | 78 | 275 | 254 | 196 | (479) |
| **Total noninterest income** | **11,734** | 2,444 | 693 | 3,104 | 1,940 | 3,631 | (78) |
| **Total revenue, net of interest expense** [1,2] | **21,960** | 7,373 | 1,390 | 4,589 | 4,179 | 4,583 | (154) |
| Total noninterest expense | **18,541** | 4,000 | 5,902 | 3,447 | 1,899 | 2,862 | 431 |
| Pre-tax, pre-provision earnings (loss) [1,2] | **3,419** | 3,373 | (4,512) | 1,142 | 2,280 | 1,721 | (585) |
| Provision for credit losses | **411** | 534 | (20) | (8) | 132 | 19 | (246) |
| **Income (loss) before income taxes** [1,2] | **3,008** | 2,839 | (4,492) | 1,150 | 2,148 | 1,702 | (339) |
| Income tax expense (benefit) [1,2] | **717** | 1,051 | (1,690) | 426 | 795 | 601 | (466) |
| **Net income (loss)** | **$2,291** | $1,788 | ($2,802) | $724 | $1,353 | $1,101 | $127 |

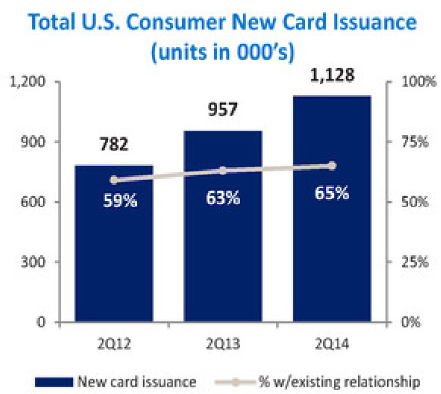
[1] FTE basis. FTE basis for the total Corporation and pre-tax, pre-provision earnings are non-GAAP financial measures.
[2] For reconciliations to GAAP financial measures, see the accompanying reconciliations in the earnings press release and other earnings-related information.

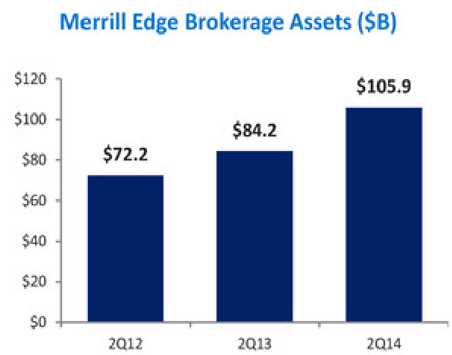
# Business Metrics Reflect Progress

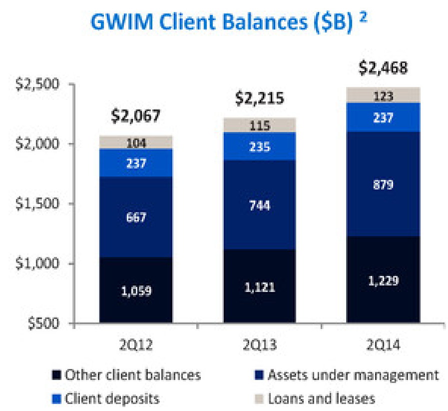
## Consumer Metrics

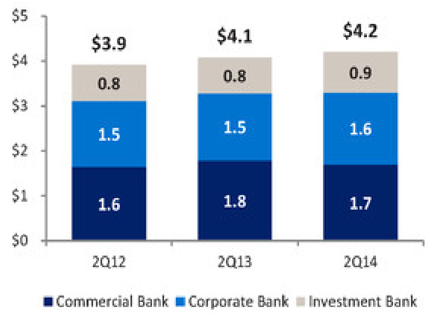

[1] Mobile check deposits capability launched in mid-2012.

[2] Loans and leases include margin receivables which are classified in customer and other receivables on the Consolidated Balance Sheet.

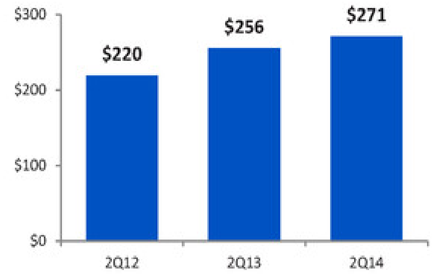
# Business Metrics Reflect Progress

## Banking and Markets Metrics

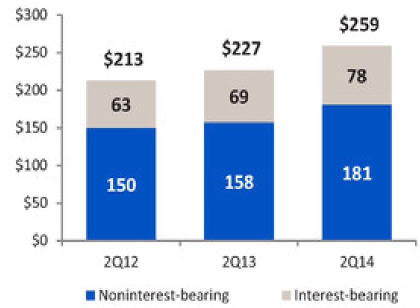
**Global Banking Revenue ($B) [1]**



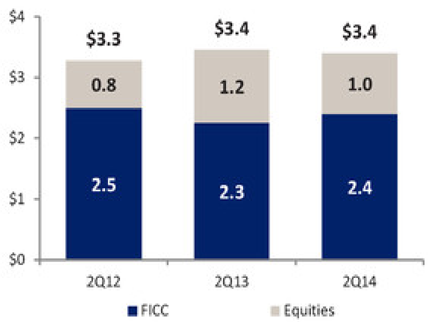

**Avg. Global Banking Loans ($B)**



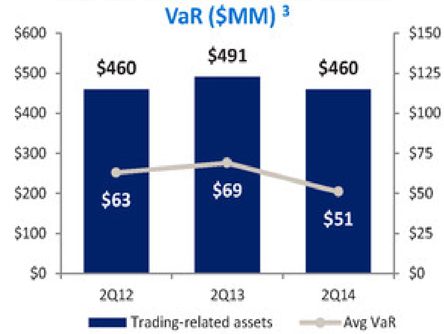

**Avg. Global Banking Deposits ($B)**



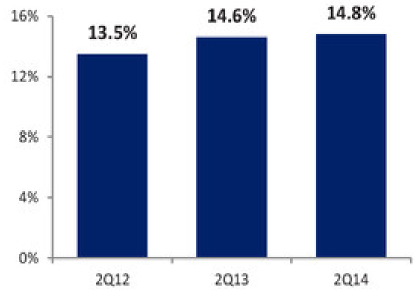

**Sales & Trading Revenue (excl. DVA) ($B) [2]**




**Avg. Trading-related Assets ($B) and VaR ($MM) [3]**




**Market Share in U.S. Cash Equities [4]**




[1] FTE basis. Represents a non-GAAP financial measure.

[2] Represents a non-GAAP financial measure. During 1Q14, the management of structured liabilities and the associated DVA were moved into Global Markets from All Other to better align the performance risk of these instruments. As such, net DVA represents the combined total of net DVA on derivatives and structured liabilities. Prior periods have been reclassified to conform to current period presentation. Net DVA results were gains (losses) of $69MM, $49MM and ($220)MM for 2Q14, 2Q13 and 2Q12, respectively. Amounts may not total due to rounding.

[3] VaR model uses historical simulation approach based on three years of historical data and an expected shortfall methodology equivalent to a 99% confidence level.

[4] Source: Bloomberg and based on share of S&P 500.

# Representations and Warranties Exposure [1]

**New Claim Trends (UPB)**

| $ in millions | 2Q13 | 3Q13 | 4Q13 | 1Q14 | 2Q14 | Mix [2] |
|---|---|---|---|---|---|---|
| Pre 2005 | $30 | $48 | $42 | $96 | $24 | 2 % |
| 2005 | 37 | 207 | 278 | 74 | 72 | 7 |
| 2006 | 430 | 826 | 1,614 | 973 | 351 | 42 |
| 2007 | 561 | 303 | 1,826 | 50 | 1,948 | 45 |
| 2008 | 39 | 112 | 30 | 11 | 4 | 2 |
| Post 2008 | 74 | 60 | 38 | 48 | 39 | 2 |
| New Claims | $1,171 | $1,556 | $3,828 | $1,252 | $2,438 | |
| % GSEs | 40 % | 32 % | 10 % | 12 % | 4 % | |
| Rescinded claims | $409 | $412 | $471 | $162 | $255 | |
| Approved repurchases | 351 | 269 | 270 | 177 | 240 | |

2Q14, 1Q14 and 4Q13 include new claims of $1.9B, $0.9B and $2.7B submitted without individual loan file reviews

**Outstanding Claims by Counterparty (UPB)**

| $ in millions | 2Q13 | 3Q13 | 4Q13 | 1Q14 | 2Q14 |
|---|---|---|---|---|---|
| GSEs | $1,035 | $998 | $170 | $124 | $76 |
| Private | 13,826 | 14,649 | 17,953 | 18,604 | 20,551 |
| Monolines | 1,535 | 1,533 | 1,532 | 1,536 | 1,085 |
| Total | $16,396 | $17,180 | $19,655 | $20,264 | $21,712 |

2Q14 includes outstanding claims of $6.8B submitted without individual loan file reviews

**Reserves Established (Balances Shown for 2004-2008 Originations) ($B)**

| Counterparty | Original Balance | Outstanding Balance | Have Paid | Reserves Established [3, 4] | Commentary [3, 5] |
|---|---|---|---|---|---|
| GSE - Whole loans | $1,118 | $215 | | | FHLMC and FNMA Agreements |
| Second-lien monoline | 81 | 10 | | | Completed agreements with Assured, Syncora, MBIA and FGIC |
| Whole loans sold | 55 | 10 | | | Reserves established |
| Private label (CFC issued) | 409 | 102 | | | BNY Mellon settlement received court approval and pending appeal |
| Private label (non CFC bank issued) | 244 | 42 | | | Reserves established; Included in RPL |
| Private label (3rd party issued) | 176 | 43 | | | Reserves established; Included in RPL |
| | $2,083 | $422 | $25.2 | $12.1 | |

[1] Exposures identified above relate only to repurchase claims associated with purported representations and warranties breaches. They do not include any exposures associated with related litigation matters; separate foreclosure costs and related costs and assessments; or possible losses related to potential claims for breaches of performance of servicing obligations, potential securities law or fraud claims, potential indemnity or other claims against us, including claims related to loans guaranteed by the FHA. If adverse to us, the aforementioned items could have a material adverse effect on our financial results in future periods.

[2] Mix for new claim trends is calculated based on last four quarters.

[3] Level of reserves established and RPL are subject to adjustments in future periods based on a number of factors including ultimate resolution of the BNY Mellon settlement, changes in estimated repurchase rates, economic conditions, home prices, consumer and counterparty behavior, the applicable statute of limitations and a variety of judgmental factors.

[4] Does not include litigation reserves established. In addition, the company currently estimates the RPL could be up to $4B over accruals at June 30, 2014, unchanged from March 31, 2014. The remaining RPL covers principally non-GSE exposures.

[5] Refer to pages 54-57 of the Corporation's 2013 Annual Report on Form 10-K on file with the SEC for additional disclosures.

# Home Loans Asset Quality Key Indicators

| $ in millions | Residential Mortgage [1] | | | | Home Equity [1] | | | |
|---|---|---|---|---|---|---|---|---|
| | 2Q14 | | 1Q14 | | 2Q14 | | 1Q14 | |
| | As Reported | Excluding Purchased Credit-impaired and Fully-insured Loans | As Reported | Excluding Purchased Credit-impaired and Fully-insured Loans | As Reported | Excluding Purchased Credit-impaired Loans | As Reported | Excluding Purchased Credit-impaired Loans |
| Loans end of period | $237,136 | $138,751 | $242,977 | $141,428 | $89,499 | $83,432 | $91,476 | $85,141 |
| Loans average | 241,432 | 141,735 | 245,562 | 143,336 | 90,568 | 84,375 | 92,592 | 86,160 |
| Net charge-offs [2] | ($35) | ($35) | $127 | $127 | $239 | $239 | $302 | $302 |
| % of average loans | (0.06) % | (0.10) % | 0.21 % | 0.36 % | 1.06 % | 1.14 % | 1.32 % | 1.42 % |
| Allowance for loan losses | $3,214 | $2,195 | $3,502 | $2,337 | $3,694 | $2,877 | $4,054 | $3,117 |
| % of loans | 1.36 % | 1.58 % | 1.44 % | 1.65 % | 4.13 % | 3.45 % | 4.43 % | 3.66 % |
| Average refreshed (C)LTV [3] | | 66 | | 66 | | 71 | | 70 |
| 90%+ refreshed (C)LTV [3] | | 15 % | | 15 % | | 26 % | | 26 % |
| Average refreshed FICO | | 735 | | 732 | | 746 | | 745 |
| % below 620 FICO | | 9 % | | 10 % | | 7 % | | 7 % |

[1] Excludes FVO loans.
[2] Excludes write-offs of PCI loans of $70MM and $281MM related to residential mortgage and $90MM and $110MM related to home equity for 2Q14 and 1Q14. Net charge-off ratios including the PCI write-offs for residential mortgage were 0.06% and 0.67%, and for home equity were 1.46% and 1.81% for 2Q14 and 1Q14.
[3] Loan-to-value (LTV) calculations apply to the residential mortgage portfolio. Combined loan-to-value (CLTV) calculations apply to the home equity portfolio.

# Regulatory Capital Reconciliations [1, 2]

| $ in millions<br>Regulatory Capital – Basel 3 transition to fully phased-in | June 30 2014 | March 31 2014 |
|---|---|---|
| **Common equity tier 1 capital (transition)** | $153,582 | $150,922 |
| Adjustments and deductions recognized in Tier 1 capital during transition | (10,547) | (11,302) |
| Other adjustments and deductions phased in during transition | (5,852) | (9,474) |
| **Common equity tier 1 capital (fully phased-in)** | $137,183 | $130,146 |

| Risk-weighted Assets – As reported to Basel 3 (fully phased-in) | June 30 2014 | March 31 2014 |
|---|---|---|
| **As reported risk-weighted assets** | $1,282,720 | $1,282,117 |
| Change in risk-weighted assets from reported to fully phased-in | 154,240 | 165,332 |
| **Basel 3 Standardized approach risk-weighted assets (fully phased-in)** | 1,436,960 | 1,447,449 |
| Change in risk-weighted assets for advanced models | (49,464) | (86,234) |
| **Basel 3 Advanced approaches risk-weighted assets (fully phased-in)** | $1,387,496 | $ 1,361,215 |

| Regulatory Capital Ratios | June 30 2014 | March 31 2014 |
|---|---|---|
| **Basel 3 Standardized approach common equity tier 1 (transition)** | 12.0 % | 11.8 % |
| **Basel 3 Standardized approach common equity tier 1 (fully phased-in)** | 9.5 | 9.0 |
| **Basel 3 Advanced approaches common equity tier 1 (fully phased-in)** | 9.9 | 9.6 |

[1] Regulatory capital ratios are preliminary. For important presentation information, see slide 24.
[2] On January 1, 2014, the Basel 3 rules became effective, subject to transition provisions primarily related to regulatory deductions and adjustments impacting CET1 capital and Tier 1 capital.

# 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," "hopes," "estimates," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could." The forward-looking statements made in this presentation represent Bank of America's current expectations, plans or forecasts of its future results and revenues, and future business and economic conditions more generally, and other 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 the following uncertainties and risks, as well as the risks and uncertainties more fully discussed under Item 1A. Risk Factors of Bank of America's 2013 Annual Report on Form 10-K, and in any of Bank of America's subsequent Securities and Exchange Commission filings: the potential negative impacts of the Company's prior adjustment to its regulatory capital ratios, including without limitation the results of the Federal Reserve's review of the resubmitted Comprehensive Capital Analysis and Review, or the revised capital actions that have been resubmitted to the Federal Reserve; the Company's ability to resolve representations and warranties repurchase 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 counterparties, including monolines or private-label and other investors; the possibility that final court approval of negotiated settlements is not obtained; the possibility that the court decision with respect to the BNY Mellon Settlement is overturned on appeal in whole or in part; potential claims, damages, penalties and fines resulting from pending or future litigation and regulatory proceedings, including proceedings instituted by the U.S. Department of Justice, state Attorneys General and other members of the RMBS Working Group of the Financial Fraud Enforcement Task Force concerning mortgage-related matters; the possibility that the European Commission will impose remedial measures in relation to its investigation of the Company's competitive practices; the possible outcome of LIBOR, other reference rate and foreign exchange inquiries and investigations; the possibility that future representations and warranties losses may occur in excess of the Company's recorded liability and estimated range of possible loss for its representations and warranties exposures; the possibility that the Company may not collect mortgage insurance claims; the possibility that future claims, damages, penalties and fines may occur in excess of the Company's recorded liability and estimated range of possible losses for litigation exposures; uncertainties about the financial stability and growth rates of non-U.S. jurisdictions, the risk that those jurisdictions may face difficulties servicing their sovereign debt, and related stresses on financial markets, currencies and trade, and the Company's exposures to such risks, including direct, indirect and operational; uncertainties related to the timing and pace of Federal Reserve tapering of quantitative easing, and the impact on global interest rates, currency exchange rates, and economic conditions in a number of countries; the possibility of future inquiries or investigations regarding pending or completed foreclosure activities; the possibility that unexpected foreclosure delays could impact the rate of decline of default-related servicing costs; uncertainty regarding timing and the potential impact of regulatory capital and liquidity requirements (including Basel 3); 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 potential impact of implementing and conforming to the Volcker Rule; the potential impact of future derivative regulations; 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; reputational damage that may result from negative publicity, fines and penalties from regulatory violations and judicial proceedings; the Company's ability to fully realize the anticipated cost savings in Legacy Assets & Servicing and the anticipated cost savings and benefits from Project New BAC, including in accordance with currently anticipated timeframes; a failure in or breach of the Company's operational or security systems or infrastructure, or those of third parties with which we do business, including as a result of cyber attacks; the impact on the Company's business, financial condition and results of operations of a potential higher interest rate environment; 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.

# Important Presentation Information

- The information contained herein 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 slides. Bank of America does not undertake an obligation to, and disclaims any duty to, update any of the information provided.
- Certain prior period amounts have been reclassified to conform to current period presentation.
- The Company's fully phased-in Basel 3 estimates and the supplementary leverage ratio are based on its current understanding of the Standardized and Advanced approaches under the Basel 3 rules, assuming all relevant regulatory model approvals, except for the potential reduction to risk-weighted assets resulting from removal of the Comprehensive Risk Measure surcharge. These estimates will evolve over time as the Company's businesses change and as a result of further rulemaking or clarification by U.S. regulatory agencies. The Basel 3 rules require approval by banking regulators of certain models used as part of risk-weighted asset calculations. If these models are not approved, the Company's capital ratio would likely be adversely impacted, which in some cases could be significant. The Company continues to evaluate the potential impact of proposed rules and anticipates it will be in compliance with any final rules by the proposed effective dates.
- Certain financial measures contained herein represent non-GAAP financial measures. For more information about the non-GAAP financial measures contained herein, please see the presentation of the most directly comparable financial measures calculated in accordance with GAAP and accompanying reconciliations in the earnings press release for the quarter ended June 30, 2014 and other earnings-related information available through the Bank of America Investor Relations web site at: http://investor.bankofamerica.com.
- The Company allocates capital to its business segments using a methodology that considers the effect of regulatory capital requirements in addition to internal risk-based capital models. The Company's internal risk-based capital models use a risk-adjusted methodology incorporating each segment's credit, market, interest rate, business and operational risk components. Allocated capital is reviewed periodically and refinements are made based on multiple considerations that include, but are not limited to, business segment exposures and risk profile, regulatory constraints and strategic plans. As part of this process, in the first quarter of 2014, the Company adjusted the amount of capital being allocated to its business segments. This change resulted in a reduction of the unallocated capital, which is reflected in All Other, and an aggregate increase to the amount of capital being allocated to the business segments. Prior periods were not restated.

Bank of America

Bank of America Merrill Lynch U.S. Trust Bank of America Merrill Lynch

# Supplemental Information
# Second Quarter 2014

**Bank of America Corporation and Subsidiaries**

## Table of Contents

## Bank of America Corporation and Subsidiaries

# Consolidated Financial Highlights

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

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | |
| Net interest income | **$ 20,098** | $ 21,213 | **$ 10,013** | $ 10,085 | $ 10,786 | $ 10,266 | $ 10,549 |
| Noninterest income | **24,215** | 24,711 | **11,734** | 12,481 | 10,702 | 11,264 | 12,178 |
| Total revenue, net of interest expense | **44,313** | 45,924 | **21,747** | 22,566 | 21,488 | 21,530 | 22,727 |
| Provision for credit losses | **1,420** | 2,924 | **411** | 1,009 | 336 | 296 | 1,211 |
| Noninterest expense | **40,779** | 35,518 | **18,541** | 22,238 | 17,307 | 16,389 | 16,018 |
| Income tax expense (benefit) | **99** | 1,987 | **504** | (405) | 406 | 2,348 | 1,486 |
| Net income (loss) | **2,015** | 5,495 | **2,291** | (276) | 3,439 | 2,497 | 4,012 |
| Preferred stock dividends | **494** | 814 | **256** | 238 | 256 | 279 | 441 |
| Net income (loss) applicable to common shareholders | **1,521** | 4,681 | **2,035** | (514) | 3,183 | 2,218 | 3,571 |
| Diluted earnings (loss) per common share (1) | **0.14** | 0.42 | **0.19** | (0.05) | 0.29 | 0.20 | 0.32 |
| Average diluted common shares issued and outstanding (1) | **10,599,641** | 11,549,693 | **11,265,123** | 10,560,518 | 11,404,438 | 11,482,226 | 11,524,510 |
| Dividends paid per common share | **$ 0.02** | $ 0.02 | **$ 0.01** | $ 0.01 | $ 0.01 | $ 0.01 | $ 0.01 |
| **Performance ratios** | | | | | | | |
| Return on average assets | **0.19%** | 0.50% | **0.42%** | n/m | 0.64% | 0.47% | 0.74% |
| Return on average common shareholders' equity | **1.38** | 4.32 | **3.68** | n/m | 5.74 | 4.06 | 6.55 |
| Return on average tangible common shareholders' equity (2) | **2.05** | 6.53 | **5.47** | n/m | 8.61 | 6.15 | 9.88 |
| Return on average tangible shareholders' equity (2) | **2.49** | 6.84 | **5.64** | n/m | 8.53 | 6.32 | 9.98 |
| **At period end** | | | | | | | |
| Book value per share of common stock | **$ 21.16** | $ 20.18 | **$ 21.16** | $ 20.75 | $ 20.71 | $ 20.50 | $ 20.18 |
| Tangible book value per share of common stock (2) | **14.24** | 13.32 | **14.24** | 13.81 | 13.79 | 13.62 | 13.32 |
| Market price per share of common stock: | | | | | | | |
| Closing price | **$ 15.37** | $ 12.86 | **$ 15.37** | $ 17.20 | $ 15.57 | $ 13.80 | $ 12.86 |
| High closing price for the period | **17.92** | 13.83 | **17.34** | 17.92 | 15.88 | 14.95 | 13.83 |
| Low closing price for the period | **14.51** | 11.03 | **14.51** | 16.10 | 13.69 | 12.83 | 11.44 |
| Market capitalization | **161,628** | 138,156 | **161,628** | 181,117 | 164,914 | 147,429 | 138,156 |
| Number of banking centers - U.S. | **5,023** | 5,328 | **5,023** | 5,095 | 5,151 | 5,243 | 5,328 |
| Number of branded ATMs - U.S. | **15,976** | 16,354 | **15,976** | 16,214 | 16,259 | 16,201 | 16,354 |
| Full-time equivalent employees | **233,201** | 257,158 | **233,201** | 238,560 | 242,117 | 247,943 | 257,158 |

(1) The diluted earnings (loss) per common share excludes the effect of any equity instruments that are antidilutive to earnings per share. There were no potential common shares that were dilutive in the first quarter of 2014 because of the net loss.

(2) 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 48-51.)

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)

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

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| Net interest income | **$ 20,512** | $ 21,646 | **$ 10,226** | $ 10,286 | $ 10,999 | $ 10,479 | $ 10,771 |
| Total revenue, net of interest expense | **44,727** | 46,357 | **21,960** | 22,767 | 21,701 | 21,743 | 22,949 |
| Net interest yield (2) | **2.26 %** | 2.36 % | **2.22 %** | 2.29 % | 2.44 % | 2.33 % | 2.35 % |
| Efficiency ratio | **91.17** | 76.62 | **84.43** | 97.68 | 79.75 | 75.38 | 69.80 |

(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 48-51.)

(2) Beginning in the first quarter of 2014, interest-bearing deposits placed with the Federal Reserve and certain non-U.S. central banks are included in earning assets. Prior period yields have been reclassified to conform to current period presentation.

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Interest income** | | | | | | | |
| Loans and leases | **$ 17,395** | $ 18,238 | **$ 8,635** | $ 8,760 | $ 9,086 | $ 9,146 | $ 9,060 |
| Debt securities | **4,121** | 5,097 | **2,124** | 1,997 | 2,447 | 2,205 | 2,548 |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **562** | 634 | **297** | 265 | 304 | 291 | 319 |
| Trading account assets | **2,352** | 2,518 | **1,175** | 1,177 | 1,139 | 1,049 | 1,181 |
| Other interest income | **1,446** | 1,439 | **710** | 736 | 736 | 691 | 717 |
| Total interest income | **25,876** | 27,926 | **12,941** | 12,935 | 13,712 | 13,382 | 13,825 |
| **Interest expense** | | | | | | | |
| Deposits | **573** | 748 | **282** | 291 | 314 | 334 | 366 |
| Short-term borrowings | **1,372** | 1,558 | **763** | 609 | 682 | 683 | 809 |
| Trading account liabilities | **833** | 899 | **398** | 435 | 364 | 375 | 427 |
| Long-term debt | **3,000** | 3,508 | **1,485** | 1,515 | 1,566 | 1,724 | 1,674 |
| Total interest expense | **5,778** | 6,713 | **2,928** | 2,850 | 2,926 | 3,116 | 3,276 |
| **Net interest income** | **20,098** | 21,213 | **10,013** | 10,085 | 10,786 | 10,266 | 10,549 |
| **Noninterest income** | | | | | | | |
| Card income | **2,834** | 2,879 | **1,441** | 1,393 | 1,503 | 1,444 | 1,469 |
| Service charges | **3,692** | 3,636 | **1,866** | 1,826 | 1,870 | 1,884 | 1,837 |
| Investment and brokerage services | **6,560** | 6,170 | **3,291** | 3,269 | 3,117 | 2,995 | 3,143 |
| Investment banking income | **3,173** | 3,091 | **1,631** | 1,542 | 1,738 | 1,297 | 1,556 |
| Equity investment income | **1,141** | 1,243 | **357** | 784 | 474 | 1,184 | 680 |
| Trading account profits | **4,299** | 4,927 | **1,832** | 2,467 | 863 | 1,266 | 1,938 |
| Mortgage banking income | **939** | 2,441 | **527** | 412 | 848 | 585 | 1,178 |
| Gains on sales of debt securities | **759** | 525 | **382** | 377 | 390 | 356 | 457 |
| Other income (loss) | **818** | (201) | **407** | 411 | (101) | 253 | (80) |
| Total noninterest income | **24,215** | 24,711 | **11,734** | 12,481 | 10,702 | 11,264 | 12,178 |
| **Total revenue, net of interest expense** | **44,313** | 45,924 | **21,747** | 22,566 | 21,488 | 21,530 | 22,727 |
| **Provision for credit losses** | **1,420** | 2,924 | **411** | 1,009 | 336 | 296 | 1,211 |
| **Noninterest expense** | | | | | | | |
| Personnel | **18,055** | 18,422 | **8,306** | 9,749 | 7,987 | 8,310 | 8,531 |
| Occupancy | **2,194** | 2,263 | **1,079** | 1,115 | 1,116 | 1,096 | 1,109 |
| Equipment | **1,080** | 1,082 | **534** | 546 | 526 | 538 | 532 |
| Marketing | **892** | 866 | **450** | 442 | 457 | 511 | 437 |
| Professional fees | **1,184** | 1,343 | **626** | 558 | 839 | 702 | 694 |
| Amortization of intangibles | **474** | 550 | **235** | 239 | 266 | 270 | 274 |
| Data processing | **1,594** | 1,591 | **761** | 833 | 800 | 779 | 779 |
| Telecommunications | **694** | 820 | **324** | 370 | 376 | 397 | 411 |
| Other general operating | **14,612** | 8,581 | **6,226** | 8,386 | 4,940 | 3,786 | 3,251 |
| Total noninterest expense | **40,779** | 35,518 | **18,541** | 22,238 | 17,307 | 16,389 | 16,018 |
| **Income (loss) before income taxes** | **2,114** | 7,482 | **2,795** | (681) | 3,845 | 4,845 | 5,498 |
| **Income tax expense (benefit)** | **99** | 1,987 | **504** | (405) | 406 | 2,348 | 1,486 |
| **Net income (loss)** | **$ 2,015** | $ 5,495 | **$ 2,291** | $ (276) | $ 3,439 | $ 2,497 | $ 4,012 |
| **Preferred stock dividends** | **494** | 814 | **256** | 238 | 256 | 279 | 441 |
| **Net income (loss) applicable to common shareholders** | **$ 1,521** | $ 4,681 | **$ 2,035** | $ (514) | $ 3,183 | $ 2,218 | $ 3,571 |
| **Per common share information** | | | | | | | |
| Earnings (loss) | **$ 0.14** | $ 0.43 | **$ 0.19** | $ (0.05) | $ 0.30 | $ 0.21 | $ 0.33 |
| Diluted earnings (loss) [(1)] | **0.14** | 0.42 | **0.19** | (0.05) | 0.29 | 0.20 | 0.32 |
| Dividends paid | **0.02** | 0.02 | **0.01** | 0.01 | 0.01 | 0.01 | 0.01 |
| **Average common shares issued and outstanding** | **10,539,769** | 10,787,357 | **10,519,359** | 10,560,518 | 10,633,030 | 10,718,918 | 10,775,867 |
| **Average diluted common shares issued and outstanding** [(1)] | **10,599,641** | 11,549,693 | **11,265,123** | 10,560,518 | 11,404,438 | 11,482,226 | 11,524,510 |

[(1)] The diluted earnings (loss) per common share excludes the effect of any equity instruments that are antidilutive to earnings per share. There were no potential common shares that were dilutive in the first quarter of 2014 because of the net loss.

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Net income (loss)** | **$ 2,015** | $ 5,495 | **$ 2,291** | $ (276) | $ 3,439 | $ 2,497 | $ 4,012 |
| **Other comprehensive income (loss), net-of-tax:** | | | | | | | |
| Net change in available-for-sale debt and marketable equity securities | **3,594** | (5,139) | **2,305** | 1,289 | (2,396) | (631) | (4,233) |
| Net change in derivatives | **215** | 185 | **7** | 208 | 227 | 180 | 13 |
| Employee benefit plan adjustments | **56** | 133 | **7** | 49 | 536 | 1,380 | 48 |
| Net change in foreign currency translation adjustments | **(119)** | (91) | **7** | (126) | (1) | (43) | (49) |
| **Other comprehensive income (loss)** | **3,746** | (4,912) | **2,326** | 1,420 | (1,634) | 886 | (4,221) |
| **Comprehensive income (loss)** | **$ 5,761** | $ 583 | **$ 4,617** | $ 1,144 | $ 1,805 | $ 3,383 | $ (209) |

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)

| | June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| **Assets** | | | |
| Cash and due from banks | **$ 31,969** | $ 31,099 | $ 38,811 |
| Interest-bearing deposits with the Federal Reserve and non-U.S. central banks | **120,930** | 120,546 | 60,017 |
| Cash and cash equivalents | **152,899** | 151,645 | 98,828 |
| Time deposits placed and other short-term investments | **8,646** | 12,793 | 12,916 |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **229,449** | 215,299 | 224,168 |
| Trading account assets | **196,952** | 195,949 | 191,234 |
| Derivative assets | **47,892** | 45,302 | 56,772 |
| Debt securities: | | | |
| Carried at fair value | **292,861** | 285,576 | 281,481 |
| Held-to-maturity, at cost | **60,022** | 55,120 | 54,922 |
| Total debt securities | **352,883** | 340,696 | 336,403 |
| Loans and leases | **911,899** | 916,217 | 921,570 |
| Allowance for loan and lease losses | **(15,811)** | (16,618) | (21,235) |
| Loans and leases, net of allowance | **896,088** | 899,599 | 900,335 |
| Premises and equipment, net | **10,145** | 10,351 | 10,836 |
| Mortgage servicing rights | **4,368** | 4,765 | 5,839 |
| Goodwill | **69,810** | 69,842 | 69,930 |
| Intangible assets | **5,099** | 5,337 | 6,104 |
| Loans held-for-sale | **9,200** | 12,317 | 14,549 |
| Customer and other receivables | **65,475** | 64,135 | 67,526 |
| Other assets | **121,651** | 121,821 | 127,880 |
| **Total assets** | **$ 2,170,557** | $ 2,149,851 | $ 2,123,320 |
| **Assets of consolidated variable interest entities included in total assets above (isolated to settle the liabilities of the variable interest entities)** | | | |
| Trading account assets | **$ 7,236** | $ 8,052 | $ 6,507 |
| Derivative assets | **25** | 23 | 173 |
| Loans and leases | **102,799** | 104,556 | 113,045 |
| Allowance for loan and lease losses | **(2,326)** | (2,614) | (3,157) |
| Loans and leases, net of allowance | **100,473** | 101,942 | 109,888 |
| Loans held-for-sale | **601** | 1,294 | 1,876 |
| All other assets | **3,946** | 3,970 | 3,927 |
| **Total assets of consolidated variable interest entities** | **$ 112,281** | $ 115,281 | $ 122,371 |

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)

| | June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| **Liabilities** | | | |
| Deposits in U.S. offices: | | | |
| Noninterest-bearing | **$ 390,976** | $ 375,190 | $ 352,442 |
| Interest-bearing | **662,823** | 676,328 | 654,370 |
| Deposits in non-U.S. offices: | | | |
| Noninterest-bearing | **7,224** | 9,056 | 6,925 |
| Interest-bearing | **73,306** | 73,076 | 67,046 |
| Total deposits | **1,134,329** | 1,133,650 | 1,080,783 |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | **217,829** | 203,108 | 232,609 |
| Trading account liabilities | **88,342** | 89,076 | 82,381 |
| Derivative liabilities | **38,647** | 36,911 | 48,532 |
| Short-term borrowings | **45,873** | 51,409 | 46,470 |
| Accrued expenses and other liabilities (includes **$503**, $509 and $474 of reserve for unfunded lending commitments) | **151,055** | 149,024 | 139,033 |
| Long-term debt | **257,071** | 254,785 | 262,480 |
| **Total liabilities** | **1,933,146** | 1,917,963 | 1,892,288 |
| **Shareholders' equity** | | | |
| Preferred stock, $0.01 par value; authorized – **100,000,000** shares; issued and outstanding – **3,468,790**, 3,407,790 and 3,445,843 shares | **14,846** | 13,352 | 14,241 |
| Common stock and additional paid-in capital, $0.01 par value; authorized – **12,800,000,000** shares; issued and outstanding – **10,515,824,628**, 10,530,045,485 and 10,743,097,956 shares | **153,468** | 153,696 | 157,192 |
| Retained earnings | **73,808** | 71,877 | 67,308 |
| Accumulated other comprehensive income (loss) | **(4,711)** | (7,037) | (7,709) |
| **Total shareholders' equity** | **237,411** | 231,888 | 231,032 |
| **Total liabilities and shareholders' equity** | **$ 2,170,557** | $ 2,149,851 | $ 2,123,320 |

| **Liabilities of consolidated variable interest entities included in total liabilities above** | | | |
|---|---|---|---|
| Short-term borrowings | **$ 927** | $ 1,176 | $ 1,421 |
| Long-term debt | **16,333** | 18,338 | 25,946 |
| All other liabilities | **93** | 179 | 390 |
| **Total liabilities of consolidated variable interest entities** | **$ 17,353** | $ 19,693 | $ 27,757 |

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

## Bank of America Corporation and Subsidiaries

# Capital Management

(Dollars in millions)

| | Basel 3 Transition | | Basel 1 | | |
|---|---|---|---|---|---|
| | **June 30 2014** | March 31 2014 | December 31 2013 | September 30 2013 | June 30 2013 |
| **Risk-based capital metrics[1, 2]:** | | | | | |
| Common equity tier 1 capital | **$ 153,582** | $ 150,922 | n/a | n/a | n/a |
| Tier 1 common capital | **n/a** | n/a | $ 141,522 | $ 139,410 | $ 136,546 |
| Tier 1 capital | **160,760** | 152,936 | 157,742 | 155,593 | 153,716 |
| Total capital | **197,000** | 190,124 | 196,567 | 194,585 | 193,779 |
| Risk-weighted assets | **1,282,720** | 1,282,117 | 1,297,593 | 1,289,501 | 1,288,207 |
| Common equity tier 1 capital ratio | **12.0 %** | 11.8 % | n/a | n/a | n/a |
| Tier 1 common capital ratio[3] | **n/a** | n/a | 10.9 % | 10.8 % | 10.6 % |
| Tier 1 capital ratio | **12.5** | 11.9 | 12.2 | 12.1 | 11.9 |
| Total capital ratio | **15.4** | 14.8 | 15.1 | 15.1 | 15.0 |
| Tier 1 leverage ratio | **7.7** | 7.4 | 7.7 | 7.6 | 7.4 |
| | | | | | |
| Tangible equity ratio[4] | **7.85** | 7.65 | 7.86 | 7.73 | 7.67 |
| Tangible common equity ratio[4] | **7.14** | 7.00 | 7.20 | 7.08 | 6.98 |

(1) Regulatory capital ratios are preliminary.

(2) On January 1, 2014, the Basel 3 rules became effective, subject to transition provisions primarily related to regulatory deductions and adjustments impacting common equity tier 1 capital and Tier 1 capital. We reported under Basel 1 (which included the Market Risk Final Rules) at December 31, 2013, September 30, 2013 and June 30, 2013.

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

(4) Tangible equity ratio equals period-end tangible shareholders' equity divided by period-end tangible assets. Tangible common equity ratio 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 Exhibit A: Non-GAAP Reconciliations - Reconciliation to GAAP Financial Measures on pages 48-51.)

n/a = not applicable

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

**Bank of America Corporation and Subsidiaries**

## Regulatory Capital Reconciliations [1, 2]

(Dollars in millions)

| | December 31 2013 |
|---|---|
| **Regulatory capital – Basel 1 to Basel 3 (fully phased-in)** | |
| **Basel 1 Tier 1 capital** | $ 157,742 |
| Deduction of qualifying preferred stock and trust preferred securities | (16,220) |
| **Basel 1 Tier 1 common capital** | 141,522 |
| Deduction of defined benefit pension assets | (829) |
| Deferred tax assets and threshold deductions (deferred tax asset temporary differences, MSRs and significant investments) | (5,459) |
| Net unrealized losses in accumulated OCI on AFS debt and certain marketable equity securities, and employee benefit plans | (5,664) |
| Other deductions, net | (1,624) |
| **Basel 3 common equity tier 1 capital (fully phased-in)** | $ 127,946 |

| | **June 30 2014** | March 31 2014 |
|---|---|---|
| **Regulatory capital – Basel 3 transition to fully phased-in** | | |
| **Common equity tier 1 capital (transition)** | **$ 153,582** | $ 150,922 |
| Adjustments and deductions recognized in Tier 1 capital during transition | **(10,547)** | (11,302) |
| Other adjustments and deductions phased in during transition | **(5,852)** | (9,474) |
| **Common equity tier 1 capital (fully phased-in)** | **$ 137,183** | $ 130,146 |

| | **June 30 2014** | March 31 2014 | December 31 2013 |
|---|---|---|---|
| **Risk-weighted assets – As reported to Basel 3 (fully phased-in)** | | | |
| **As reported risk-weighted assets** | **$ 1,282,720** | $ 1,282,117 | $ 1,297,593 |
| Change in risk-weighted assets from reported to fully phased-in | **154,240** | 165,332 | 162,731 |
| **Basel 3 Standardized approach risk-weighted assets (fully phased-in)** | **1,436,960** | 1,447,449 | 1,460,324 |
| Change in risk-weighted assets for advanced models | **(49,464)** | (86,234) | (133,027) |
| **Basel 3 Advanced approaches risk-weighted assets (fully phased-in)** | **$ 1,387,496** | $ 1,361,215 | $ 1,327,297 |
| | | | |
| **Regulatory capital ratios** | | | |
| Basel 1 Tier 1 common | **n/a** | n/a | 10.9% |
| Basel 3 Standardized approach common equity tier 1 (transition) | **12.0%** | 11.8% | n/a |
| Basel 3 Standardized approach common equity tier 1 (fully phased-in) | **9.5** | 9.0 | 8.8 |
| Basel 3 Advanced approaches common equity tier 1 (fully phased-in) | **9.9** | 9.6 | 9.6 |

(1) Regulatory capital ratios are preliminary.

(2) On January 1, 2014, the Basel 3 rules became effective, subject to transition provisions primarily related to regulatory deductions and adjustments impacting common equity tier 1 capital and Tier 1 capital. We reported under Basel 1 (which included the Market Risk Final Rules) at December 31, 2013.Basel 3 common equity tier 1 capital and risk-weighted assets on a fully phased-in basis are non-GAAP financial measures. For reconciliations to GAAP financial measures, see above. The company's fully phased-in Basel 3 estimates are based on its current understanding of the Standardized and Advanced approaches under the Basel 3 rules, assuming all relevant regulatory model approvals, except for the potential reduction to risk-weighted assets resulting from removal of the Comprehensive Risk Measure surcharge. The Basel 3 rules require approval by banking regulators of certain models used as part of risk-weighted asset calculations. If these models are not approved, the company's capital ratio would likely be adversely impacted, which in some cases could be significant.

n/a = not applicable

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Net interest income (FTE basis)** | | | | | | | |
| As reported | **$ 20,512** | $ 21,646 | **$ 10,226** | $ 10,286 | $ 10,999 | $ 10,479 | $ 10,771 |
| Impact of trading-related net interest income | **(1,758)** | (1,923) | **(858)** | (900) | (1,046) | (883) | (914) |
| **Net interest income excluding trading-related net interest income (1)** | **$ 18,754** | $ 19,723 | **$ 9,368** | $ 9,386 | $ 9,953 | $ 9,596 | $ 9,857 |
| **Average earning assets (2)** | | | | | | | |
| As reported | **$ 1,822,177** | $ 1,845,651 | **$ 1,840,850** | $ 1,803,298 | $ 1,798,697 | $ 1,789,045 | $ 1,833,541 |
| Impact of trading-related earning assets | **(453,105)** | (492,443) | **(463,395)** | (442,700) | (445,693) | (446,181) | (487,288) |
| **Average earning assets excluding trading-related earning assets (1)** | **$ 1,369,072** | $ 1,353,208 | **$ 1,377,455** | $ 1,360,598 | $ 1,353,004 | $ 1,342,864 | $ 1,346,253 |
| **Net interest yield contribution (FTE basis) (2, 3)** | | | | | | | |
| As reported | **2.26 %** | 2.36 % | **2.22 %** | 2.29 % | 2.44 % | 2.33 % | 2.35 % |
| Impact of trading-related activities | **0.49** | 0.57 | **0.50** | 0.48 | 0.49 | 0.51 | 0.58 |
| **Net interest yield on earning assets excluding trading-related activities (1)** | **2.75 %** | 2.93 % | **2.72 %** | 2.77 % | 2.93 % | 2.84 % | 2.93 % |

(1) Represents a non-GAAP financial measure.
(2) Beginning in the first quarter of 2014, interest-bearing deposits placed with the Federal Reserve and certain non-U.S. central banks are included in earning assets. In prior periods, these balances were included with cash and due from banks in the cash and cash equivalents line, consistent with the Consolidated Balance Sheet presentation. Prior periods have been reclassified to conform to current period presentation.
(3) 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)

| | Second Quarter 2014 | | | First Quarter 2014 | | | Second Quarter 2013 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Average Balance** | **Interest Income/ Expense** | **Yield/ Rate** | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Earning assets** | | | | | | | | | |
| Interest-bearing deposits with the Federal Reserve and non-U.S. central banks [1] | **$ 123,582** | **$ 85** | **0.28 %** | $ 112,570 | $ 72 | 0.26 % | $ 64,205 | $ 40 | 0.25 % |
| Time deposits placed and other short-term investments | **10,509** | **39** | **1.51** | 13,880 | 49 | 1.43 | 15,088 | 46 | 1.21 |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **235,393** | **297** | **0.51** | 212,504 | 265 | 0.51 | 233,394 | 319 | 0.55 |
| Trading account assets | **147,798** | **1,214** | **3.29** | 147,583 | 1,213 | 3.32 | 181,620 | 1,224 | 2.70 |
| Debt securities [2] | **345,889** | **2,134** | **2.46** | 329,711 | 2,005 | 2.41 | 343,260 | 2,557 | 2.98 |
| Loans and leases [3]: | | | | | | | | | |
| Residential mortgage | **243,405** | **2,195** | **3.61** | 247,556 | 2,240 | 3.62 | 257,275 | 2,246 | 3.49 |
| Home equity | **90,729** | **842** | **3.72** | 92,759 | 851 | 3.71 | 101,708 | 951 | 3.74 |
| U.S. credit card | **88,058** | **2,042** | **9.30** | 89,545 | 2,092 | 9.48 | 89,722 | 2,192 | 9.80 |
| Non-U.S. credit card | **11,759** | **308** | **10.51** | 11,554 | 308 | 10.79 | 10,613 | 315 | 11.93 |
| Direct/Indirect consumer | **82,102** | **524** | **2.56** | 81,728 | 530 | 2.63 | 82,485 | 598 | 2.90 |
| Other consumer | **2,012** | **17** | **3.60** | 1,962 | 18 | 3.66 | 1,756 | 17 | 4.17 |
| Total consumer | **518,065** | **5,928** | **4.58** | 525,104 | 6,039 | 4.64 | 543,559 | 6,319 | 4.66 |
| U.S. commercial | **230,487** | **1,672** | **2.91** | 228,058 | 1,651 | 2.93 | 217,464 | 1,741 | 3.21 |
| Commercial real estate | **48,315** | **357** | **2.97** | 48,753 | 368 | 3.06 | 40,612 | 340 | 3.36 |
| Commercial lease financing | **24,409** | **193** | **3.16** | 24,727 | 234 | 3.78 | 23,579 | 205 | 3.48 |
| Non-U.S. commercial | **91,304** | **570** | **2.50** | 92,840 | 543 | 2.37 | 89,020 | 543 | 2.45 |
| Total commercial | **394,515** | **2,792** | **2.84** | 394,378 | 2,796 | 2.87 | 370,675 | 2,829 | 3.06 |
| Total loans and leases | **912,580** | **8,720** | **3.83** | 919,482 | 8,835 | 3.88 | 914,234 | 9,148 | 4.01 |
| Other earning assets | **65,099** | **665** | **4.09** | 67,568 | 697 | 4.18 | 81,740 | 713 | 3.50 |
| **Total earning assets [4]** | **1,840,850** | **13,154** | **2.86** | 1,803,298 | 13,136 | 2.93 | 1,833,541 | 14,047 | 3.07 |
| Cash and due from banks [1] | **27,377** | | | 28,258 | | | 40,281 | | |
| Other assets, less allowance for loan and lease losses | **301,328** | | | 307,710 | | | 310,788 | | |
| **Total assets** | **$ 2,169,555** | | | $ 2,139,266 | | | $ 2,184,610 | | |

(1) Beginning in the first quarter of 2014, interest-bearing deposits placed with the Federal Reserve and certain non-U.S. central banks are included in earning assets. In prior periods, these balances were included with cash and due from banks in the cash and cash equivalents line, consistent with the Consolidated Balance Sheet presentation. Prior periods have been reclassified to conform to current period presentation.

(2) Beginning in the first quarter of 2014, yields on debt securities carried at fair value are calculated on the cost basis. Prior to the first quarter of 2014, yields on debt securities carried at fair value were calculated based on fair value rather than the cost basis. The use of fair value did 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 generally 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:

| | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|
| Federal funds sold and securities borrowed or purchased under agreements to resell | **$ 14** | $ 13 | $ 13 |
| Debt securities | **(13)** | (2) | (48) |
| U.S. commercial | **(14)** | (16) | (27) |
| Non-U.S. commercial | **—** | — | (1) |
| **Net hedge expenses on assets** | **$ (13)** | $ (5) | $ (63) |

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)

| | **Second Quarter 2014** | | | First Quarter 2014 | | | Second Quarter 2013 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **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 | **$ 47,450** | **$ —** | **—%** | $ 45,196 | $ 1 | 0.01% | $ 44,897 | $ 6 | 0.05% |
| NOW and money market deposit accounts | **519,399** | **79** | **0.06** | 523,237 | 83 | 0.06 | 500,628 | 107 | 0.09 |
| Consumer CDs and IRAs | **68,706** | **70** | **0.41** | 71,141 | 84 | 0.48 | 81,887 | 127 | 0.63 |
| Negotiable CDs, public funds and other deposits | **33,412** | **29** | **0.35** | 29,826 | 27 | 0.37 | 25,835 | 30 | 0.45 |
| Total U.S. interest-bearing deposits | **668,967** | **178** | **0.11** | 669,400 | 195 | 0.12 | 653,247 | 270 | 0.17 |
| Non-U.S. interest-bearing deposits: | | | | | | | | | |
| Banks located in non-U.S. countries | **10,538** | **19** | **0.72** | 11,071 | 21 | 0.75 | 10,840 | 20 | 0.72 |
| Governments and official institutions | **1,754** | **—** | **0.14** | 1,857 | 1 | 0.14 | 1,528 | — | 0.19 |
| Time, savings and other | **64,091** | **85** | **0.53** | 60,506 | 74 | 0.50 | 55,049 | 76 | 0.55 |
| Total non-U.S. interest-bearing deposits | **76,383** | **104** | **0.55** | 73,434 | 96 | 0.53 | 67,417 | 96 | 0.57 |
| Total interest-bearing deposits | **745,350** | **282** | **0.15** | 742,834 | 291 | 0.16 | 720,664 | 366 | 0.20 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and short-term borrowings | **271,247** | **763** | **1.13** | 252,971 | 609 | 0.98 | 318,028 | 809 | 1.02 |
| Trading account liabilities | **95,153** | **398** | **1.68** | 90,448 | 435 | 1.95 | 94,349 | 427 | 1.82 |
| Long-term debt | **259,825** | **1,485** | **2.29** | 253,678 | 1,515 | 2.41 | 270,198 | 1,674 | 2.48 |
| **Total interest-bearing liabilities** [(1)] | **1,371,575** | **2,928** | **0.86** | 1,339,931 | 2,850 | 0.86 | 1,403,239 | 3,276 | 0.94 |
| Noninterest-bearing sources: | | | | | | | | | |
| Noninterest-bearing deposits | **383,213** | | | 375,344 | | | 359,292 | | |
| Other liabilities | **178,970** | | | 187,438 | | | 187,016 | | |
| Shareholders' equity | **235,797** | | | 236,553 | | | 235,063 | | |
| **Total liabilities and shareholders' equity** | **$ 2,169,555** | | | $ 2,139,266 | | | $ 2,184,610 | | |
| Net interest spread | | | **2.00%** | | | 2.07% | | | 2.13% |
| Impact of noninterest-bearing sources | | | **0.22** | | | 0.22 | | | 0.22 |
| **Net interest income/yield on earning assets** | | **$ 10,226** | **2.22%** | | $ 10,286 | 2.29% | | $ 10,771 | 2.35% |

(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:

| | **Second Quarter 2014** | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|
| NOW and money market deposit accounts | **$ (1)** | $ — | $ (1) |
| Consumer CDs and IRAs | **12** | 20 | 21 |
| Negotiable CDs, public funds and other deposits | **4** | 3 | 4 |
| Banks located in non-U.S. countries | **6** | 3 | 3 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and short-term borrowings | **263** | 257 | 259 |
| Long-term debt | **(905)** | (875) | (946) |
| **Net hedge income on liabilities** | **$ (621)** | $ (592) | $ (660) |

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

## Bank of America Corporation and Subsidiaries

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

(Dollars in millions)

| | Six Months Ended June 30 | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | | 2013 | | |
| | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Earning assets** | | | | | | |
| Interest-bearing deposits with the Federal Reserve and non-U.S. central banks (1) | **$ 118,106** | **$ 157** | **0.27%** | $ 60,676 | $ 73 | 0.24% |
| Time deposits placed and other short-term investments | **12,185** | **88** | **1.46** | 15,606 | 92 | 1.19 |
| Federal funds sold and securities borrowed or purchased under agreements to resell | **224,012** | **562** | **0.51** | 235,417 | 634 | 0.54 |
| Trading account assets | **147,691** | **2,427** | **3.31** | 187,957 | 2,604 | 2.79 |
| Debt securities (2) | **337,845** | **4,139** | **2.43** | 349,794 | 5,113 | 2.92 |
| Loans and leases (3): | | | | | | |
| Residential mortgage | **245,469** | **4,435** | **3.61** | 257,949 | 4,586 | 3.56 |
| Home equity | **91,738** | **1,693** | **3.71** | 103,812 | 1,948 | 3.77 |
| U.S. credit card | **88,797** | **4,134** | **9.39** | 90,712 | 4,441 | 9.87 |
| Non-U.S. credit card | **11,657** | **616** | **10.65** | 10,819 | 644 | 12.01 |
| Direct/Indirect consumer | **81,916** | **1,054** | **2.59** | 82,425 | 1,218 | 2.98 |
| Other consumer | **1,988** | **35** | **3.63** | 1,710 | 36 | 4.26 |
| Total consumer | **521,565** | **11,967** | **4.61** | 547,427 | 12,873 | 4.73 |
| U.S. commercial | **229,279** | **3,323** | **2.92** | 214,103 | 3,407 | 3.21 |
| Commercial real estate | **48,533** | **725** | **3.01** | 39,899 | 666 | 3.37 |
| Commercial lease financing | **24,567** | **427** | **3.47** | 23,556 | 441 | 3.75 |
| Non-U.S. commercial | **92,068** | **1,113** | **2.44** | 85,284 | 1,010 | 2.39 |
| Total commercial | **394,447** | **5,588** | **2.85** | 362,842 | 5,524 | 3.07 |
| Total loans and leases | **916,012** | **17,555** | **3.85** | 910,269 | 18,397 | 4.07 |
| Other earning assets | **66,326** | **1,362** | **4.14** | 85,932 | 1,446 | 3.39 |
| **Total earning assets (4)** | **1,822,177** | **26,290** | **2.90** | 1,845,651 | 28,359 | 3.09 |
| Cash and due from banks (1) | **27,815** | | | 38,022 | | |
| Other assets, less allowance for loan and lease losses | **304,502** | | | 314,770 | | |
| **Total assets** | **$ 2,154,494** | | | $ 2,198,443 | | |

(1) Beginning in the first quarter of 2014, interest-bearing deposits placed with the Federal Reserve and certain non-U.S. central banks are included in earning assets. In prior periods, these balances were included with cash and due form banks in the cash and cash equivalents line, consistent with the Consolidated Balance Sheet presentation. Prior periods have been reclassified to conform to current period presentation.

(2) Beginning in the first quarter of 2014, yields on debt securities carried at fair value are calculated on the cost basis. Prior to the first quarter of 2014, yields on debt securities carried at fair value were calculated based on fair value rather than the cost basis. The use of fair value did 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:

| | 2014 | 2013 |
|---|---|---|
| Federal funds sold and securities borrowed or purchased under agreements to resell | **$ 27** | $ 24 |
| Debt securities | **(15)** | (170) |
| U.S. commercial | **(30)** | (56) |
| Non-U.S. commercial | **—** | (2) |
| **Net hedge expenses on assets** | **$ (18)** | $ (204) |

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

**Bank of America Corporation and Subsidiaries**

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

(Dollars in millions)

| | Six Months Ended June 30 | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | | 2013 | | |
| | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Interest-bearing liabilities** | | | | | | |
| U.S. interest-bearing deposits: | | | | | | |
| Savings | $ 46,329 | $ 1 | 0.01% | $ 43,921 | $ 12 | 0.05% |
| NOW and money market deposit accounts | 521,307 | 162 | 0.06 | 500,901 | 224 | 0.09 |
| Consumer CDs and IRAs | 69,917 | 154 | 0.44 | 83,489 | 262 | 0.63 |
| Negotiable CDs, public funds and other deposits | 31,629 | 56 | 0.36 | 24,996 | 59 | 0.47 |
| Total U.S. interest-bearing deposits | 669,182 | 373 | 0.11 | 653,307 | 557 | 0.17 |
| Non-U.S. interest-bearing deposits: | | | | | | |
| Banks located in non-U.S. countries | 10,803 | 40 | 0.74 | 11,498 | 41 | 0.72 |
| Governments and official institutions | 1,805 | 1 | 0.14 | 1,537 | 1 | 0.18 |
| Time, savings and other | 62,309 | 159 | 0.51 | 54,499 | 149 | 0.55 |
| Total non-U.S. interest-bearing deposits | 74,917 | 200 | 0.54 | 67,534 | 191 | 0.57 |
| Total interest-bearing deposits | 744,099 | 573 | 0.16 | 720,841 | 748 | 0.21 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings | 262,161 | 1,372 | 1.06 | 327,782 | 1,558 | 0.96 |
| Trading account liabilities | 92,813 | 833 | 1.81 | 93,204 | 899 | 1.95 |
| Long-term debt | 256,768 | 3,000 | 2.34 | 272,088 | 3,508 | 2.59 |
| **Total interest-bearing liabilities** (1) | 1,355,841 | 5,778 | 0.86 | 1,413,915 | 6,713 | 0.96 |
| Noninterest-bearing sources: | | | | | | |
| Noninterest-bearing deposits | 379,300 | | | 356,790 | | |
| Other liabilities | 183,180 | | | 191,714 | | |
| Shareholders' equity | 236,173 | | | 236,024 | | |
| **Total liabilities and shareholders' equity** | $ 2,154,494 | | | $ 2,198,443 | | |
| Net interest spread | | | 2.04% | | | 2.13% |
| Impact of noninterest-bearing sources | | | 0.22 | | | 0.23 |
| **Net interest income/yield on earning assets** | | $ 20,512 | 2.26% | | $ 21,646 | 2.36% |

(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:

| | 2014 | 2013 |
|---|---|---|
| NOW and money market deposit accounts | $ (1) | $ (1) |
| Consumer CDs and IRAs | 32 | 34 |
| Negotiable CDs, public funds and other deposits | 7 | 7 |
| Banks located in non-U.S. countries | 9 | 6 |
| Federal funds purchased, securities loaned or sold under agreements to repurchase and other short-term borrowings | 520 | 519 |
| Long-term debt | (1,780) | (1,843) |
| **Net hedge income on liabilities** | $ (1,213) | $ (1,278) |

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)

| | June 30, 2014 | | | |
|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| **Available-for-sale debt securities** | | | | |
| U.S. Treasury and agency securities | **$ 38,417** | **$ 301** | **$ (15)** | **$ 38,703** |
| Mortgage-backed securities: | | | | |
| Agency | **161,636** | **1,571** | **(1,664)** | **161,543** |
| Agency-collateralized mortgage obligations | **12,370** | **132** | **(61)** | **12,441** |
| Non-agency residential | **4,818** | **272** | **(84)** | **5,006** |
| Commercial | **2,240** | **39** | **(1)** | **2,278** |
| Non-U.S. securities | **7,034** | **40** | **(5)** | **7,069** |
| Corporate/Agency bonds | **813** | **18** | **(3)** | **828** |
| Other taxable securities, substantially all asset-backed securities | **13,587** | **38** | **(10)** | **13,615** |
| Total taxable securities | **240,915** | **2,411** | **(1,843)** | **241,483** |
| Tax-exempt securities | **8,802** | **5** | **(18)** | **8,789** |
| **Total available-for-sale debt securities** | **249,717** | **2,416** | **(1,861)** | **250,272** |
| **Other debt securities carried at fair value** | **43,032** | **151** | **(594)** | **42,589** |
| **Total debt securities carried at fair value** | **292,749** | **2,567** | **(2,455)** | **292,861** |
| **Held-to-maturity debt securities, substantially all U.S. agency mortgage-backed securities** | **60,022** | **247** | **(1,088)** | **59,181** |
| **Total debt securities** | **$ 352,771** | **$ 2,814** | **$ (3,543)** | **$ 352,042** |
| **Available-for-sale marketable equity securities[(1)]** | **$ 276** | **$ —** | **$ (36)** | **$ 240** |
| | March 31, 2014 | | | |
| **Available-for-sale debt securities** | | | | |
| U.S. Treasury and agency securities | $ 29,580 | $ 108 | $ (121) | $ 29,567 |
| Mortgage-backed securities: | | | | |
| Agency | 169,216 | 830 | (4,299) | 165,747 |
| Agency-collateralized mortgage obligations | 18,464 | 217 | (109) | 18,572 |
| Non-agency residential | 5,111 | 244 | (97) | 5,258 |
| Commercial | 1,713 | 26 | (5) | 1,734 |
| Non-U.S. securities | 7,109 | 31 | (18) | 7,122 |
| Corporate/Agency bonds | 831 | 18 | (4) | 845 |
| Other taxable securities, substantially all asset-backed securities | 14,695 | 42 | (15) | 14,722 |
| Total taxable securities | 246,719 | 1,516 | (4,668) | 243,567 |
| Tax-exempt securities | 6,443 | 4 | (33) | 6,414 |
| **Total available-for-sale debt securities** | 253,162 | 1,520 | (4,701) | 249,981 |
| **Other debt securities carried at fair value** | 36,453 | 82 | (940) | 35,595 |
| **Total debt securities carried at fair value** | 289,615 | 1,602 | (5,641) | 285,576 |
| **Held-to-maturity debt securities, substantially all U.S. agency mortgage-backed securities** | 55,120 | 50 | (2,064) | 53,106 |
| **Total debt securities** | $ 344,735 | $ 1,652 | $ (7,705) | $ 338,682 |
| **Available-for-sale marketable equity securities[(1)]** | $ 236 | $ — | $ (20) | $ 216 |

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

## Other Debt Securities Carried at Fair Value

| (Dollars in millions) | **June 30 2014** | March 31 2014 |
|---|---|---|
| U.S. Treasury and agency securities | **$ 4,242** | $ 4,182 |
| Mortgage-backed securities: | | |
| Agency | **16,448** | 16,290 |
| Agency-collateralized mortgage obligations | **—** | 123 |
| Non-agency residential | **3,401** | — |
| Commercial | **793** | 770 |
| Non-U.S. securities [(1)] | **17,395** | 14,230 |
| Other taxable securities, substantially all asset-backed securities | **310** | — |
| **Total** | **$ 42,589** | $ 35,595 |

(1) These securities are primarily used to satisfy certain international regulatory liquidity requirements.

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)

| | Second Quarter 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total Corporation** | **Consumer & Business Banking** | **Consumer Real Estate Services** | **GWIM** | **Global Banking** | **Global Markets** | **All Other** |
| Net interest income (FTE basis) | **$ 10,226** | **$ 4,929** | **$ 697** | **$ 1,485** | **$ 2,239** | **$ 952** | **$ (76)** |
| Noninterest income | **11,734** | **2,444** | **693** | **3,104** | **1,940** | **3,631** | **(78)** |
| Total revenue, net of interest expense (FTE basis) | **21,960** | **7,373** | **1,390** | **4,589** | **4,179** | **4,583** | **(154)** |
| Provision for credit losses | **411** | **534** | **(20)** | **(8)** | **132** | **19** | **(246)** |
| Noninterest expense | **18,541** | **4,000** | **5,902** | **3,447** | **1,899** | **2,862** | **431** |
| Income (loss) before income taxes | **3,008** | **2,839** | **(4,492)** | **1,150** | **2,148** | **1,702** | **(339)** |
| Income tax expense (benefit) (FTE basis) | **717** | **1,051** | **(1,690)** | **426** | **795** | **601** | **(466)** |
| **Net income (loss)** | **$ 2,291** | **$ 1,788** | **$ (2,802)** | **$ 724** | **$ 1,353** | **$ 1,101** | **$ 127** |
| **Average** | | | | | | | |
| Total loans and leases | **$ 912,580** | **$ 160,240** | **$ 88,257** | **$ 118,512** | **$ 271,417** | **$ 63,579** | **$ 210,575** |
| Total assets (1) | **2,169,555** | **607,853** | **109,588** | **268,294** | **390,997** | **617,103** | **175,720** |
| Total deposits | **1,128,563** | **543,566** | **n/m** | **240,042** | **258,937** | **n/m** | **35,851** |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 911,899** | **$ 161,142** | **$ 88,156** | **$ 120,187** | **$ 270,683** | **$ 66,260** | **$ 205,471** |
| Total assets (1) | **2,170,557** | **612,200** | **107,650** | **265,581** | **407,367** | **610,395** | **167,364** |
| Total deposits | **1,134,329** | **545,530** | **n/m** | **237,046** | **270,268** | **n/m** | **31,999** |

| | First Quarter 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Net interest income (FTE basis) | $ 10,286 | $ 4,951 | $ 701 | $ 1,485 | $ 2,302 | $ 997 | $ (150) |
| Noninterest income | 12,481 | 2,487 | 491 | 3,062 | 1,967 | 4,015 | 459 |
| Total revenue, net of interest expense (FTE basis) | 22,767 | 7,438 | 1,192 | 4,547 | 4,269 | 5,012 | 309 |
| Provision for credit losses | 1,009 | 812 | 25 | 23 | 265 | 19 | (135) |
| Noninterest expense | 22,238 | 3,963 | 8,129 | 3,359 | 2,028 | 3,077 | 1,682 |
| Income (loss) before income taxes | (480) | 2,663 | (6,962) | 1,165 | 1,976 | 1,916 | (1,238) |
| Income tax expense (benefit) (FTE basis) | (204) | 997 | (1,935) | 436 | 740 | 608 | (1,050) |
| **Net income (loss)** | $ (276) | $ 1,666 | $ (5,027) | $ 729 | $ 1,236 | $ 1,308 | $ (188) |
| **Average** | | | | | | | |
| Total loans and leases | $ 919,482 | $ 162,061 | $ 88,914 | $ 115,945 | $ 271,475 | $ 63,696 | $ 217,391 |
| Total assets (1) | 2,139,266 | 595,486 | 110,564 | 273,080 | 393,075 | 601,439 | 165,622 |
| Total deposits | 1,118,178 | 534,557 | n/m | 242,792 | 256,433 | n/m | 34,381 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 916,217 | $ 160,127 | $ 88,355 | $ 116,482 | $ 273,239 | $ 64,598 | $ 213,416 |
| Total assets (1) | 2,149,851 | 613,173 | 112,264 | 274,234 | 397,017 | 594,815 | 158,348 |
| Total deposits | 1,133,650 | 552,211 | n/m | 244,051 | 257,502 | n/m | 32,818 |

| | Second Quarter 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Net interest income (FTE basis) | $ 10,771 | $ 5,034 | $ 699 | $ 1,505 | $ 2,252 | $ 1,009 | $ 272 |
| Noninterest income | 12,178 | 2,400 | 1,416 | 2,994 | 1,886 | 3,185 | 297 |
| Total revenue, net of interest expense (FTE basis) | 22,949 | 7,434 | 2,115 | 4,499 | 4,138 | 4,194 | 569 |
| Provision for credit losses | 1,211 | 967 | 291 | (15) | 163 | (16) | (179) |
| Noninterest expense | 16,018 | 4,184 | 3,383 | 3,270 | 1,849 | 2,770 | 562 |
| Income (loss) before income taxes | 5,720 | 2,283 | (1,559) | 1,244 | 2,126 | 1,440 | 186 |
| Income tax expense (benefit) (FTE basis) | 1,708 | 892 | (629) | 485 | 829 | 478 | (347) |
| **Net income (loss)** | $ 4,012 | $ 1,391 | $ (930) | $ 759 | $ 1,297 | $ 962 | $ 533 |
| **Average** | | | | | | | |
| Total loans and leases | $ 914,234 | $ 163,593 | $ 90,114 | $ 109,589 | $ 255,674 | $ 56,354 | $ 238,910 |
| Total assets (1) | 2,184,610 | 584,217 | 122,276 | 263,735 | 326,775 | 656,109 | 231,498 |
| Total deposits | 1,079,956 | 522,244 | n/m | 235,344 | 226,912 | n/m | 34,017 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 921,570 | $ 164,851 | $ 89,257 | $ 111,785 | $ 258,503 | $ 63,127 | $ 234,047 |
| Total assets (1) | 2,123,320 | 587,655 | 124,032 | 263,867 | 334,167 | 608,760 | 204,839 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total deposits | 1,080,783 | 525,085 | n/m | 235,012 | 228,934 | n/m | 34,858 |

(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**

## Year-to-Date Results by Business Segment

(Dollars in millions)

| | Six Months Ended June 30, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Net interest income (FTE basis) | $ 20,512 | $ 9,880 | $ 1,398 | $ 2,970 | $ 4,541 | $ 1,949 | $ (226) |
| Noninterest income | 24,215 | 4,931 | 1,184 | 6,166 | 3,907 | 7,646 | 381 |
| Total revenue, net of interest expense (FTE basis) | 44,727 | 14,811 | 2,582 | 9,136 | 8,448 | 9,595 | 155 |
| Provision for credit losses | 1,420 | 1,346 | 5 | 15 | 397 | 38 | (381) |
| Noninterest expense | 40,779 | 7,963 | 14,031 | 6,806 | 3,927 | 5,939 | 2,113 |
| Income (loss) before income taxes | 2,528 | 5,502 | (11,454) | 2,315 | 4,124 | 3,618 | (1,577) |
| Income tax expense (benefit) (FTE basis) | 513 | 2,048 | (3,625) | 862 | 1,535 | 1,209 | (1,516) |
| **Net income (loss)** | $ 2,015 | $ 3,454 | $ (7,829) | $ 1,453 | $ 2,589 | $ 2,409 | $ (61) |
| **Average** | | | | | | | |
| Total loans and leases | $ 916,012 | $ 161,145 | $ 88,584 | $ 117,235 | $ 271,446 | $ 63,637 | $ 213,965 |
| Total assets (1) | 2,154,494 | 601,703 | 110,073 | 270,674 | 392,030 | 609,315 | 170,699 |
| Total deposits | 1,123,399 | 539,087 | n/m | 241,409 | 257,692 | n/m | 35,119 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 911,899 | $ 161,142 | $ 88,156 | $ 120,187 | $ 270,683 | $ 66,260 | $ 205,471 |
| Total assets (1) | 2,170,557 | 612,200 | 107,650 | 265,581 | 407,367 | 610,395 | 167,364 |
| Total deposits | 1,134,329 | 545,530 | n/m | 237,046 | 270,268 | n/m | 31,999 |

| | Six Months Ended June 30, 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| Net interest income (FTE basis) | $ 21,646 | $ 10,047 | $ 1,442 | $ 3,101 | $ 4,411 | $ 2,117 | $ 528 |
| Noninterest income | 24,711 | 4,799 | 2,985 | 5,819 | 3,757 | 6,856 | 495 |
| Total revenue, net of interest expense (FTE basis) | 46,357 | 14,846 | 4,427 | 8,920 | 8,168 | 8,973 | 1,023 |
| Provision for credit losses | 2,924 | 1,919 | 626 | 7 | 312 | (11) | 71 |
| Noninterest expense | 35,518 | 8,349 | 8,788 | 6,523 | 3,685 | 5,843 | 2,330 |
| Income (loss) before income taxes | 7,915 | 4,578 | (4,987) | 2,390 | 4,171 | 3,141 | (1,378) |
| Income tax expense (benefit) (FTE basis) | 2,420 | 1,745 | (1,901) | 911 | 1,590 | 1,067 | (992) |
| **Net income (loss)** | $ 5,495 | $ 2,833 | $ (3,086) | $ 1,479 | $ 2,581 | $ 2,074 | $ (386) |
| **Average** | | | | | | | |
| Total loans and leases | $ 910,269 | $ 164,713 | $ 91,531 | $ 107,845 | $ 249,903 | $ 54,529 | $ 241,748 |
| Total assets (1) | 2,198,443 | 574,452 | 125,291 | 272,966 | 322,036 | 663,021 | 240,677 |
| Total deposits | 1,077,631 | 512,424 | n/m | 244,329 | 224,132 | n/m | 34,883 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 921,570 | $ 164,851 | $ 89,257 | $ 111,785 | $ 258,503 | $ 63,127 | $ 234,047 |
| Total assets (1) | 2,123,320 | 587,655 | 124,032 | 263,867 | 334,167 | 608,760 | 204,839 |
| Total deposits | 1,080,783 | 525,085 | n/m | 235,012 | 228,934 | n/m | 34,858 |

(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**

## Consumer & Business Banking Segment Results

(Dollars in millions)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ 9,880** | $ 10,047 | **$ 4,929** | $ 4,951 | $ 4,948 | $ 5,056 | $ 5,034 |
| Noninterest income: | | | | | | | |
| Card income | **2,328** | 2,393 | **1,166** | 1,162 | 1,236 | 1,175 | 1,186 |
| Service charges | **2,136** | 2,048 | **1,091** | 1,045 | 1,097 | 1,063 | 1,035 |
| All other income | **467** | 358 | **187** | 280 | 217 | 230 | 179 |
| Total noninterest income | **4,931** | 4,799 | **2,444** | 2,487 | 2,550 | 2,468 | 2,400 |
| Total revenue, net of interest expense (FTE basis) | **14,811** | 14,846 | **7,373** | 7,438 | 7,498 | 7,524 | 7,434 |
| Provision for credit losses | **1,346** | 1,919 | **534** | 812 | 427 | 761 | 967 |
| Noninterest expense | **7,963** | 8,349 | **4,000** | 3,963 | 4,026 | 3,983 | 4,184 |
| Income before income taxes | **5,502** | 4,578 | **2,839** | 2,663 | 3,045 | 2,780 | 2,283 |
| Income tax expense (FTE basis) | **2,048** | 1,745 | **1,051** | 997 | 1,067 | 1,003 | 892 |
| **Net income** | **$ 3,454** | $ 2,833 | **$ 1,788** | $ 1,666 | $ 1,978 | $ 1,777 | $ 1,391 |
| Net interest yield (FTE basis) | **3.56%** | 3.80% | **3.50%** | 3.63% | 3.58% | 3.70% | 3.72% |
| Return on average allocated capital[1] | **23.63** | 19.08 | **24.33** | 22.92 | 26.18 | 23.53 | 18.62 |
| Efficiency ratio (FTE basis) | **53.76** | 56.23 | **54.24** | 53.29 | 53.69 | 52.93 | 56.29 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 161,145** | $ 164,713 | **$ 160,240** | $ 162,061 | $ 163,157 | $ 165,719 | $ 163,593 |
| Total earning assets[2] | **559,636** | 533,098 | **565,738** | 553,466 | 548,272 | 542,642 | 542,814 |
| Total assets[2] | **601,703** | 574,452 | **607,853** | 595,486 | 590,131 | 583,910 | 584,217 |
| Total deposits | **539,087** | 512,424 | **543,566** | 534,557 | 528,791 | 522,007 | 522,244 |
| Allocated capital[1] | **29,500** | 30,000 | **29,500** | 29,500 | 30,000 | 30,000 | 30,000 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 161,142** | $ 164,851 | **$ 161,142** | $ 160,127 | $ 165,094 | $ 167,257 | $ 164,851 |
| Total earning assets[2] | **570,208** | 545,815 | **570,208** | 571,058 | 550,777 | 547,331 | 545,815 |
| Total assets[2] | **612,200** | 587,655 | **612,200** | 613,173 | 593,099 | 588,721 | 587,655 |
| Total deposits | **545,530** | 525,085 | **545,530** | 552,211 | 531,668 | 526,835 | 525,085 |

(1) Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 48-51.)

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

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 Year-to-Date Results

(Dollars in millions)

| | Six Months Ended June 30, 2014 | | |
|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Consumer Lending |
| Net interest income (FTE basis) | $ 9,880 | $ 5,144 | $ 4,736 |
| Noninterest income: | | | |
| Card income | 2,328 | 33 | 2,295 |
| Service charges | 2,136 | 2,135 | 1 |
| All other income | 467 | 248 | 219 |
| Total noninterest income | 4,931 | 2,416 | 2,515 |
| Total revenue, net of interest expense (FTE basis) | 14,811 | 7,560 | 7,251 |
| Provision for credit losses | 1,346 | 133 | 1,213 |
| Noninterest expense | 7,963 | 5,237 | 2,726 |
| Income before income taxes | 5,502 | 2,190 | 3,312 |
| Income tax expense (FTE basis) | 2,048 | 815 | 1,233 |
| **Net income** | $ 3,454 | $ 1,375 | $ 2,079 |
| Net interest yield (FTE basis) | 3.56% | 1.91% | 6.85% |
| Return on average allocated capital (1) | 23.63 | 16.81 | 32.29 |
| Efficiency ratio (FTE basis) | 53.76 | 69.26 | 37.60 |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 161,145 | $ 22,509 | $ 138,636 |
| Total earning assets (2) | 559,636 | 543,882 | 139,350 |
| Total assets (2) | 601,703 | 576,632 | 148,667 |
| Total deposits | 539,087 | 538,337 | n/m |
| Allocated capital (1) | 29,500 | 16,500 | 13,000 |
| **Period end** | | | |
| Total loans and leases | $ 161,142 | $ 22,420 | $ 138,722 |
| Total earning assets (2) | 570,208 | 550,546 | 139,162 |
| Total assets (2) | 612,200 | 582,935 | 148,765 |
| Total deposits | 545,530 | 544,689 | n/m |

| | Six Months Ended June 30, 2013 | | |
|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Consumer Lending |
| Net interest income (FTE basis) | $ 10,047 | $ 4,859 | $ 5,188 |
| Noninterest income: | | | |
| Card income | 2,393 | 30 | 2,363 |
| Service charges | 2,048 | 2,048 | — |
| All other income | 358 | 219 | 139 |
| Total noninterest income | 4,799 | 2,297 | 2,502 |
| Total revenue, net of interest expense (FTE basis) | 14,846 | 7,156 | 7,690 |
| Provision for credit losses | 1,919 | 98 | 1,821 |
| Noninterest expense | 8,349 | 5,626 | 2,723 |
| Income before income taxes | 4,578 | 1,432 | 3,146 |
| Income tax expense (FTE basis) | 1,745 | 546 | 1,199 |
| **Net income** | $ 2,833 | $ 886 | $ 1,947 |
| Net interest yield (FTE basis) | 3.80% | 1.90% | 7.33% |
| Return on average allocated capital (1) | 19.08 | 11.62 | 26.94 |
| Efficiency ratio (FTE basis) | 56.23 | 78.61 | 35.41 |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 164,713 | $ 22,525 | $ 142,188 |
| Total earning assets (2) | 533,098 | 516,634 | 142,629 |
| Total assets (2) | 574,452 | 549,395 | 151,222 |
| Total deposits | 512,424 | 511,977 | n/m |
| Allocated capital (1) | 30,000 | 15,400 | 14,600 |

| Period end | | | |
|---|---|---|---|
| Total loans and leases | $ 164,851 | $ 22,467 | $ 142,384 |
| Total earning assets (2) | 545,815 | 528,881 | 142,824 |
| Total assets (2) | 587,655 | 561,767 | 151,778 |
| Total deposits | 525,085 | 523,928 | n/m |

For footnotes see page 21.

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)

| | Second Quarter 2014 | | |
|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Consumer Lending |
| Net interest income (FTE basis) | $ 4,929 | $ 2,599 | $ 2,330 |
| Noninterest income: | | | |
| Card income | 1,166 | 17 | 1,149 |
| Service charges | 1,091 | 1,090 | 1 |
| All other income | 187 | 134 | 53 |
| Total noninterest income | 2,444 | 1,241 | 1,203 |
| Total revenue, net of interest expense (FTE basis) | 7,373 | 3,840 | 3,533 |
| Provision for credit losses | 534 | 53 | 481 |
| Noninterest expense | 4,000 | 2,607 | 1,393 |
| Income before income taxes | 2,839 | 1,180 | 1,659 |
| Income tax expense (FTE basis) | 1,051 | 437 | 614 |
| **Net income** | $ 1,788 | $ 743 | $ 1,045 |
| Net interest yield (FTE basis) | 3.50% | 1.90% | 6.75% |
| Return on average allocated capital (1) | 24.33 | 18.06 | 32.29 |
| Efficiency ratio (FTE basis) | 54.24 | 67.86 | 39.43 |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 160,240 | $ 22,482 | $ 137,758 |
| Total earning assets (2) | 565,738 | 548,313 | 138,304 |
| Total assets (2) | 607,853 | 581,102 | 147,630 |
| Total deposits | 543,566 | 542,796 | n/m |
| Allocated capital (1) | 29,500 | 16,500 | 13,000 |
| **Period end** | | | |
| Total loans and leases | $ 161,142 | $ 22,420 | $ 138,722 |
| Total earning assets (2) | 570,208 | 550,546 | 139,162 |
| Total assets (2) | 612,200 | 582,935 | 148,765 |
| Total deposits | 545,530 | 544,689 | n/m |

| | First Quarter 2014 | | |
|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Consumer Lending |
| Net interest income (FTE basis) | $ 4,951 | $ 2,545 | $ 2,406 |
| Noninterest income: | | | |
| Card income | 1,162 | 16 | 1,146 |
| Service charges | 1,045 | 1,045 | — |
| All other income | 280 | 114 | 166 |
| Total noninterest income | 2,487 | 1,175 | 1,312 |
| Total revenue, net of interest expense (FTE basis) | 7,438 | 3,720 | 3,718 |
| Provision for credit losses | 812 | 80 | 732 |
| Noninterest expense | 3,963 | 2,630 | 1,333 |
| Income before income taxes | 2,663 | 1,010 | 1,653 |
| Income tax expense (FTE basis) | 997 | 378 | 619 |
| **Net income** | $ 1,666 | $ 632 | $ 1,034 |
| Net interest yield (FTE basis) | 3.63% | 1.91% | 6.95% |
| Return on average allocated capital (1) | 22.92 | 15.54 | 32.29 |
| Efficiency ratio (FTE basis) | 53.29 | 70.71 | 35.86 |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 162,061 | $ 22,537 | $ 139,524 |
| Total earning assets (2) | 553,466 | 539,399 | 140,407 |
| Total assets (2) | 595,486 | 572,111 | 149,715 |
| Total deposits | 534,557 | 533,827 | n/m |
| Allocated capital (1) | 29,500 | 16,500 | 13,000 |

| | | | |
|---|---|---|---|
| **Period end** | | | |
| Total loans and leases | $ 160,127 | $ 22,515 | $ 137,612 |
| Total earning assets (2) | 571,058 | 556,995 | 138,774 |
| Total assets (2) | 613,173 | 589,669 | 148,215 |
| Total deposits | 552,211 | 551,399 | n/m |

For footnotes see page 21.

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)

| | Second Quarter 2013 | | |
|---|---|---|---|
| | Total Consumer & Business Banking | Deposits | Consumer Lending |
| Net interest income (FTE basis) | $ 5,034 | $ 2,472 | $ 2,562 |
| Noninterest income: | | | |
| Card income | 1,186 | 15 | 1,171 |
| Service charges | 1,035 | 1,035 | — |
| All other income | 179 | 117 | 62 |
| Total noninterest income | 2,400 | 1,167 | 1,233 |
| Total revenue, net of interest expense (FTE basis) | 7,434 | 3,639 | 3,795 |
| Provision for credit losses | 967 | 35 | 932 |
| Noninterest expense | 4,184 | 2,810 | 1,374 |
| Income before income taxes | 2,283 | 794 | 1,489 |
| Income tax expense (FTE basis) | 892 | 309 | 583 |
| **Net income** | $ 1,391 | $ 485 | $ 906 |
| Net interest yield (FTE basis) | 3.72% | 1.88% | 7.26% |
| Return on average allocated capital (1) | 18.62 | 12.63 | 24.93 |
| Efficiency ratio (FTE basis) | 56.29 | 77.23 | 36.20 |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 163,593 | $ 22,434 | $ 141,159 |
| Total earning assets (2) | 542,814 | 526,459 | 141,599 |
| Total assets (2) | 584,217 | 559,221 | 150,240 |
| Total deposits | 522,244 | 521,782 | n/m |
| Allocated capital (1) | 30,000 | 15,400 | 14,600 |
| **Period end** | | | |
| Total loans and leases | $ 164,851 | $ 22,467 | $ 142,384 |
| Total earning assets (2) | 545,815 | 528,881 | 142,824 |
| Total assets (2) | 587,655 | 561,767 | 151,778 |
| Total deposits | 525,085 | 523,928 | n/m |

(1) Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 48-51.)

(2) For presentation purposes, in segments or businesses where the total of liabilities and equity exceeds assets, the Corporation allocates assets from *All Other* to match the segments' and businesses' liabilities and allocated shareholders' equity. 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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Average deposit balances** | | | | | | | |
| Checking | **$ 256,490** | $ 233,414 | **$ 259,929** | $ 253,013 | $ 247,276 | $ 240,474 | $ 238,480 |
| Savings | **44,714** | 42,077 | **45,797** | 43,619 | 42,139 | 42,365 | 43,183 |
| MMS | **170,513** | 158,363 | **171,589** | 169,424 | 166,828 | 163,955 | 161,976 |
| CDs and IRAs | **64,032** | 74,140 | **62,808** | 65,270 | 68,192 | 70,888 | 74,064 |
| Non-U.S. and other | **3,338** | 4,430 | **3,443** | 3,231 | 4,356 | 4,325 | 4,541 |
| **Total average deposit balances** | **$ 539,087** | $ 512,424 | **$ 543,566** | $ 534,557 | $ 528,791 | $ 522,007 | $ 522,244 |
| **Deposit spreads (excludes noninterest costs)** | | | | | | | |
| Checking | **2.03 %** | 2.04 % | **2.03 %** | 2.02 % | 2.01 % | 2.01 % | 2.02 % |
| Savings | **2.30** | 2.20 | **2.31** | 2.29 | 2.23 | 2.21 | 2.20 |
| MMS | **1.14** | 1.05 | **1.15** | 1.13 | 1.11 | 1.08 | 1.05 |
| CDs and IRAs | **0.50** | 0.53 | **0.49** | 0.50 | 0.50 | 0.51 | 0.51 |
| Non-U.S. and other | **0.51** | 1.01 | **0.42** | 0.62 | 0.85 | 0.93 | 1.00 |
| **Total deposit spreads** | **1.58** | 1.51 | **1.59** | 1.56 | 1.54 | 1.52 | 1.51 |
| Client brokerage assets | **$ 105,926** | $ 84,182 | **$ 105,926** | $ 100,206 | $ 96,048 | $ 89,517 | $ 84,182 |
| Online banking active accounts (units in thousands) | **30,429** | 29,867 | **30,429** | 30,470 | 29,950 | 30,197 | 29,867 |
| Mobile banking active accounts (units in thousands) | **15,475** | 13,214 | **15,475** | 14,986 | 14,395 | 13,967 | 13,214 |
| Banking centers | **5,023** | 5,328 | **5,023** | 5,095 | 5,151 | 5,243 | 5,328 |
| ATMs | **15,976** | 16,354 | **15,976** | 16,214 | 16,259 | 16,201 | 16,354 |
| **Total U.S. credit card** (1) | | | | | | | |
| **Loans** | | | | | | | |
| Average credit card outstandings | **$ 88,797** | $ 90,712 | **$ 88,058** | $ 89,545 | $ 90,057 | $ 90,005 | $ 89,722 |
| Ending credit card outstandings | **89,020** | 90,523 | **89,020** | 87,692 | 92,338 | 90,280 | 90,523 |
| **Credit quality** | | | | | | | |
| Net charge-offs | **$ 1,401** | $ 1,864 | **$ 683** | $ 718 | $ 724 | $ 788 | $ 917 |
| | **3.18 %** | 4.14 % | **3.11 %** | 3.25 % | 3.19 % | 3.47 % | 4.10 % |
| 30+ delinquency | **$ 1,698** | $ 2,200 | **$ 1,698** | $ 1,878 | $ 2,074 | $ 2,112 | $ 2,200 |
| | **1.91 %** | 2.43 % | **1.91 %** | 2.14 % | 2.25 % | 2.34 % | 2.43 % |
| 90+ delinquency | **$ 868** | $ 1,167 | **$ 868** | $ 966 | $ 1,053 | $ 1,049 | $ 1,167 |
| | **0.98 %** | 1.29 % | **0.98 %** | 1.10 % | 1.14 % | 1.16 % | 1.29 % |
| **Other Total U.S. credit card indicators** (1) | | | | | | | |
| Gross interest yield | **9.39 %** | 9.87 % | **9.30 %** | 9.48 % | 9.36 % | 9.82 % | 9.80 % |
| Risk-adjusted margin | **9.23** | 8.46 | **8.97** | 9.49 | 9.11 | 8.68 | 8.41 |
| New accounts (in thousands) | **2,155** | 1,863 | **1,128** | 1,027 | 999 | 1,048 | 957 |
| Purchase volumes | **$ 102,447** | $ 98,577 | **$ 53,584** | $ 48,863 | $ 54,514 | $ 52,823 | $ 51,945 |
| **Debit card data** | | | | | | | |
| Purchase volumes | **$ 135,382** | $ 132,375 | **$ 69,492** | $ 65,890 | $ 68,000 | $ 66,712 | $ 67,740 |

(1) In addition to the U.S. credit card portfolio in *Consumer & Business Banking*, the remaining U.S. credit card portfolio is in *GWIM*.

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

# Consumer Real Estate Services Segment Results

(Dollars in millions; except as noted)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ 1,398** | $ 1,442 | **$ 697** | $ 701 | $ 716 | $ 733 | $ 699 |
| Noninterest income: | | | | | | | |
| Mortgage banking income | **1,075** | 2,898 | **606** | 469 | 913 | 775 | 1,411 |
| All other income | **109** | 87 | **87** | 22 | 83 | 69 | 5 |
| Total noninterest income | **1,184** | 2,985 | **693** | 491 | 996 | 844 | 1,416 |
| Total revenue, net of interest expense (FTE basis) | **2,582** | 4,427 | **1,390** | 1,192 | 1,712 | 1,577 | 2,115 |
| Provision for credit losses | **5** | 626 | **(20)** | 25 | (474) | (308) | 291 |
| Noninterest expense | **14,031** | 8,788 | **5,902** | 8,129 | 3,788 | 3,414 | 3,383 |
| Loss before income taxes | **(11,454)** | (4,987) | **(4,492)** | (6,962) | (1,602) | (1,529) | (1,559) |
| Income tax benefit (FTE basis) | **(3,625)** | (1,901) | **(1,690)** | (1,935) | (544) | (532) | (629) |
| **Net loss** | **$ (7,829)** | $ (3,086) | **$ (2,802)** | $ (5,027) | $ (1,058) | $ (997) | $ (930) |
| Net interest yield (FTE basis) | **3.01 %** | 2.80 % | **2.98 %** | 3.05 % | 2.89 % | 2.91 % | 2.75 % |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 88,584** | $ 91,531 | **$ 88,257** | $ 88,914 | $ 89,687 | $ 88,406 | $ 90,114 |
| Total earning assets | **93,545** | 103,890 | **93,797** | 93,290 | 98,220 | 99,759 | 102,086 |
| Total assets | **110,073** | 125,291 | **109,588** | 110,564 | 113,584 | 118,226 | 122,276 |
| Allocated capital [(1)] | **23,000** | 24,000 | **23,000** | 23,000 | 24,000 | 24,000 | 24,000 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 88,156** | $ 89,257 | **$ 88,156** | $ 88,355 | $ 89,753 | $ 87,586 | $ 89,257 |
| Total earning assets | **92,291** | 102,211 | **92,291** | 92,937 | 97,163 | 98,247 | 102,211 |
| Total assets | **107,650** | 124,032 | **107,650** | 112,264 | 113,386 | 115,424 | 124,032 |
| **Period end (in billions)** | | | | | | | |
| Mortgage serviced portfolio [(2)] | **$ 760.0** | $ 986.4 | **$ 760.0** | $ 780.0 | $ 810.0 | $ 889.4 | $ 986.4 |

(1) Allocated capital is a non-GAAP financial measure. The Corporation believes the use of this non-GAAP financial measure 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 48-51.)

(2) Includes servicing of residential mortgage loans, home equity lines of credit and home equity 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 Year-to-Date Results (1)

(Dollars in millions)

| | Six Months Ended June 30, 2014 | | |
|---|---|---|---|
| | **Total Consumer Real Estate Services** | **Home Loans** | **Legacy Assets & Servicing** |
| Net interest income (FTE basis) | **$ 1,398** | **$ 659** | **$ 739** |
| Noninterest income: | | | |
| Mortgage banking income | **1,075** | **415** | **660** |
| All other income | **109** | **22** | **87** |
| Total noninterest income | **1,184** | **437** | **747** |
| Total revenue, net of interest expense (FTE basis) | **2,582** | **1,096** | **1,486** |
| Provision for credit losses | **5** | **32** | **(27 )** |
| Noninterest expense | **14,031** | **1,375** | **12,656** |
| Loss before income taxes | **(11,454 )** | **(311 )** | **(11,143 )** |
| Income tax benefit (FTE basis) | **(3,625 )** | **(116 )** | **(3,509 )** |
| **Net loss** | **$ (7,829)** | **$ (195)** | **$ (7,634)** |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | **$ 88,584** | **$ 51,183** | **$ 37,401** |
| Total earning assets | **93,545** | **53,601** | **39,944** |
| Total assets | **110,073** | **53,565** | **56,508** |
| Allocated capital (2) | **23,000** | **6,000** | **17,000** |
| **Period end** | | | |
| Total loans and leases | **$ 88,156** | **$ 52,172** | **$ 35,984** |
| Total earning assets | **92,291** | **55,058** | **37,233** |
| Total assets | **107,650** | **55,002** | **52,648** |

| | Six Months Ended June 30, 2013 | | |
|---|---|---|---|
| | Total Consumer Real Estate Services | Home Loans | Legacy Assets & Servicing |
| Net interest income (FTE basis) | $ 1,442 | $ 691 | $ 751 |
| Noninterest income: | | | |
| Mortgage banking income | 2,898 | 1,351 | 1,547 |
| All other income (loss) | 87 | (58 ) | 145 |
| Total noninterest income | 2,985 | 1,293 | 1,692 |
| Total revenue, net of interest expense (FTE basis) | 4,427 | 1,984 | 2,443 |
| Provision for credit losses | 626 | 156 | 470 |
| Noninterest expense | 8,788 | 1,684 | 7,104 |
| Income (loss) before income taxes | (4,987 ) | 144 | (5,131 ) |
| Income tax expense (benefit) (FTE basis) | (1,901 ) | 55 | (1,956 ) |
| **Net income (loss)** | $ (3,086) | $ 89 | $ (3,175) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 91,531 | $ 47,048 | $ 44,483 |
| Total earning assets | 103,890 | 53,743 | 50,147 |
| Total assets | 125,291 | 54,252 | 71,039 |
| Allocated capital (2) | 24,000 | 6,000 | 18,000 |
| **Period end** | | | |
| Total loans and leases | $ 89,257 | $ 46,891 | $ 42,366 |
| Total earning assets | 102,211 | 53,571 | 48,640 |
| Total assets | 124,032 | 53,674 | 70,358 |

For footnotes see page26.

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)

| | Second Quarter 2014 | | |
|---|---|---|---|
| | **Total Consumer Real Estate Services** | **Home Loans** | **Legacy Assets & Servicing** |
| Net interest income (FTE basis) | **$ 697** | **$ 335** | **$ 362** |
| Noninterest income: | | | |
| Mortgage banking income | **606** | **237** | **369** |
| All other income | **87** | **18** | **69** |
| Total noninterest income | **693** | **255** | **438** |
| Total revenue, net of interest expense (FTE basis) | **1,390** | **590** | **800** |
| Provision for credit losses | **(20 )** | **19** | **(39 )** |
| Noninterest expense | **5,902** | **660** | **5,242** |
| Loss before income taxes | **(4,492 )** | **(89 )** | **(4,403 )** |
| Income tax benefit (FTE basis) | **(1,690 )** | **(33 )** | **(1,657 )** |
| **Net loss** | **$ (2,802)** | **$ (56)** | **$ (2,746)** |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | **$ 88,257** | **$ 51,553** | **$ 36,704** |
| Total earning assets | **93,797** | **53,934** | **39,863** |
| Total assets | **109,588** | **53,962** | **55,626** |
| Allocated capital [2] | **23,000** | **6,000** | **17,000** |
| **Period end** | | | |
| Total loans and leases | **$ 88,156** | **$ 52,172** | **$ 35,984** |
| Total earning assets | **92,291** | **55,058** | **37,233** |
| Total assets | **107,650** | **55,002** | **52,648** |

| | First Quarter 2014 | | |
|---|---|---|---|
| | Total Consumer Real Estate Services | Home Loans | Legacy Assets & Servicing |
| Net interest income (FTE basis) | $ 701 | $ 324 | $ 377 |
| Noninterest income: | | | |
| Mortgage banking income | 469 | 178 | 291 |
| All other income | 22 | 4 | 18 |
| Total noninterest income | 491 | 182 | 309 |
| Total revenue, net of interest expense (FTE basis) | 1,192 | 506 | 686 |
| Provision for credit losses | 25 | 13 | 12 |
| Noninterest expense | 8,129 | 715 | 7,414 |
| Loss before income taxes | (6,962 ) | (222 ) | (6,740 ) |
| Income tax benefit (FTE basis) | (1,935 ) | (83 ) | (1,852 ) |
| **Net loss** | $ (5,027) | $ (139) | $ (4,888) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 88,914 | $ 50,810 | $ 38,104 |
| Total earning assets | 93,290 | 53,264 | 40,026 |
| Total assets | 110,564 | 53,164 | 57,400 |
| Allocated capital [2] | 23,000 | 6,000 | 17,000 |
| **Period end** | | | |
| Total loans and leases | $ 88,355 | $ 50,954 | $ 37,401 |
| Total earning assets | 92,937 | 53,796 | 39,141 |
| Total assets | 112,264 | 53,658 | 58,606 |

For footnotes see page26.

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)

| | Second Quarter 2013 | | |
|---|---|---|---|
| | Total Consumer Real Estate Services | Home Loans | Legacy Assets & Servicing |
| Net interest income (FTE basis) | $ 699 | $ 344 | $ 355 |
| Noninterest income: | | | |
| Mortgage banking income | 1,411 | 654 | 757 |
| All other income | 5 | 5 | — |
| Total noninterest income | 1,416 | 659 | 757 |
| Total revenue, net of interest expense (FTE basis) | 2,115 | 1,003 | 1,112 |
| Provision for credit losses | 291 | 64 | 227 |
| Noninterest expense | 3,383 | 862 | 2,521 |
| Income (loss) before income taxes | (1,559) | 77 | (1,636) |
| Income tax expense (benefit) (FTE basis) | (629) | 30 | (659) |
| **Net income (loss)** | $ (930) | $ 47 | $ (977) |
| **Balance Sheet** | | | |
| **Average** | | | |
| Total loans and leases | $ 90,114 | $ 46,870 | $ 43,244 |
| Total earning assets | 102,086 | 53,739 | 48,347 |
| Total assets | 122,276 | 54,000 | 68,276 |
| Allocated capital (2) | 24,000 | 6,000 | 18,000 |
| **Period end** | | | |
| Total loans and leases | $ 89,257 | $ 46,891 | $ 42,366 |
| Total earning assets | 102,211 | 53,571 | 48,640 |
| Total assets | 124,032 | 53,674 | 70,358 |

(1) *Consumer Real Estate Services* includes Home Loans and Legacy Assets & Servicing. The results of certain mortgage servicing rights activities, including net hedge results, together with any related assets or liabilities used as economic hedges, are included in Legacy Assets & Servicing.
(2) Allocated capital is a non-GAAP financial measure. The Corporation believes the use of this non-GAAP financial measure 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 48-51.)

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Mortgage servicing rights at fair value rollforward** | | | | | | | |
| Balance, beginning of period | **$ 5,042** | $ 5,716 | **$ 4,577** | $ 5,042 | $ 5,058 | $ 5,827 | $ 5,776 |
| Net additions (sales) | **62** | (775) | **32** | 30 | (197) | (600) | (715) |
| Amortization of expected cash flows [1] | **(419)** | (574) | **(209)** | (210) | (229) | (240) | (260) |
| Other changes in mortgage servicing rights fair value [2] | **(551)** | 1,460 | **(266)** | (285) | 410 | 71 | 1,026 |
| **Balance, end of period [3]** | **$ 4,134** | $ 5,827 | **$ 4,134** | $ 4,577 | $ 5,042 | $ 5,058 | $ 5,827 |
| Capitalized mortgage servicing rights (% of loans serviced for investors) | **82 bps** | 77 bps | **82 bps** | 87 bps | 92 bps | 82 bps | 77 bps |
| Mortgage loans serviced for investors (in billions) | **$ 505** | $ 759 | **$ 505** | $ 527 | $ 550 | $ 616 | $ 759 |
| **Loan production** | | | | | | | |
| **Total [4]** | | | | | | | |
| First mortgage | **$ 19,949** | $ 49,196 | **$ 11,099** | $ 8,850 | $ 11,624 | $ 22,601 | $ 25,276 |
| Home equity | **4,587** | 2,615 | **2,602** | 1,985 | 1,915 | 1,831 | 1,497 |
| **Consumer Real Estate Services** | | | | | | | |
| First mortgage | **$ 15,163** | $ 39,778 | **$ 8,461** | $ 6,702 | $ 9,303 | $ 17,833 | $ 20,509 |
| Home equity | **4,187** | 2,225 | **2,396** | 1,791 | 1,674 | 1,599 | 1,283 |
| **Mortgage banking income** | | | | | | | |
| Production income: | | | | | | | |
| Core production revenue | **$ 591** | $ 1,675 | **$ 318** | $ 273 | $ 404 | $ 465 | $ 860 |
| Representations and warranties provision | **(265)** | (447) | **(87)** | (178) | (70) | (323) | (197) |
| Total production income | **326** | 1,228 | **231** | 95 | 334 | 142 | 663 |
| Servicing income: | | | | | | | |
| Servicing fees | **990** | 1,701 | **476** | 514 | 629 | 700 | 785 |
| Amortization of expected cash flows [1] | **(419)** | (574) | **(209)** | (210) | (229) | (240) | (260) |
| Fair value changes of mortgage servicing rights, net of risk management activities used to hedge certain market risks [5] | **171** | 526 | **105** | 66 | 174 | 167 | 215 |
| Other servicing-related revenue | **7** | 17 | **3** | 4 | 5 | 6 | 8 |
| Total net servicing income | **749** | 1,670 | **375** | 374 | 579 | 633 | 748 |
| Total *Consumer Real Estate Services* mortgage banking income | **1,075** | 2,898 | **606** | 469 | 913 | 775 | 1,411 |
| Other business segments' mortgage banking loss [6] | **(136)** | (457) | **(79)** | (57) | (65) | (190) | (233) |
| **Total consolidated mortgage banking income** | **$ 939** | $ 2,441 | **$ 527** | $ 412 | $ 848 | $ 585 | $ 1,178 |

(1) Represents the net change in fair value of the MSR asset due to the recognition of modeled cash flows.

(2) These amounts reflect the changes in modeled mortgage servicing rights fair value primarily due to observed changes in interest rates, volatility, spreads and the shape of the forward swap curve. In addition, these amounts reflect periodic adjustments to the valuation model to reflect changes in the modeled relationship between inputs and their impact on projected cash flows, changes in certain cash flow assumptions such as cost to service and ancillary income per loan, changes in OAS rate inputs and the impact of periodic recalibrations of the model to reflect changes in the relationship between market interest rate spreads and projected cash flows.

(3) Does not include certain non-U.S. residential mortgage MSR balances, which are recorded in *Global Markets*.

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

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

(6) 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 Wealth & Investment Management Segment Results

(Dollars in millions)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | $ 2,970 | $ 3,101 | $ 1,485 | $ 1,485 | $ 1,485 | $ 1,478 | $ 1,505 |
| Noninterest income: | | | | | | | |
| Investment and brokerage services | 5,246 | 4,772 | 2,642 | 2,604 | 2,524 | 2,413 | 2,441 |
| All other income | 920 | 1,047 | 462 | 458 | 470 | 499 | 553 |
| Total noninterest income | 6,166 | 5,819 | 3,104 | 3,062 | 2,994 | 2,912 | 2,994 |
| Total revenue, net of interest expense (FTE basis) | 9,136 | 8,920 | 4,589 | 4,547 | 4,479 | 4,390 | 4,499 |
| Provision for credit losses | 15 | 7 | (8) | 23 | 26 | 23 | (15) |
| Noninterest expense | 6,806 | 6,523 | 3,447 | 3,359 | 3,263 | 3,248 | 3,270 |
| Income before income taxes | 2,315 | 2,390 | 1,150 | 1,165 | 1,190 | 1,119 | 1,244 |
| Income tax expense (FTE basis) | 862 | 911 | 426 | 436 | 413 | 399 | 485 |
| **Net income** | $ 1,453 | $ 1,479 | $ 724 | $ 729 | $ 777 | $ 720 | $ 759 |
| Net interest yield (FTE basis) | 2.38% | 2.46% | 2.38% | 2.38% | 2.37% | 2.35% | 2.47% |
| Return on average allocated capital[(1)] | 24.53 | 30.00 | 24.33 | 24.74 | 30.99 | 28.71 | 30.59 |
| Efficiency ratio (FTE basis) | 74.50 | 73.12 | 75.11 | 73.88 | 72.85 | 73.98 | 72.70 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | $ 117,235 | $ 107,845 | $ 118,512 | $ 115,945 | $ 115,546 | $ 112,752 | $ 109,589 |
| Total earning assets [(2)] | 251,705 | 254,155 | 249,892 | 253,537 | 248,156 | 249,203 | 244,860 |
| Total assets [(2)] | 270,674 | 272,966 | 268,294 | 273,080 | 268,683 | 268,611 | 263,735 |
| Total deposits | 241,409 | 244,329 | 240,042 | 242,792 | 240,395 | 239,663 | 235,344 |
| Allocated capital [(1)] | 12,000 | 10,000 | 12,000 | 12,000 | 10,000 | 10,000 | 10,000 |
| **Period end** | | | | | | | |
| Total loans and leases | $ 120,187 | $ 111,785 | $ 120,187 | $ 116,482 | $ 115,846 | $ 114,175 | $ 111,785 |
| Total earning assets [(2)] | 247,179 | 244,340 | 247,179 | 254,801 | 254,031 | 250,677 | 244,340 |
| Total assets [(2)] | 265,581 | 263,867 | 265,581 | 274,234 | 274,112 | 270,484 | 263,867 |
| Total deposits | 237,046 | 235,012 | 237,046 | 244,051 | 244,901 | 241,553 | 235,012 |

(1) Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 48-51.)

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

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Merrill Lynch Global Wealth Management | $ **7,555** | $ 7,422 | $ **3,791** | $ 3,764 | $ 3,703 | $ 3,646 | $ 3,742 |
| U.S. Trust | **1,551** | 1,461 | **783** | 768 | 762 | 730 | 740 |
| Other [1] | **30** | 37 | **15** | 15 | 14 | 14 | 17 |
| **Total revenues** | $ **9,136** | $ 8,920 | $ **4,589** | $ 4,547 | $ 4,479 | $ 4,390 | $ 4,499 |
| **Client Balances** | | | | | | | |
| **Client Balances by Business** | | | | | | | |
| Merrill Lynch Global Wealth Management | $ **2,017,051** | $ 1,800,151 | $ **2,017,051** | $ 1,946,922 | $ 1,916,803 | $ 1,853,980 | $ 1,800,151 |
| U.S. Trust | **380,281** | 351,119 | **380,281** | 378,177 | 376,487 | 362,791 | 351,119 |
| Other [1] | **70,836** | 63,781 | **70,836** | 70,720 | 73,148 | 66,665 | 63,781 |
| **Client Balances by Type** | | | | | | | |
| Assets under management | $ **878,741** | $ 743,613 | $ **878,741** | $ 841,818 | $ 821,449 | $ 779,614 | $ 743,613 |
| Brokerage assets | **1,091,558** | 992,664 | **1,091,558** | 1,054,052 | 1,045,122 | 1,013,688 | 992,664 |
| Assets in custody | **137,391** | 128,854 | **137,391** | 136,342 | 136,190 | 131,386 | 128,854 |
| Deposits | **237,046** | 235,012 | **237,046** | 244,051 | 244,901 | 241,553 | 235,012 |
| Loans and leases [2] | **123,432** | 114,908 | **123,432** | 119,556 | 118,776 | 117,195 | 114,908 |
| **Total client balances** | $ **2,468,168** | $ 2,215,051 | $ **2,468,168** | $ 2,395,819 | $ 2,366,438 | $ 2,283,436 | $ 2,215,051 |
| **Assets Under Management Flows** | | | | | | | |
| Liquidity assets under management [3] | $ **(2,294)** | $ (2,922) | $ **135** | $ (2,429) | $ 6,492 | $ 2,932 | $ (695) |
| Long-term assets under management [4] | **29,252** | 28,053 | **11,870** | 17,382 | 9,425 | 10,341 | 7,692 |
| **Total assets under management flows** | $ **26,958** | $ 25,131 | $ **12,005** | $ 14,953 | $ 15,917 | $ 13,273 | $ 6,997 |
| **Associates** [5] | | | | | | | |
| Number of Financial Advisors | **15,561** | 15,759 | **15,561** | 15,323 | 15,317 | 15,624 | 15,759 |
| Total Wealth Advisors | **16,722** | 16,989 | **16,722** | 16,481 | 16,517 | 16,846 | 16,989 |
| Total Client Facing Professionals | **19,417** | 19,679 | **19,417** | 19,199 | 19,217 | 19,524 | 19,679 |
| **Merrill Lynch Global Wealth Management Metrics** | | | | | | | |
| Financial Advisor Productivity [6] (in thousands) | $ **1,058** | $ 991 | $ **1,060** | $ 1,056 | $ 1,039 | $ 1,000 | $ 1,012 |
| **U.S. Trust Metrics** | | | | | | | |
| Client Facing Professionals | **2,110** | 2,074 | **2,110** | 2,117 | 2,091 | 2,080 | 2,074 |

(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 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 primarily 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 the *Consumer & Business Banking* segment of 1,716, 1,598, 1,545, 1,585 and 1,587 at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, 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 the *Consumer & Business Banking* segment). 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

# Global Banking Segment Results

(Dollars in millions)

| | Six Months Ended June 30 | | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
|---|---|---|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2014 | 2013 | 2013 | 2013 |
| Net interest income (FTE basis) | **$ 4,541** | $ 4,411 | **$ 2,239** | $ 2,302 | $ 2,301 | $ 2,201 | $ 2,252 |
| Noninterest income: | | | | | | | |
| Service charges | **1,367** | 1,387 | **680** | 687 | 684 | 716 | 701 |
| Investment banking income | **1,656** | 1,582 | **834** | 822 | 958 | 693 | 792 |
| All other income | **884** | 788 | **426** | 458 | 360 | 398 | 393 |
| Total noninterest income | **3,907** | 3,757 | **1,940** | 1,967 | 2,002 | 1,807 | 1,886 |
| Total revenue, net of interest expense (FTE basis) | **8,448** | 8,168 | **4,179** | 4,269 | 4,303 | 4,008 | 4,138 |
| Provision for credit losses | **397** | 312 | **132** | 265 | 441 | 322 | 163 |
| Noninterest expense | **3,927** | 3,685 | **1,899** | 2,028 | 1,943 | 1,923 | 1,849 |
| Income before income taxes | **4,124** | 4,171 | **2,148** | 1,976 | 1,919 | 1,763 | 2,126 |
| Income tax expense (FTE basis) | **1,535** | 1,590 | **795** | 740 | 664 | 626 | 829 |
| **Net income** | **$ 2,589** | $ 2,581 | **$ 1,353** | $ 1,236 | $ 1,255 | $ 1,137 | $ 1,297 |
| Net interest yield (FTE basis) | **2.63 %** | 3.18 % | **2.58 %** | 2.68 % | 2.71 % | 2.87 % | 3.17 % |
| Return on average allocated capital [(1)] | **16.85** | 22.64 | **17.51** | 16.18 | 21.66 | 19.63 | 22.62 |
| Efficiency ratio (FTE basis) | **46.48** | 45.13 | **45.44** | 47.50 | 45.16 | 47.94 | 44.71 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 271,446** | $ 249,903 | **$ 271,417** | $ 271,475 | $ 268,864 | $ 260,085 | $ 255,674 |
| Total earnings assets [(2)] | **347,793** | 280,143 | **347,661** | 347,926 | 336,371 | 304,726 | 285,000 |
| Total assets [(2)] | **392,030** | 322,036 | **390,997** | 393,075 | 379,927 | 346,412 | 326,775 |
| Total deposits | **257,692** | 224,132 | **258,937** | 256,433 | 259,193 | 239,189 | 226,912 |
| Allocated capital [(1)] | **31,000** | 23,000 | **31,000** | 31,000 | 23,000 | 23,000 | 23,000 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 270,683** | $ 258,503 | **$ 270,683** | $ 273,239 | $ 269,469 | $ 267,165 | $ 258,503 |
| Total earnings assets [(2)] | **363,713** | 292,301 | **363,713** | 354,214 | 336,607 | 330,006 | 292,301 |
| Total assets [(2)] | **407,367** | 334,167 | **407,367** | 397,017 | 378,659 | 372,490 | 334,167 |
| Total deposits | **270,268** | 228,934 | **270,268** | 257,502 | 265,171 | 262,502 | 228,934 |

(1) Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 48-51.)

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

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Investment Banking fees** (1) | | | | | | | |
| Advisory (2) | $ 491 | $ 473 | $ 234 | $ 257 | $ 320 | $ 226 | $ 240 |
| Debt issuance | 835 | 833 | 388 | 447 | 443 | 343 | 405 |
| Equity issuance | 330 | 276 | 212 | 118 | 195 | 124 | 147 |
| **Total Investment Banking fees** (3) | $ 1,656 | $ 1,582 | $ 834 | $ 822 | $ 958 | $ 693 | $ 792 |
| **Business Lending** | | | | | | | |
| Corporate | $ 1,724 | $ 1,706 | $ 820 | $ 904 | $ 817 | $ 884 | $ 855 |
| Commercial | 2,014 | 2,001 | 1,005 | 1,009 | 1,011 | 960 | 1,050 |
| **Total Business Lending revenue** | $ 3,738 | $ 3,707 | $ 1,825 | $ 1,913 | $ 1,828 | $ 1,844 | $ 1,905 |
| **Global Transaction Services** | | | | | | | |
| Corporate | $ 1,506 | $ 1,368 | $ 766 | $ 740 | $ 734 | $ 713 | $ 702 |
| Commercial | 1,454 | 1,446 | 719 | 735 | 747 | 741 | 733 |
| **Total Global Transaction Services revenue** | $ 2,960 | $ 2,814 | $ 1,485 | $ 1,475 | $ 1,481 | $ 1,454 | $ 1,435 |
| **Average deposit balances** | | | | | | | |
| Interest-bearing | $ 77,790 | $ 68,584 | $ 78,010 | $ 77,568 | $ 78,229 | $ 73,011 | $ 69,362 |
| Noninterest-bearing | 179,902 | 155,548 | 180,927 | 178,865 | 180,964 | 166,178 | 157,550 |
| **Total average deposits** | $ 257,692 | $ 224,132 | $ 258,937 | $ 256,433 | $ 259,193 | $ 239,189 | $ 226,912 |
| **Loan spread** | 1.75% | 1.87% | 1.71% | 1.80% | 1.75% | 1.78% | 1.89% |
| **Provision for credit losses** | $ 397 | $ 312 | $ 132 | $ 265 | $ 441 | $ 322 | $ 163 |
| **Credit quality** (4, 5) | | | | | | | |
| Reservable utilized criticized exposure | $ 9,467 | $ 10,632 | $ 9,467 | $ 9,512 | $ 9,357 | $ 10,111 | $ 10,632 |
| | 3.20% | 3.73% | 3.20% | 3.19% | 3.17% | 3.44% | 3.73% |
| Nonperforming loans, leases and foreclosed properties | $ 717 | $ 1,087 | $ 717 | $ 650 | $ 639 | $ 919 | $ 1,087 |
| | 0.27% | 0.43% | 0.27% | 0.24% | 0.24% | 0.35% | 0.43% |
| **Average loans and leases by product** | | | | | | | |
| U.S. commercial | $ 135,721 | $ 126,324 | $ 136,193 | $ 135,245 | $ 132,263 | $ 128,601 | $ 127,742 |
| Commercial real estate | 44,124 | 35,760 | 43,816 | 44,436 | 42,622 | 39,172 | 36,685 |
| Commercial lease financing | 25,295 | 24,536 | 25,165 | 25,427 | 25,115 | 24,846 | 24,584 |
| Non-U.S. commercial | 66,300 | 63,277 | 66,238 | 66,362 | 68,860 | 67,459 | 66,654 |
| Other | 6 | 6 | 5 | 5 | 4 | 7 | 9 |
| **Total average loans and leases** | $ 271,446 | $ 249,903 | $ 271,417 | $ 271,475 | $ 268,864 | $ 260,085 | $ 255,674 |
| **Total Corporation Investment Banking fees** | | | | | | | |
| Advisory (2) | $ 551 | $ 519 | $ 265 | $ 286 | $ 353 | $ 256 | $ 262 |
| Debt issuance | 1,916 | 2,009 | 891 | 1,025 | 986 | 808 | 987 |
| Equity issuance | 827 | 679 | 514 | 313 | 464 | 329 | 356 |
| Total investment banking fees including self-led | 3,294 | 3,207 | 1,670 | 1,624 | 1,803 | 1,393 | 1,605 |
| Self-led | (121) | (116) | (39) | (82) | (65) | (96) | (49) |
| **Total Investment Banking fees** | $ 3,173 | $ 3,091 | $ 1,631 | $ 1,542 | $ 1,738 | $ 1,297 | $ 1,556 |

(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 in *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

| | Six Months Ended June 30, 2014 | | | |
|---|---|---|---|---|
| | Global | | U.S. | |
| | Product Ranking | Market Share | Product Ranking | Market Share |
| Net investment banking revenue | 3 | 6.6% | 2 | 9.9% |
| Announced mergers and acquisitions | 3 | 23.2 | 3 | 30.3 |
| Equity capital markets | 3 | 7.3 | 3 | 11.0 |
| Debt capital markets | 5 | 5.5 | 2 | 9.9 |
| High-yield corporate debt | 8 | 5.9 | 5 | 8.0 |
| Leveraged loans | 2 | 9.1 | 2 | 11.3 |
| Mortgage-backed securities | 9 | 6.5 | 9 | 7.1 |
| Asset-backed securities | 2 | 12.9 | 2 | 15.2 |
| Convertible debt | 4 | 8.6 | 4 | 11.9 |
| Common stock underwriting | 2 | 7.2 | 2 | 10.8 |
| Investment-grade corporate debt | 2 | 6.5 | 2 | 12.5 |
| Syndicated loans | 2 | 8.9 | 2 | 12.9 |

Source: Dealogic data as of July 1, 2014. 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 either side of the transaction.
- Each advisor receives full credit for the deal amount unless advising a minor stakeholder.

## Highlights

***Global top 3 rankings in:***

| | |
|---|---|
| Leveraged loans | Syndicated loans |
| Asset-backed securities | Announced mergers and acquisitions |
| Common stock underwriting | Equity capital markets |
| Investment-grade corporate debt | |

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

| | |
|---|---|
| Leveraged loans | Syndicated loans |
| Asset-backed securities | Announced mergers and acquisitions |
| Common stock underwriting | Equity capital markets |
| Investment-grade corporate debt | Debt capital markets |

***Top 3 rankings excluding self-led deals:***

Global: Leveraged loans, Asset-backed securities, Common stock underwriting, Investment-grade corporate debt, Syndicated loans, Announced mergers and acquisitions, Equity capital markets

U.S.: Leveraged loans, Asset-backed securities, Common stock underwriting, Investment-grade corporate debt, Syndicated loans, Announced mergers and acquisitions, Equity capital markets, Debt capital markets

**Bank of America Corporation and Subsidiaries**

## Global Markets Segment Results [1]

(Dollars in millions)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | $ 1,949 | $ 2,117 | $ 952 | $ 997 | $ 1,138 | $ 969 | $ 1,009 |
| Noninterest income: | | | | | | | |
| Investment and brokerage services | 1,101 | 1,077 | 540 | 561 | 489 | 480 | 549 |
| Investment banking fees | 1,496 | 1,347 | 760 | 736 | 755 | 622 | 668 |
| Trading account profits | 4,135 | 4,738 | 1,768 | 2,367 | 795 | 1,201 | 1,848 |
| All other income (loss) | 914 | (306) | 563 | 351 | 21 | (53) | 120 |
| Total noninterest income | 7,646 | 6,856 | 3,631 | 4,015 | 2,060 | 2,250 | 3,185 |
| Total revenue, net of interest expense (FTE basis) [2] | 9,595 | 8,973 | 4,583 | 5,012 | 3,198 | 3,219 | 4,194 |
| Provision for credit losses | 38 | (11) | 19 | 19 | 104 | 47 | (16) |
| Noninterest expense | 5,939 | 5,843 | 2,862 | 3,077 | 3,275 | 2,881 | 2,770 |
| Income (loss) before income taxes | 3,618 | 3,141 | 1,702 | 1,916 | (181) | 291 | 1,440 |
| Income tax expense (benefit) (FTE basis) | 1,209 | 1,067 | 601 | 608 | (133) | 1,166 | 478 |
| **Net income (loss)** | $ 2,409 | $ 2,074 | $ 1,101 | $ 1,308 | $ (48) | $ (875) | $ 962 |
| Return on average allocated capital [3] | 14.32% | 13.97% | 13.01% | 15.64% | n/m | n/m | 12.89% |
| Efficiency ratio (FTE basis) | 61.90 | 65.12 | 62.45 | 61.39 | 102.40% | 89.52% | 66.05 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total trading-related assets [4] | $ 448,596 | $ 497,582 | $ 459,938 | $ 437,128 | $ 438,909 | $ 442,597 | $ 490,972 |
| Total loans and leases | 63,637 | 54,529 | 63,579 | 63,696 | 66,496 | 64,491 | 56,354 |
| Total earning assets [4] | 467,594 | 504,450 | 478,192 | 456,879 | 458,955 | 458,626 | 499,338 |
| Total assets | 609,315 | 663,021 | 617,103 | 601,439 | 603,005 | 602,521 | 656,109 |
| Allocated capital [3] | 34,000 | 30,000 | 34,000 | 34,000 | 30,000 | 30,000 | 30,000 |
| **Period end** | | | | | | | |
| Total trading-related assets [4] | $ 443,386 | $ 446,505 | $ 443,386 | $ 430,894 | $ 411,080 | $ 438,137 | $ 446,505 |
| Total loans and leases | 66,260 | 63,127 | 66,260 | 64,598 | 67,381 | 68,662 | 63,127 |
| Total earning assets [4] | 465,383 | 465,153 | 465,383 | 455,103 | 432,807 | 464,600 | 465,153 |
| Total assets | 610,395 | 608,760 | 610,395 | 594,815 | 575,584 | 601,034 | 608,760 |
| **Trading-related assets (average)** | | | | | | | |
| Trading account securities | $ 201,996 | $ 230,589 | $ 200,725 | $ 203,281 | $ 209,734 | $ 193,107 | $ 225,796 |
| Reverse repurchases | 114,576 | 154,188 | 119,823 | 109,271 | 114,417 | 128,427 | 150,568 |
| Securities borrowed | 88,024 | 60,134 | 94,989 | 80,981 | 67,862 | 73,820 | 62,813 |
| Derivative assets | 44,000 | 52,671 | 44,401 | 43,595 | 46,896 | 47,243 | 51,795 |
| **Total trading-related assets** [4] | $ 448,596 | $ 497,582 | $ 459,938 | $ 437,128 | $ 438,909 | $ 442,597 | $ 490,972 |

(1) In 2014, the results for structured liabilities including debit valuation adjustment were moved into *Global Markets* from *All Other* to better align the performance and risk management of these instruments. As such, net debit valuation adjustment in *Global Markets* represents the combined total of net debit valuation adjustment on derivatives and structured liabilities. Prior periods have been reclassified to conform to current period presentation.

(2) 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 34.

(3) Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return are non-GAAP financial measures. The Corporation believes 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 48-51.)

(4) Trading-related assets include derivative assets, which are considered non-earning assets.

n/m = not meaningful

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

## Global Markets Key Indicators

(Dollars in millions)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Sales and trading revenue** [1] | | | | | | | |
| Fixed income, currency and commodities | **$ 5,452** | $ 5,067 | **$ 2,426** | $ 3,026 | $ 1,540 | $ 1,636 | $ 2,216 |
| Equities | **2,230** | 2,433 | **1,045** | 1,185 | 815 | 918 | 1,280 |
| **Total sales and trading revenue** | **$ 7,682** | $ 7,500 | **$ 3,471** | $ 4,211 | $ 2,355 | $ 2,554 | $ 3,496 |
| **Sales and trading revenue, excluding net debit valuation adjustment** [2] | | | | | | | |
| Fixed income, currency and commodities | **$ 5,316** | $ 5,252 | **$ 2,370** | $ 2,946 | $ 2,076 | $ 2,029 | $ 2,253 |
| Equities | **2,185** | 2,344 | **1,032** | 1,153 | 897 | 969 | 1,194 |
| **Total sales and trading revenue, excluding net debit valuation adjustment** | **$ 7,501** | $ 7,596 | **$ 3,402** | $ 4,099 | $ 2,973 | $ 2,998 | $ 3,447 |
| **Sales and trading revenue breakdown** | | | | | | | |
| Net interest income | **$ 1,775** | $ 1,944 | **$ 866** | $ 909 | $ 1,054 | $ 892 | $ 925 |
| Commissions | **1,101** | 1,077 | **540** | 561 | 489 | 480 | 549 |
| Trading | **4,135** | 4,738 | **1,768** | 2,367 | 795 | 1,201 | 1,848 |
| Other | **671** | (259) | **297** | 374 | 17 | (19) | 174 |
| **Total sales and trading revenue** | **$ 7,682** | $ 7,500 | **$ 3,471** | $ 4,211 | $ 2,355 | $ 2,554 | $ 3,496 |

(1) Includes *Global Banking* sales and trading revenue of $153 million and $210 million for the six months ended June 30, 2014 and 2013; $68 million and $84 million for the second and first quarters of 2014, and $66 million, $108 million and $143 million for the fourth, third and second quarters of 2013, respectively.

(2) For this presentation, sales and trading revenue excludes net debit valuation adjustment gains (losses) which include net debit valuation adjustment on derivatives and structured liabilities. Sales and trading revenue excluding net debit valuation adjustment gains (losses) represents a non-GAAP financial measure.

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| Net interest income (FTE basis) | **$ (226)** | $ 528 | **$ (76)** | $ (150) | $ 411 | $ 42 | $ 272 |
| Noninterest income: | | | | | | | |
| Card income | **174** | 166 | **88** | 86 | 83 | 79 | 81 |
| Equity investment income | **730** | 1,096 | **56** | 674 | 393 | 1,122 | 576 |
| Gains on sales of debt securities | **739** | 519 | **382** | 357 | 363 | 347 | 452 |
| All other loss | **(1,262)** | (1,286) | **(604)** | (658) | (739) | (565) | (812) |
| Total noninterest income | **381** | 495 | **(78)** | 459 | 100 | 983 | 297 |
| Total revenue, net of interest expense (FTE basis) | **155** | 1,023 | **(154)** | 309 | 511 | 1,025 | 569 |
| Provision for credit losses | **(381)** | 71 | **(246)** | (135) | (188) | (549) | (179) |
| Noninterest expense | **2,113** | 2,330 | **431** | 1,682 | 1,012 | 940 | 562 |
| Income (loss) before income taxes | **(1,577)** | (1,378) | **(339)** | (1,238) | (313) | 634 | 186 |
| Income tax benefit (FTE basis) | **(1,516)** | (992) | **(466)** | (1,050) | (848) | (101) | (347) |
| **Net income (loss)** | **$ (61)** | $ (386) | **$ 127** | $ (188) | $ 535 | $ 735 | $ 533 |
| **Balance Sheet** | | | | | | | |
| **Average** | | | | | | | |
| Total loans and leases | **$ 213,965** | $ 241,748 | **$ 210,575** | $ 217,391 | $ 226,027 | $ 232,525 | $ 238,910 |
| Total assets (2) | **170,699** | 240,677 | **175,720** | 165,622 | 179,545 | 203,750 | 231,498 |
| Total deposits | **35,119** | 34,883 | **35,851** | 34,381 | 34,247 | 35,420 | 34,017 |
| **Period end** | | | | | | | |
| Total loans and leases | **$ 205,471** | $ 234,047 | **$ 205,471** | $ 213,416 | $ 220,690 | $ 229,547 | $ 234,047 |
| Total assets (3) | **167,364** | 204,839 | **167,364** | 158,348 | 167,433 | 178,500 | 204,839 |
| Total deposits | **31,999** | 34,858 | **31,999** | 32,818 | 27,851 | 30,909 | 34,858 |

(1) *All Other* consists of ALM activities, equity investments, the international consumer card business, liquidating businesses, residual expense allocations 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, the impact of certain allocation methodologies and accounting hedge ineffectiveness. The results of certain ALM activities are allocated to our business segments. Equity investments include Global Principal Investments which is comprised of a portfolio of equity, real estate and other alternative investments. These investments are made either directly in a company or held through a fund with related income recorded in equity investment income. Additionally, *All Other* includes certain residential mortgage loans that are managed by Legacy Assets & Servicing. In 2014, the management of structured liabilities and the associated debit valuation adjustment (previously referred to as fair value adjustments on structured liabilities) were moved into *Global Markets* from *All Other* to better align the performance risk of these instruments. Prior periods have been reclassified to conform to current period presentation.

(2) Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) and allocated shareholders' equity of $589.2 billion and $525.3 billion for the six months ended June 30, 2014 and 2013, $593.1 billion, $585.3 billion, $564.1 billion, $540.5 billion and $524.5 billion for the second and first quarters of 2014, and the fourth, third and second quarters of 2013, respectively.

(3) Includes elimination of segments' excess asset allocations to match liabilities (i.e., deposits) and allocated shareholders' equity of $608.8 billion, $609.2 billion, $569.9 billion, $557.5 billion and $529.0 billion at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively.

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

## Equity Investments

(Dollars in millions)

| | Equity Investments Exposures | | | |
|---|---|---|---|---|
| | June 30, 2014 | | | March 31 2014 |
| | Book Value | Unfunded Commitments | Total | Total |
| **Equity Investments:** | | | | |
| Global Principal Investments | **$ 1,136** | **$ 54** | **$ 1,190** | $ 1,370 |
| Strategic and other investments | **827** | **18** | **845** | 874 |
| **Total Equity Investments** | **$ 1,963** | **$ 72** | **$ 2,035** | $ 2,244 |

## Components of Equity Investment Income

(Dollars in millions)

| | Six Months Ended June 30 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2014** | 2013 | **Second Quarter 2014** | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
| Global Principal Investments | **$ 43** | $ 156 | **$ 71** | $ (28) | $ 101 | $ 122 | $ 52 |
| Strategic and other investments | **687** | 940 | **(15)** | 702 | 292 | 1,000 | 524 |
| Total equity investment income included in *All Other* | **730** | 1,096 | **56** | 674 | 393 | 1,122 | 576 |
| Total equity investment income included in the business segments | **411** | 147 | **301** | 110 | 81 | 62 | 104 |
| **Total consolidated equity investment income** | **$ 1,141** | $ 1,243 | **$ 357** | $ 784 | $ 474 | $ 1,184 | $ 680 |

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)

| | June 30 2014 | March 31 2014 | June 30 2013 |
|---|---|---|---|
| **Consumer** | | | |
| Residential mortgage [1] | **$ 237,136** | $ 242,977 | $ 253,959 |
| Home equity | **89,499** | 91,476 | 100,011 |
| U.S. credit card | **89,020** | 87,692 | 90,523 |
| Non-U.S. credit card | **11,999** | 11,563 | 10,340 |
| Direct/Indirect consumer [2] | **82,586** | 81,552 | 83,358 |
| Other consumer [3] | **2,079** | 1,980 | 1,803 |
| Total consumer loans excluding loans accounted for under the fair value option | **512,319** | 517,240 | 539,994 |
| Consumer loans accounted for under the fair value option [4] | **2,154** | 2,149 | 1,052 |
| **Total consumer** | **514,473** | 519,389 | 541,046 |
| **Commercial** | | | |
| U.S. commercial [5] | **231,622** | 228,795 | 219,367 |
| Commercial real estate [6] | **46,815** | 48,840 | 42,126 |
| Commercial lease financing | **24,565** | 24,649 | 23,912 |
| Non-U.S. commercial | **85,677** | 85,630 | 86,710 |
| Total commercial loans excluding loans accounted for under the fair value option | **388,679** | 387,914 | 372,115 |
| Commercial loans accounted for under the fair value option [4] | **8,747** | 8,914 | 8,409 |
| **Total commercial** | **397,426** | 396,828 | 380,524 |
| **Total loans and leases** | **$ 911,899** | $ 916,217 | $ 921,570 |

(1) Includes pay option loans of $3.7 billion, $3.8 billion and $5.8 billion and non-U.S. residential mortgage loans of $3 million, $0 and $83 million at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. The Corporation no longer originates pay option loans.

(2) Includes dealer financial services loans of $37.7 billion, $38.0 billion and $36.8 billion, unsecured consumer lending loans of $2.0 billion, $2.3 billion and $3.6 billion, U.S. securities-based lending loans of $33.8 billion, $31.8 billion and $30.0 billion, non-U.S. consumer loans of $4.4 billion, $4.6 billion and $7.5 billion, student loans of $3.8 billion, $3.9 billion and $4.4 billion and other consumer loans of $937 million, $899 million and $1.1 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(3) Includes consumer finance loans of $1.1 billion, $1.1 billion and $1.3 billion, consumer leases of $819 million, $701 million and $351 million, consumer overdrafts of $170 million, $137 million and $149 million and other non-U.S. consumer loans of $3 million, $5 million and $5 million at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(4) Consumer loans accounted for under the fair value option were residential mortgage loans of $2.0 billion, $2.0 billion and $1.1 billion and home equity loans of $170 million, $152 million and $0 at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Commercial loans accounted for under the fair value option were U.S. commercial loans of $1.3 billion, $1.4 billion and $2.0 billion and non-U.S. commercial loans of $7.4 billion, $7.5 billion and $6.4 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(5) Includes U.S. small business commercial loans, including card-related products, of $13.5 billion, $13.4 billion and $12.4 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(6) Includes U.S. commercial real estate loans of $45.5 billion, $47.1 billion and $40.3 billion and non-U.S. commercial real estate loans of $1.3 billion, $1.7 billion and $1.8 billion at June 30, 2014, March 31, 2014 and June 30, 2013, 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)

| | Second Quarter 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total Corporation** | **Consumer & Business Banking** | **Consumer Real Estate Services** | **GWIM** | **Global Banking** | **Global Markets** | **All Other** |
| **Consumer** | | | | | | | |
| Residential mortgage | **$ 243,405** | **$ 761** | **$ 5,935** | **$ 48,855** | **$ —** | **$ —** | **$ 187,854** |
| Home equity | **90,729** | **151** | **82,240** | **6,578** | **—** | **160** | **1,600** |
| U.S. credit card | **88,058** | **84,849** | **—** | **3,209** | **—** | **—** | **—** |
| Non-U.S. credit card | **11,759** | **—** | **—** | **—** | **—** | **—** | **11,759** |
| Direct/Indirect consumer | **82,102** | **40,026** | **47** | **37,348** | **—** | **12** | **4,669** |
| Other consumer | **2,012** | **890** | **—** | **9** | **5** | **—** | **1,108** |
| **Total consumer** | **518,065** | **126,677** | **88,222** | **95,999** | **5** | **172** | **206,990** |
| **Commercial** | | | | | | | |
| U.S. commercial | **230,487** | **32,900** | **35** | **20,688** | **136,193** | **35,906** | **4,765** |
| Commercial real estate | **48,315** | **651** | **—** | **1,672** | **43,816** | **1,937** | **239** |
| Commercial lease financing | **24,409** | **—** | **—** | **4** | **25,165** | **743** | **(1,503)** |
| Non-U.S. commercial | **91,304** | **12** | **—** | **149** | **66,238** | **24,821** | **84** |
| **Total commercial** | **394,515** | **33,563** | **35** | **22,513** | **271,412** | **63,407** | **3,585** |
| **Total loans and leases** | **$ 912,580** | **$ 160,240** | **$ 88,257** | **$ 118,512** | **$ 271,417** | **$ 63,579** | **$ 210,575** |

| | First Quarter 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| **Consumer** | | | | | | | |
| Residential mortgage | $ 247,556 | $ 727 | $ 4,602 | $ 48,236 | $ — | $ — | $ 193,991 |
| Home equity | 92,759 | 148 | 84,217 | 6,696 | — | 168 | 1,530 |
| U.S. credit card | 89,545 | 86,270 | — | 3,260 | — | — | 15 |
| Non-U.S. credit card | 11,554 | — | — | — | — | — | 11,554 |
| Direct/Indirect consumer | 81,728 | 40,758 | 47 | 35,800 | 1 | 45 | 5,077 |
| Other consumer | 1,962 | 790 | — | 5 | 4 | — | 1,163 |
| **Total consumer** | 525,104 | 128,693 | 88,866 | 93,997 | 5 | 213 | 213,330 |
| **Commercial** | | | | | | | |
| U.S. commercial | 228,058 | 32,636 | 48 | 20,094 | 135,245 | 34,719 | 5,316 |
| Commercial real estate | 48,753 | 723 | — | 1,698 | 44,436 | 1,625 | 271 |
| Commercial lease financing | 24,727 | — | — | 4 | 25,427 | 836 | (1,540) |
| Non-U.S. commercial | 92,840 | 9 | — | 152 | 66,362 | 26,303 | 14 |
| **Total commercial** | 394,378 | 33,368 | 48 | 21,948 | 271,470 | 63,483 | 4,061 |
| **Total loans and leases** | $ 919,482 | $ 162,061 | $ 88,914 | $ 115,945 | $ 271,475 | $ 63,696 | $ 217,391 |

| | Second Quarter 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total Corporation | Consumer & Business Banking | Consumer Real Estate Services | GWIM | Global Banking | Global Markets | All Other |
| **Consumer** | | | | | | | |
| Residential mortgage | $ 257,275 | $ 564 | $ 2,254 | $ 43,234 | $ — | $ 86 | $ 211,137 |
| Home equity | 101,708 | 147 | 87,749 | 12,254 | — | 78 | 1,480 |
| U.S. credit card | 89,722 | 89,722 | — | — | — | — | — |
| Non-U.S. credit card | 10,613 | — | — | — | — | — | 10,613 |
| Direct/Indirect consumer | 82,485 | 40,187 | 50 | 33,390 | — | 24 | 8,834 |
| Other consumer | 1,756 | 420 | — | 7 | 9 | — | 1,320 |
| **Total consumer** | 543,559 | 131,040 | 90,053 | 88,885 | 9 | 188 | 233,384 |
| **Commercial** | | | | | | | |
| U.S. commercial | 217,464 | 31,183 | 60 | 19,099 | 127,742 | 32,776 | 6,604 |
| Commercial real estate | 40,612 | 1,359 | 1 | 1,417 | 36,685 | 694 | 456 |
| Commercial lease financing | 23,579 | — | — | 4 | 24,584 | 618 | (1,627) |
| Non-U.S. commercial | 89,020 | 11 | — | 184 | 66,654 | 22,078 | 93 |
| **Total commercial** | 370,675 | 32,553 | 61 | 20,704 | 255,665 | 56,166 | 5,526 |
| **Total loans and leases** | $ 914,234 | $ 163,593 | $ 90,114 | $ 109,589 | $ 255,674 | $ 56,354 | $ 238,910 |

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 | | |
|---|---|---|---|---|---|---|
| | **June 30 2014** | March 31 2014 | June 30 2013 | **June 30 2014** | March 31 2014 | June 30 2013 |
| Diversified financials | **$ 72,302** | $ 69,137 | $ 72,498 | **$ 120,705** | $ 111,172 | $ 108,601 |
| Real estate [4] | **52,982** | 55,613 | 49,564 | **74,535** | 77,337 | 70,162 |
| Healthcare equipment and services | **32,410** | 31,854 | 29,327 | **55,737** | 48,681 | 46,418 |
| Retailing | **33,941** | 33,836 | 31,051 | **54,983** | 53,902 | 51,906 |
| Capital goods | **28,921** | 28,012 | 26,737 | **53,444** | 52,356 | 50,699 |
| Banking | **42,543** | 42,296 | 47,724 | **51,100** | 49,821 | 56,195 |
| Government and public education | **40,174** | 40,435 | 39,260 | **47,613** | 48,175 | 47,871 |
| Materials | **23,292** | 23,163 | 22,831 | **42,809** | 42,291 | 43,369 |
| Energy | **20,744** | 19,835 | 21,052 | **40,826** | 39,846 | 41,133 |
| Consumer services | **21,414** | 21,147 | 21,721 | **34,391** | 34,010 | 34,743 |
| Food, beverage and tobacco | **15,357** | 15,359 | 14,704 | **31,792** | 31,379 | 31,488 |
| Commercial services and supplies | **19,259** | 19,448 | 18,932 | **31,013** | 31,529 | 30,478 |
| Utilities | **9,898** | 9,404 | 8,811 | **26,549** | 25,346 | 23,660 |
| Transportation | **16,227** | 15,351 | 15,492 | **23,787** | 22,425 | 22,716 |
| Media | **11,801** | 13,066 | 13,249 | **23,283** | 23,880 | 21,824 |
| Individuals and trusts | **15,790** | 15,159 | 14,367 | **19,811** | 18,743 | 18,081 |
| Technology hardware and equipment | **6,883** | 6,051 | 4,840 | **13,428** | 12,697 | 11,289 |
| Software and services | **6,296** | 6,667 | 6,389 | **13,360** | 13,933 | 13,417 |
| Pharmaceuticals and biotechnology | **4,534** | 6,052 | 4,243 | **13,221** | 13,111 | 11,473 |
| Insurance, including monolines | **4,827** | 5,473 | 5,880 | **11,075** | 11,744 | 12,315 |
| Consumer durables and apparel | **5,793** | 5,797 | 5,404 | **10,274** | 10,002 | 9,942 |
| Telecommunication services | **4,269** | 4,654 | 3,871 | **10,207** | 10,328 | 10,588 |
| Automobiles and components | **3,446** | 3,303 | 3,263 | **9,000** | 8,601 | 8,262 |
| Food and staples retailing | **4,079** | 4,083 | 4,363 | **7,831** | 7,779 | 7,848 |
| Religious and social organizations | **5,144** | 5,404 | 5,895 | **6,965** | 7,384 | 7,824 |
| Other | **5,544** | 5,167 | 5,678 | **8,686** | 8,097 | 8,550 |
| **Total commercial credit exposure by industry** | **$ 507,870** | $ 505,766 | $ 497,146 | **$ 836,425** | $ 814,569 | $ 800,852 |
| Net credit default protection purchased on total commitments [5] | | | | **$ (8,678)** | $ (8,341) | $ (11,060) |

(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 $41.2 billion, $42.8 billion and $50.5 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Not reflected in utilized and committed exposure is additional derivative collateral held of $16.3 billion, $16.1 billion and $18.4 billion, which consists primarily of other marketable securities, at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(2) Total commercial utilized and total commercial committed exposure includes loans and letters of credit accounted for under the fair value option and are comprised of loans outstanding of $8.7 billion, $8.9 billion and $8.4 billion and issued letters of credit at notional value of $553 million, $576 million and $563 million at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. In addition, total commercial committed exposure includes unfunded loan commitments at notional value of $9.5 billion, $11.3 billion and $15.3 billion at June 30, 2014, March 31, 2014 and June 30, 2013, 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]

| | June 30 2014 | March 31 2014 |
|---|---|---|
| Less than or equal to one year | **40 %** | 32 % |
| Greater than one year and less than or equal to five years | **58** | 64 |
| Greater than five years | **2** | 4 |
| **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)

| | **June 30, 2014** | | March 31, 2014 | |
|---|---|---|---|---|
| **Ratings** [2, 3] | **Net Notional** [4] | **Percent of Total** | Net Notional [4] | Percent of Total |
| AA | **$ (77)** | **0.9 %** | $ (42) | 0.5 % |
| A | **(1,890)** | **21.8** | (2,173) | 26.1 |
| BBB | **(4,885)** | **56.3** | (4,379) | 52.5 |
| BB | **(1,089)** | **12.5** | (1,082) | 13.0 |
| B | **(634)** | **7.3** | (571) | 6.8 |
| CCC and below | **(125)** | **1.4** | (130) | 1.6 |
| NR [5] | **22** | **(0.2)** | 36 | (0.5) |
| **Total net credit default protection** | **$ (8,678)** | **100.0 %** | $ (8,341) | 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 index positions held and any 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

(Dollars in millions)

| | Funded Loans and Loan Equivalents (1) | Unfunded Loan Commitments | Net Counterparty Exposure (2) | Securities/ Other Investments (3) | Country Exposure at June 30 2014 | Hedges and Credit Default Protection (4) | **Net Country Exposure at June 30 2014 (5)** | Increase (Decrease) from March 31 2014 |
|---|---|---|---|---|---|---|---|---|
| United Kingdom | $ 24,394 | $ 14,519 | $ 5,603 | $ 6,626 | $ 51,142 | $ (3,945) | **$ 47,197** | $ (105) |
| Canada | 5,716 | 6,818 | 1,594 | 5,565 | 19,693 | (1,580) | **18,113** | (1,175) |
| China | 10,866 | 701 | 588 | 1,960 | 14,115 | (335) | **13,780** | 736 |
| France | 2,862 | 6,248 | 1,218 | 7,221 | 17,549 | (4,265) | **13,284** | 463 |
| Germany | 4,597 | 5,392 | 2,187 | 5,103 | 17,279 | (4,030) | **13,249** | (364) |
| Brazil | 8,809 | 620 | 274 | 2,865 | 12,568 | (392) | **12,176** | (741) |
| India | 6,016 | 488 | 279 | 3,995 | 10,778 | (61) | **10,717** | 317 |
| Australia | 3,648 | 3,215 | 453 | 2,377 | 9,693 | (499) | **9,194** | 892 |
| Netherlands | 3,090 | 3,665 | 529 | 1,798 | 9,082 | (1,436) | **7,646** | (288) |
| South Korea | 4,061 | 909 | 638 | 2,216 | 7,824 | (543) | **7,281** | 582 |
| Hong Kong | 5,359 | 345 | 107 | 914 | 6,725 | (61) | **6,664** | (222) |
| Japan | 4,143 | 477 | 677 | 1,990 | 7,287 | (1,245) | **6,042** | 1,791 |
| Switzerland | 2,474 | 2,937 | 757 | 565 | 6,733 | (1,305) | **5,428** | 70 |
| Singapore | 1,975 | 2,053 | 106 | 1,271 | 5,405 | (77) | **5,328** | 503 |
| Italy | 2,849 | 2,008 | 1,964 | 729 | 7,550 | (3,349) | **4,201** | (290) |
| Taiwan | 2,535 | — | 93 | 1,363 | 3,991 | (4) | **3,987** | (217) |
| Russian Federation | 5,367 | 90 | 201 | 30 | 5,688 | (1,752) | **3,936** | (1,277) |
| Mexico | 3,334 | 645 | 149 | 99 | 4,227 | (400) | **3,827** | 64 |
| Spain | 2,902 | 834 | 263 | 673 | 4,672 | (1,017) | **3,655** | 698 |
| Turkey | 1,939 | 97 | 13 | 169 | 2,218 | (11) | **2,207** | (180) |
| **Total top 20 non-U.S. countries exposure** | $ 106,936 | $ 52,061 | $ 17,693 | $ 47,529 | $ 224,219 | $ (26,307) | **$ 197,912** | $ 1,257 |

(1) Includes loans, leases and other extensions of credit and funds, including letters of credit and due from placements, which have not been reduced by collateral, hedges or credit default protection. Funded loans and loan equivalents are reported net of charge-offs but prior to any allowance for loan and lease losses.

(2) Net counterparty exposure includes the fair value of derivatives, including the counterparty risk associated with credit default swaps and secured financing transactions. Derivative exposures are presented net of $33.7 billion in collateral, which is predominantly cash, pledged under legally enforceable master netting agreements. Secured financing transaction exposures are presented net of eligible cash or securities pledged as collateral. The notional amount of reverse repurchase transactions was $103.1 billion. Counterparty exposure is not presented net of hedges or credit default protection.

(3) Long securities exposures are netted on a single-name basis to, but not below, zero by short exposures and net credit default swaps purchased, consisting of single-name and net indexed and tranched credit default swaps.

(4) Represents credit default protection purchased, net of credit default protection sold, which is used to mitigate the Corporation's risk to country exposures as listed, consisting of net single-name and net indexed and tranched credit default swaps. Amounts are calculated based on the credit default swaps notional amount assuming a zero recovery rate less any fair value receivable or payable.

(5) Represents country exposure less hedges and credit default protection purchased, net of credit default protection sold.

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

## Bank of America Corporation and Subsidiaries

# Select 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 June 30 2014 | Hedges and Credit Default Protection (4) | **Net Country Exposure at June 30 2014 (5)** | Increase (Decrease) from March 31 2014 |
|---|---|---|---|---|---|---|---|---|
| **Greece** | | | | | | | | |
| Sovereign | $ — | $ — | $ — | $ 73 | $ 73 | $ — | **$ 73** | $ 46 |
| Financial institutions | — | — | 4 | 22 | 26 | (11) | **15** | 30 |
| Corporates | 11 | 13 | — | 39 | 63 | (28) | **35** | (78) |
| **Total Greece** | $ 11 | $ 13 | $ 4 | $ 134 | $ 162 | $ (39) | **$ 123** | $ (2) |
| **Ireland** | | | | | | | | |
| Sovereign | $ 20 | $ — | $ 17 | $ — | $ 37 | $ (14) | **$ 23** | $ (58) |
| Financial institutions | 765 | 52 | 139 | 95 | 1,051 | (17) | **1,034** | 80 |
| Corporates | 411 | 522 | 72 | 51 | 1,056 | (22) | **1,034** | 190 |
| **Total Ireland** | $ 1,196 | $ 574 | $ 228 | $ 146 | $ 2,144 | $ (53) | **$ 2,091** | $ 212 |
| **Italy** | | | | | | | | |
| Sovereign | $ 18 | $ — | $ 1,619 | $ 364 | $ 2,001 | $ (1,639) | **$ 362** | $ (650) |
| Financial institutions | 1,498 | 3 | 216 | 54 | 1,771 | (922) | **849** | 198 |
| Corporates | 1,333 | 2,005 | 129 | 311 | 3,778 | (788) | **2,990** | 162 |
| **Total Italy** | $ 2,849 | $ 2,008 | $ 1,964 | $ 729 | $ 7,550 | $ (3,349) | **$ 4,201** | $ (290) |
| **Portugal** | | | | | | | | |
| Sovereign | $ — | $ — | $ 21 | $ 45 | $ 66 | $ (27) | **$ 39** | $ (87) |
| Financial institutions | 5 | — | 5 | 20 | 30 | (7) | **23** | 59 |
| Corporates | 27 | 28 | — | 79 | 134 | (180) | **(46)** | (72) |
| **Total Portugal** | $ 32 | $ 28 | $ 26 | $ 144 | $ 230 | $ (214) | **$ 16** | $ (100) |
| **Spain** | | | | | | | | |
| Sovereign | $ 36 | $ — | $ 68 | $ 11 | $ 115 | $ (90) | **$ 25** | $ 209 |
| Financial institutions | 1,124 | — | 136 | 136 | 1,396 | (125) | **1,271** | 267 |
| Corporates | 1,742 | 834 | 59 | 526 | 3,161 | (802) | **2,359** | 222 |
| **Total Spain** | $ 2,902 | $ 834 | $ 263 | $ 673 | $ 4,672 | $ (1,017) | **$ 3,655** | $ 698 |
| **Total** | | | | | | | | |
| Sovereign | $ 74 | $ — | $ 1,725 | $ 493 | $ 2,292 | $ (1,770) | **$ 522** | $ (540) |
| Financial institutions | 3,392 | 55 | 500 | 327 | 4,274 | (1,082) | **3,192** | 634 |
| Corporates | 3,524 | 3,402 | 260 | 1,006 | 8,192 | (1,820) | **6,372** | 424 |
| **Total select European exposure** | $ 6,990 | $ 3,457 | $ 2,485 | $ 1,826 | $ 14,758 | $ (4,672) | **$ 10,086** | $ 518 |

(1) Includes loans, leases and other extensions of credit and funds, including letters of credit and due from placements, which have not been reduced by collateral, hedges or credit default protection. Funded loans and loan equivalents are reported net of charge-offs but prior to any allowance for loan and lease losses.

(2) Net counterparty exposure includes the fair value of derivatives, including the counterparty risk associated with credit default swaps, and secured financing transactions. Derivative exposures are presented net of $1.7 billion in collateral, which is predominantly cash, pledged under legally enforceable master netting agreements. Secured financing transaction exposures are presented net of eligible cash or securities pledged as collateral. The notional amount of reverse repurchase transactions was $7.2 billion. Counterparty exposure is not presented net of hedges or credit default protection.

(3) Long securities exposures are netted on a single-name basis to, but not below, zero by short exposures of $3.8 billion and net credit default swaps purchased of $951 million, consisting of $663 million of net single-name credit default swaps purchased and $288 million of net indexed and tranched credit default swaps sold.

(4) Represents credit default protection purchased, net of credit default protection sold, which is used to mitigate the Corporation's risk to country exposures as listed, including $2.9 billion to hedge loans and securities, consisting of $1.5 billion in net single-name credit default swaps purchased and $1.4 billion in net indexed and tranched credit default swaps purchased, $1.8 billion in additional credit default protection purchased to hedge derivative assets and $131 million in other short exposures. Amounts are calculated based on the credit default swaps notional amount assuming a zero recovery rate less any fair value receivable or payable.

(5) Represents country exposure less hedges and credit default protection purchased, net of credit default protection sold.

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)

| | June 30 2014 | March 31 2014 | December 31 2013 | September 30 2013 | June 30 2013 |
|---|---|---|---|---|---|
| Residential mortgage | **$ 9,235** | $ 11,611 | $ 11,712 | $ 13,328 | $ 14,316 |
| Home equity | **4,181** | 4,185 | 4,075 | 4,176 | 4,151 |
| Direct/Indirect consumer | **29** | 32 | 35 | 59 | 72 |
| Other consumer | **15** | 16 | 18 | 18 | 1 |
| Total consumer | **13,460** | 15,844 | 15,840 | 17,581 | 18,540 |
| U.S. commercial | **849** | 841 | 819 | 1,059 | 1,279 |
| Commercial real estate | **252** | 300 | 322 | 488 | 627 |
| Commercial lease financing | **8** | 10 | 16 | 49 | 10 |
| Non-U.S. commercial | **7** | 18 | 64 | 86 | 80 |
| | **1,116** | 1,169 | 1,221 | 1,682 | 1,996 |
| U.S. small business commercial | **100** | 96 | 88 | 103 | 107 |
| Total commercial | **1,216** | 1,265 | 1,309 | 1,785 | 2,103 |
| Total nonperforming loans and leases | **14,676** | 17,109 | 17,149 | 19,366 | 20,643 |
| Foreclosed properties (1) | **624** | 623 | 623 | 662 | 637 |
| **Total nonperforming loans, leases and foreclosed properties (2, 3, 4)** | **$ 15,300** | $ 17,732 | $ 17,772 | $ 20,028 | $ 21,280 |
| | | | | | |
| Fully-insured home loans past due 30 days or more and still accruing | **$ 17,347** | $ 18,098 | $ 20,681 | $ 21,797 | $ 24,072 |
| Consumer credit card past due 30 days or more and still accruing | **1,923** | 2,115 | 2,321 | 2,376 | 2,487 |
| Other loans past due 30 days or more and still accruing | **4,064** | 5,472 | 5,416 | 5,512 | 5,587 |
| **Total loans past due 30 days or more and still accruing (3, 5, 6)** | **$ 23,334** | $ 25,685 | $ 28,418 | $ 29,685 | $ 32,146 |
| | | | | | |
| Fully-insured home loans past due 90 days or more and still accruing | **$ 14,137** | $ 15,125 | $ 16,961 | $ 17,960 | $ 20,604 |
| Consumer credit card past due 90 days or more and still accruing | **990** | 1,090 | 1,184 | 1,191 | 1,325 |
| Other loans past due 90 days or more and still accruing | **523** | 649 | 614 | 723 | 662 |
| **Total loans past due 90 days or more and still accruing (3, 5, 6)** | **$ 15,650** | $ 16,864 | $ 18,759 | $ 19,874 | $ 22,591 |
| | | | | | |
| Nonperforming loans, leases and foreclosed properties/Total assets (7) | **0.71 %** | 0.83 % | 0.85 % | 0.95 % | 1.01 % |
| Nonperforming loans, leases and foreclosed properties/Total loans, leases and foreclosed properties (7) | **1.70** | 1.96 | 1.93 | 2.17 | 2.33 |
| Nonperforming loans and leases/Total loans and leases (7) | **1.63** | 1.89 | 1.87 | 2.10 | 2.26 |
| | | | | | |
| Commercial utilized reservable criticized exposure (8) | **$ 12,430** | $ 12,781 | $ 12,861 | $ 14,086 | $ 14,928 |
| Commercial utilized reservable criticized exposure/Commercial utilized reservable exposure (8) | **2.92 %** | 3.01 % | 3.02 % | 3.31 % | 3.62 % |
| Total commercial utilized criticized exposure/Commercial utilized exposure (8) | **3.15** | 3.21 | 3.08 | 3.48 | 3.64 |

(1) Foreclosed property balances do not include loans that are insured by the Federal Housing Administration and have entered foreclosure of $1.1 billion, $1.1 billion, $1.4 billion, $1.6 billion and $1.6 billion at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively.

(2) 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.

(3) 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.

| (4) Balances do not include the following: | June 30 2014 | March 31 2014 | December 31 2013 | September 30 2013 | June 30 2013 |
|---|---|---|---|---|---|
| Nonperforming loans held-for-sale | **$ 598** | $ 293 | $ 672 | $ 972 | $ 891 |
| Nonperforming loans accounted for under the fair value option | **427** | 431 | 448 | 467 | 398 |
| Nonaccruing troubled debt restructured loans removed from the purchased credit-impaired portfolio prior to January 1, 2010 | **140** | 257 | 260 | 356 | 485 |

(5) Balances do not include loans held-for-sale past due 30 days or more and still accruing of $37 million, $80 million, $106 million, $301 million and $374 million at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively, and loans held-for-sale past due 90 days or more and still accruing of $0, $6 million, $8 million, $0 and $17 million at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively. At June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, there were $153 million, $129 million, $158 million, $153 million and $81 million, respectively, of loans accounted for under the fair value option past due 30 days or more and still accruing interest.

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

(7) Total assets and total loans and leases do not include loans accounted for under the fair value option of $10.9 billion, $11.1 billion, $10.0 billion, $10.2 billion and $9.5 billion at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively.

(8) 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)

| | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|
| **Nonperforming Consumer Loans and Leases:** | | | | | |
| **Balance, beginning of period** | **$ 15,844** | $ 15,840 | $ 17,581 | $ 18,540 | $ 19,282 |
| Additions to nonperforming loans and leases: | | | | | |
| New nonperforming loans and leases | **1,825** | 2,027 | 2,199 | 2,503 | 2,289 |
| Reductions to nonperforming loans and leases: | | | | | |
| Paydowns and payoffs | **(325)** | (468) | (863) | (544) | (695) |
| Sales | **(1,825)** | — | (729) | (624) | (175) |
| Returns to performing status [2] | **(939)** | (800) | (1,112) | (1,079) | (1,139) |
| Charge-offs [3] | **(640)** | (583) | (752) | (758) | (932) |
| Transfers to foreclosed properties | **(157)** | (172) | (147) | (131) | (90) |
| Transfers to loans held-for-sale | **(323)** | — | (337) | (326) | — |
| Total net additions (reductions) to nonperforming loans and leases | **(2,384)** | 4 | (1,741) | (959) | (742) |
| **Total nonperforming consumer loans and leases, end of period** | **13,460** | 15,844 | 15,840 | 17,581 | 18,540 |
| Foreclosed properties | **547** | 538 | 533 | 546 | 508 |
| **Nonperforming consumer loans, leases and foreclosed properties, end of period** | **$ 14,007** | $ 16,382 | $ 16,373 | $ 18,127 | $ 19,048 |
| **Nonperforming Commercial Loans and Leases [4]:** | | | | | |
| **Balance, beginning of period** | **$ 1,265** | $ 1,309 | $ 1,785 | $ 2,103 | $ 2,734 |
| Additions to nonperforming loans and leases: | | | | | |
| New nonperforming loans and leases | **275** | 262 | 143 | 350 | 269 |
| Advances | **1** | 8 | 12 | 9 | 3 |
| Reductions to nonperforming loans and leases: | | | | | |
| Paydowns | **(183)** | (171) | (322) | (380) | (312) |
| Sales | **(29)** | (27) | (92) | (88) | (171) |
| Return to performing status [5] | **(41)** | (63) | (87) | (91) | (243) |
| Charge-offs | **(71)** | (50) | (98) | (104) | (170) |
| Transfers to foreclosed properties | **(1)** | (3) | (12) | (14) | (7) |
| Transfers to loans held-for-sale | **—** | — | (20) | — | — |
| Total net reductions to nonperforming loans and leases | **(49)** | (44) | (476) | (318) | (631) |
| **Total nonperforming commercial loans and leases, end of period** | **1,216** | 1,265 | 1,309 | 1,785 | 2,103 |
| Foreclosed properties | **77** | 85 | 90 | 116 | 129 |
| **Nonperforming commercial loans, leases and foreclosed properties, end of period** | **$ 1,293** | $ 1,350 | $ 1,399 | $ 1,901 | $ 2,232 |

(1) For amounts excluded from nonperforming loans, leases and foreclosed properties, see footnotes to *Nonperforming Loans, Leases and Foreclosed Properties* table on page 43.
(2) Consumer loans and leases 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 restructuring and may only be returned to performing status after considering the borrower's sustained repayment performance for a reasonable period, generally six months.
(3) Our policy 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, accordingly, are excluded from this table.
(4) Includes U.S. small business commercial activity. Small business card loans are excluded as they are not classified as nonperforming.
(5) Commercial loans and leases 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. Troubled debt restructurings are generally classified as performing after a sustained period of demonstrated payment performance.

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]

(Dollars in millions)

| | **Second Quarter 2014** | | First Quarter 2014 | | Fourth Quarter 2013 | | Third Quarter 2013 | | Second Quarter 2013 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Charge-offs** | **Amount** | **Percent** | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| Residential mortgage [3] | **$ (35)** | **(0.06)%** | $ 127 | 0.21 % | $ 209 | 0.33 % | $ 221 | 0.35 % | $ 271 | 0.43 % |
| Home equity [3] | **239** | **1.06** | 302 | 1.32 | 331 | 1.38 | 302 | 1.22 | 486 | 1.92 |
| U.S. credit card | **683** | **3.11** | 718 | 3.25 | 724 | 3.19 | 788 | 3.47 | 917 | 4.10 |
| Non-U.S. credit card | **47** | **1.59** | 76 | 2.66 | 94 | 3.34 | 89 | 3.32 | 104 | 3.93 |
| Direct/Indirect consumer | **33** | **0.16** | 58 | 0.29 | 73 | 0.35 | 62 | 0.30 | 86 | 0.42 |
| Other consumer | **47** | **9.26** | 58 | 12.07 | 66 | 13.58 | 65 | 13.75 | 51 | 11.57 |
| **Total consumer [3]** | **1,014** | **0.79** | 1,339 | 1.04 | 1,497 | 1.11 | 1,527 | 1.12 | 1,915 | 1.42 |
| U.S. commercial [4] | **6** | **0.01** | 5 | 0.01 | (28) | (0.05) | 68 | 0.13 | 43 | 0.09 |
| Commercial real estate | **(32)** | **(0.27)** | (37) | (0.31) | 1 | — | 11 | 0.11 | 44 | 0.43 |
| Commercial lease financing | **(5)** | **(0.07)** | (2) | (0.04) | (2) | (0.03) | (8) | (0.13) | (5) | (0.08) |
| Non-U.S. commercial | **12** | **0.06** | 19 | 0.09 | 46 | 0.20 | (2) | (0.01) | 16 | 0.08 |
| | **(19)** | **(0.02)** | (15) | (0.02) | 17 | 0.02 | 69 | 0.08 | 98 | 0.11 |
| U.S. small business commercial | **78** | **2.34** | 64 | 1.95 | 68 | 2.07 | 91 | 2.86 | 98 | 3.15 |
| **Total commercial** | **59** | **0.06** | 49 | 0.05 | 85 | 0.09 | 160 | 0.17 | 196 | 0.22 |
| **Total net charge-offs [3]** | **$ 1,073** | **0.48** | $ 1,388 | 0.62 | $ 1,582 | 0.68 | $ 1,687 | 0.73 | $ 2,111 | 0.94 |
| | | | | | | | | | | |
| **By Business Segment** | | | | | | | | | | |
| Consumer & Business Banking | **$ 844** | **2.11 %** | $ 881 | 2.20 % | $ 922 | 2.24 % | $ 1,027 | 2.46 % | $ 1,158 | 2.84 % |
| Consumer Real Estate Services | **235** | **1.08** | 294 | 1.36 | 323 | 1.45 | 281 | 1.28 | 465 | 2.09 |
| Global Wealth & Investment Management | **4** | **0.01** | 25 | 0.09 | 35 | 0.12 | 26 | 0.09 | 51 | 0.19 |
| Global Banking | **(24)** | **(0.04)** | (17) | (0.03) | 7 | 0.01 | 35 | 0.05 | 78 | 0.12 |
| Global Markets | **3** | **0.02** | (1) | (0.01) | 1 | 0.01 | — | — | (1) | — |
| All Other | **11** | **0.02** | 206 | 0.39 | 294 | 0.52 | 318 | 0.54 | 360 | 0.60 |
| **Total net charge-offs** | **$ 1,073** | **0.48** | $ 1,388 | 0.62 | $ 1,582 | 0.68 | $ 1,687 | 0.73 | $ 2,111 | 0.94 |

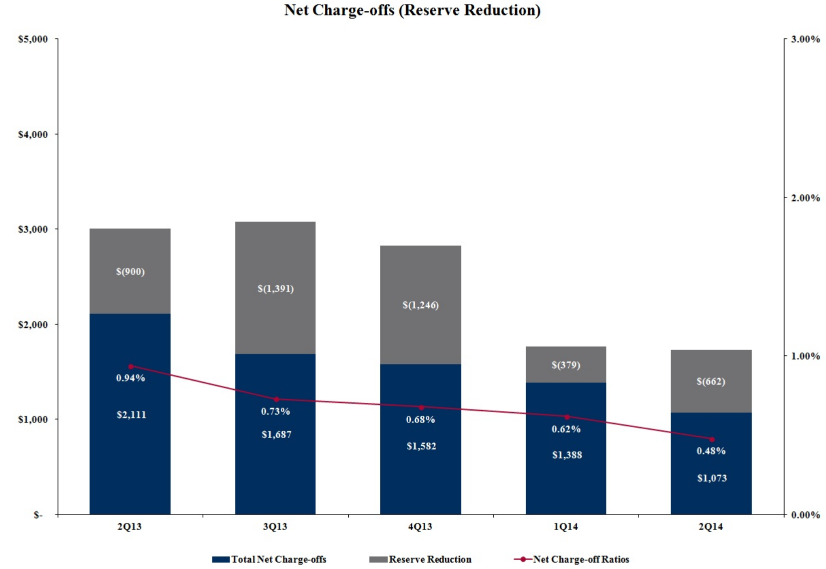
(1) Net charge-off ratios are calculated as annualized net charge-offs divided by average outstanding loans and leases excluding loans accounted for under the fair value option during the period for each loan and lease category. Excluding the purchased credit-impaired loan portfolio, total annualized net charge-offs as a percentage of total average loans and leases outstanding were 0.49, 0.64, 0.70, 0.75 and 0.97 for the three months ended June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively.

(2) Excludes write-offs of purchased credit-impaired loans of $160 million, $391 million, $741 million, $443 million and $313 million for the three months ended June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively. Including the write-offs of purchased credit-impaired loans, total annualized net charge-offs and purchased credit-impaired write-offs as a percentage of total average loans and leases outstanding were 0.55, 0.79, 1.00, 0.92 and 1.07 for the three months ended June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively.

(3) Includes the impact of a clarification of regulatory guidance on accounting for troubled debt restructurings of $56 million for residential mortgage loans and $88 million for home equity loans for the three months ended December 31, 2013. Excluding this impact, annualized net charge-offs as a percentage of total average loans and leases outstanding were 0.24 for residential mortgage loans, 1.01 for home equity loans, 1.01 for total consumer loans and 0.62 for total net charge-offs for the three months ended December 31, 2013.

(4) 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**

## Year-to-Date Net Charge-offs and Net Charge-off Ratios [1, 2]

(Dollars in millions)

| | Six Months Ended June 30 | | | |
|---|---|---|---|---|
| | 2014 | | 2013 | |
| **Net Charge-offs** | **Amount** | **Percent** | Amount | Percent |
| Residential mortgage | **$ 92** | **0.08 %** | $ 654 | 0.51 % |
| Home equity | **541** | **1.19** | 1,170 | 2.27 |
| U.S. credit card | **1,401** | **3.18** | 1,864 | 4.14 |
| Non-U.S. credit card | **123** | **2.12** | 216 | 4.03 |
| Direct/Indirect consumer | **91** | **0.22** | 210 | 0.51 |
| Other consumer | **105** | **10.64** | 103 | 12.15 |
| **Total consumer** | **2,353** | **0.91** | 4,217 | 1.56 |
| U.S. commercial [3] | **11** | **0.01** | 88 | 0.09 |
| Commercial real estate | **(69)** | **(0.29)** | 137 | 0.69 |
| Commercial lease financing | **(7)** | **(0.05)** | (15) | (0.13) |
| Non-U.S. commercial | **31** | **0.07** | 1 | — |
| | **(34)** | **(0.02)** | 211 | 0.12 |
| U.S. small business commercial | **142** | **2.14** | 200 | 3.24 |
| **Total commercial** | **108** | **0.06** | 411 | 0.23 |
| **Total net charge-offs** | **$ 2,461** | **0.55** | $ 4,628 | 1.04 |

| **By Business Segment** | | | | |
|---|---|---|---|---|
| Consumer & Business Banking | **$ 1,725** | **2.16 %** | $ 2,399 | 2.94 % |
| Consumer Real Estate Services | **529** | **1.22** | 1,125 | 2.51 |
| Global Wealth & Investment Management | **29** | **0.05** | 112 | 0.21 |
| Global Banking | **(41)** | **(0.03)** | 146 | 0.12 |
| Global Markets | **2** | **0.01** | 1 | — |
| All Other | **217** | **0.21** | 845 | 0.71 |
| **Total net charge-offs** | **$ 2,461** | **0.55** | $ 4,628 | 1.04 |

(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. Excluding the purchased credit-impaired loan portfolio, total annualized net charge-offs as a percentage of total average loans and leases outstanding were 0.56 and 1.07 for the six months ended June 30, 2014 and 2013
(2) Excludes write-offs of purchased credit-impaired loans of $551 million and $1.2 billion for the six months ended June 30, 2014 and 2013 Including the write-offs of purchased credit-impaired loans, total annualized net charge-offs and purchased credit-impaired write-offs as a percentage of total average loans and leases outstanding were 0.67 and 1.29 for the six months ended June 30, 2014 and 2013
(3) 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)

| Allowance for loan and lease losses | June 30, 2014 Amount | June 30, 2014 Percent of Total | June 30, 2014 Percent of Loans and Leases Outstanding (1) | March 31, 2014 Amount | March 31, 2014 Percent of Total | March 31, 2014 Percent of Loans and Leases Outstanding (1) | June 30, 2013 Amount | June 30, 2013 Percent of Total | June 30, 2013 Percent of Loans and Leases Outstanding (1) |
|---|---|---|---|---|---|---|---|---|---|
| Residential mortgage | **$ 3,214** | **20.33%** | **1.36%** | $ 3,502 | 21.07% | 1.44% | $ 6,071 | 28.59% | 2.39% |
| Home equity | **3,694** | **23.36** | **4.13** | 4,054 | 24.40 | 4.43 | 6,325 | 29.79 | 6.32 |
| U.S. credit card | **3,524** | **22.29** | **3.96** | 3,857 | 23.21 | 4.40 | 4,468 | 21.04 | 4.94 |
| Non-U.S. credit card | **424** | **2.68** | **3.53** | 432 | 2.60 | 3.74 | 498 | 2.34 | 4.82 |
| Direct/Indirect consumer | **371** | **2.35** | **0.45** | 389 | 2.34 | 0.48 | 603 | 2.84 | 0.72 |
| Other consumer | **98** | **0.62** | **4.71** | 97 | 0.58 | 4.86 | 102 | 0.48 | 5.68 |
| **Total consumer** | **11,325** | **71.63** | **2.21** | 12,331 | 74.20 | 2.38 | 18,067 | 85.08 | 3.35 |
| U.S. commercial (2) | **2,712** | **17.15** | **1.17** | 2,563 | 15.43 | 1.12 | 1,874 | 8.83 | 0.85 |
| Commercial real estate | **963** | **6.09** | **2.06** | 972 | 5.85 | 1.99 | 801 | 3.77 | 1.90 |
| Commercial lease financing | **137** | **0.87** | **0.56** | 122 | 0.73 | 0.50 | 87 | 0.41 | 0.37 |
| Non-U.S. commercial | **674** | **4.26** | **0.79** | 630 | 3.79 | 0.74 | 406 | 1.91 | 0.47 |
| **Total commercial (3)** | **4,486** | **28.37** | **1.15** | 4,287 | 25.80 | 1.11 | 3,168 | 14.92 | 0.85 |
| **Allowance for loan and lease losses** | **15,811** | **100.00%** | **1.75** | 16,618 | 100.00% | 1.84 | 21,235 | 100.00% | 2.33 |
| **Reserve for unfunded lending commitments** | **503** | | | 509 | | | 474 | | |
| **Allowance for credit losses** | **$ 16,314** | | | $ 17,127 | | | $ 21,709 | | |

**Asset Quality Indicators**

| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
|---|---|---|---|
| Allowance for loan and lease losses/Total loans and leases (4) | **1.75%** | 1.84% | 2.33% |
| 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) | **1.59** | 1.65 | 1.96 |
| Allowance for loan and lease losses/Total nonperforming loans and leases (6) | **108** | 97 | 103 |
| Allowance for loan and lease losses (excluding the valuation allowance for purchased credit-impaired loans)/Total nonperforming loans and leases (5) | **95** | 85 | 84 |
| Ratio of the allowance for loan and lease losses/Annualized net charge-offs (7) | **3.67** | 2.95 | 2.51 |
| Ratio of the allowance for loan and lease losses (excluding purchased credit-impaired loans)/Annualized net charge-offs (5) | **3.25** | 2.58 | 2.04 |
| Ratio of the allowance for loan and lease losses/Annualized net charge-offs and purchased credit-impaired write-offs | **3.20** | 2.30 | 2.18 |

(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 included residential mortgage loans of $2.0 billion, $2.0 billion and $1.1 billion and home equity loans of $170 million, $152 million and $0 at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Commercial loans accounted for under the fair value option included U.S. commercial loans of $1.3 billion, $1.4 billion and $2.0 billion and non-U.S. commercial loans of $7.4 billion, $7.5 billion and $6.4 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(2) Includes allowance for loan and lease losses for U.S. small business commercial loans of $511 million, $462 million and $584 million at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(3) Includes allowance for loan and lease losses for impaired commercial loans of $278 million, $277 million and $328 million at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(4) Total loans and leases do not include loans accounted for under the fair value option of $10.9 billion, $11.1 billion and $9.5 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(5) Excludes valuation allowance on purchased credit-impaired loans of $1.8 billion, $2.1 billion and $3.9 billion at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(6) Allowance for loan and lease losses includes $6.5 billion, $7.1 billion and $9.9 billion allocated to products (primarily the Consumer Lending portfolios within *Consumer & Business Banking* and purchased credit-impaired loans) that are excluded from nonperforming loans and leases at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Excluding these amounts, allowance for loan and lease losses as a percentage of total nonperforming loans and leases was 64 percent, 55 percent and 55 percent at June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

(7) Net charge-offs exclude $160 million, $391 million and $313 million of write-offs in the purchased credit-impaired loan portfolio at June 30, 2014, March 31, 2014 and June 30, 2013. These write-offs decreased the purchased credit-impaired valuation allowance included as part of the allowance for loan and lease losses.

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. For purposes of this calculation, the Corporation uses the federal statutory tax rate of 35 percent. 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 measures 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. Tangible equity represents an adjusted shareholders' equity or common shareholders' equity amount which has been reduced by goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible common shareholders' equity measures the Corporation's earnings contribution as a percentage of adjusted average common shareholders' equity. The tangible common equity ratio represents adjusted ending common shareholders' equity divided by total assets 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 adjusted average total shareholders' equity. The tangible equity ratio represents adjusted ending shareholders' equity 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 adjusted ending common shareholders' equity divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity. 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 measures that utilize average allocated capital. The Corporation allocates capital to its business segments using a methodology that considers the effect of regulatory capital requirements in addition to internal risk-based capital models. The Corporation's internal risk-based capital models use a risk-adjusted methodology incorporating each segment's credit, market, interest rate, business and operational risk components. Return on average allocated capital is calculated as net income, adjusted for cost of funds and earnings credits and certain expenses related to intangibles, divided by average allocated capital. Allocated capital and the related return both represent non-GAAP financial measures. Allocated capital is reviewed periodically and refinements are made based on multiple considerations that include, but are not limited to, business segment exposures and risk profile, regulatory constraints and strategic plans. As part of this process, in the first quarter of 2014, the Corporation adjusted the amount of capital being allocated to its business segments. This change resulted in a reduction of the unallocated capital, which is reflected in *All Other*, and an aggregate increase to the amount of capital being allocated to the business segments. Prior periods were not restated.

See the tables below and on pages 49-51 for reconciliations of these non-GAAP financial measures to financial measures defined by GAAP for the six months ended June 30, 2014 and 2013, and the three months ended June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013. 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.

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| **Reconciliation of net interest income to net interest income on a fully taxable-equivalent basis** | | | | | | | |
| Net interest income | **$ 20,098** | $ 21,213 | **$ 10,013** | $ 10,085 | $ 10,786 | $ 10,266 | $ 10,549 |
| Fully taxable-equivalent adjustment | **414** | 433 | **213** | 201 | 213 | 213 | 222 |
| **Net interest income on a fully taxable-equivalent basis** | **$ 20,512** | $ 21,646 | **$ 10,226** | $ 10,286 | $ 10,999 | $ 10,479 | $ 10,771 |
| **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 | **$ 44,313** | $ 45,924 | **$ 21,747** | $ 22,566 | $ 21,488 | $ 21,530 | $ 22,727 |
| Fully taxable-equivalent adjustment | **414** | 433 | **213** | 201 | 213 | 213 | 222 |
| **Total revenue, net of interest expense on a fully taxable-equivalent basis** | **$ 44,727** | $ 46,357 | **$ 21,960** | $ 22,767 | $ 21,701 | $ 21,743 | $ 22,949 |
| **Reconciliation of income tax expense (benefit) to income tax expense (benefit) on a fully taxable-equivalent basis** | | | | | | | |
| Income tax expense (benefit) | **$ 99** | $ 1,987 | **$ 504** | $ (405) | $ 406 | $ 2,348 | $ 1,486 |
| Fully taxable-equivalent adjustment | **414** | 433 | **213** | 201 | 213 | 213 | 222 |
| **Income tax expense (benefit) on a fully taxable-equivalent basis** | **$ 513** | $ 2,420 | **$ 717** | $ (204) | $ 619 | $ 2,561 | $ 1,708 |
| **Reconciliation of average common shareholders' equity to average tangible common shareholders' equity** | | | | | | | |
| Common shareholders' equity | **$ 222,705** | $ 218,509 | **$ 222,215** | $ 223,201 | $ 220,088 | $ 216,766 | $ 218,790 |
| Goodwill | **(69,832)** | (69,937) | **(69,822)** | (69,842) | (69,864) | (69,903) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,354)** | (6,409) | **(5,235)** | (5,474) | (5,725) | (5,993) | (6,270) |
| Related deferred tax liabilities | **2,132** | 2,393 | **2,100** | 2,165 | 2,231 | 2,296 | 2,360 |
| **Tangible common shareholders' equity** | **$ 149,651** | $ 144,556 | **$ 149,258** | $ 150,050 | $ 146,730 | $ 143,166 | $ 144,950 |
| **Reconciliation of average shareholders' equity to average tangible shareholders' equity** | | | | | | | |
| Shareholders' equity | **$ 236,173** | $ 236,024 | **$ 235,797** | $ 236,553 | $ 233,415 | $ 230,392 | $ 235,063 |
| Goodwill | **(69,832)** | (69,937) | **(69,822)** | (69,842) | (69,864) | (69,903) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,354)** | (6,409) | **(5,235)** | (5,474) | (5,725) | (5,993) | (6,270) |
| Related deferred tax liabilities | **2,132** | 2,393 | **2,100** | 2,165 | 2,231 | 2,296 | 2,360 |
| **Tangible shareholders' equity** | **$ 163,119** | $ 162,071 | **$ 162,840** | $ 163,402 | $ 160,057 | $ 156,792 | $ 161,223 |

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)

| | Six Months Ended June 30 | | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
|---|---|---|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2014 | 2013 | 2013 | 2013 |
| **Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity** | | | | | | | |
| Common shareholders' equity | **$ 222,565** | $ 216,791 | **$ 222,565** | $ 218,536 | $ 219,333 | $ 218,967 | $ 216,791 |
| Goodwill | **(69,810)** | (69,930) | **(69,810)** | (69,842) | (69,844) | (69,891) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,099)** | (6,104) | **(5,099)** | (5,337) | (5,574) | (5,843) | (6,104) |
| Related deferred tax liabilities | **2,078** | 2,297 | **2,078** | 2,100 | 2,166 | 2,231 | 2,297 |
| **Tangible common shareholders' equity** | **$ 149,734** | $ 143,054 | **$ 149,734** | $ 145,457 | $ 146,081 | $ 145,464 | $ 143,054 |
| **Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity** | | | | | | | |
| Shareholders' equity | **$ 237,411** | $ 231,032 | **$ 237,411** | $ 231,888 | $ 232,685 | $ 232,282 | $ 231,032 |
| Goodwill | **(69,810)** | (69,930) | **(69,810)** | (69,842) | (69,844) | (69,891) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,099)** | (6,104) | **(5,099)** | (5,337) | (5,574) | (5,843) | (6,104) |
| Related deferred tax liabilities | **2,078** | 2,297 | **2,078** | 2,100 | 2,166 | 2,231 | 2,297 |
| **Tangible shareholders' equity** | **$ 164,580** | $ 157,295 | **$ 164,580** | $ 158,809 | $ 159,433 | $ 158,779 | $ 157,295 |
| **Reconciliation of period-end assets to period-end tangible assets** | | | | | | | |
| Assets | **$ 2,170,557** | $ 2,123,320 | **$ 2,170,557** | $ 2,149,851 | $ 2,102,273 | $ 2,126,653 | $ 2,123,320 |
| Goodwill | **(69,810)** | (69,930) | **(69,810)** | (69,842) | (69,844) | (69,891) | (69,930) |
| Intangible assets (excluding mortgage servicing rights) | **(5,099)** | (6,104) | **(5,099)** | (5,337) | (5,574) | (5,843) | (6,104) |
| Related deferred tax liabilities | **2,078** | 2,297 | **2,078** | 2,100 | 2,166 | 2,231 | 2,297 |
| **Tangible assets** | **$ 2,097,726** | $ 2,049,583 | **$ 2,097,726** | $ 2,076,772 | $ 2,029,021 | $ 2,053,150 | $ 2,049,583 |

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)

| | Six Months Ended June 30 | | Second Quarter 2014 | First Quarter 2014 | Fourth Quarter 2013 | Third Quarter 2013 | Second Quarter 2013 |
|---|---|---|---|---|---|---|---|
| | **2014** | 2013 | | | | | |
| **Reconciliation of return on average allocated capital(1)** | | | | | | | |
| **Consumer & Business Banking** | | | | | | | |
| Reported net income | **$ 3,454** | $ 2,833 | **$ 1,788** | $ 1,666 | $ 1,978 | $ 1,777 | $ 1,391 |
| Adjustment related to intangibles(2) | **2** | 4 | **1** | 1 | 1 | 2 | 2 |
| **Adjusted net income** | **$ 3,456** | $ 2,837 | **$ 1,789** | $ 1,667 | $ 1,979 | $ 1,779 | $ 1,393 |
| Average allocated equity(3) | **$ 61,468** | $ 62,063 | **$ 61,460** | $ 61,475 | $ 61,999 | $ 62,025 | $ 62,050 |
| Adjustment related to goodwill and a percentage of intangibles | **(31,968)** | (32,063) | **(31,960)** | (31,975) | (31,999) | (32,025) | (32,050) |
| **Average allocated capital** | **$ 29,500** | $ 30,000 | **$ 29,500** | $ 29,500 | $ 30,000 | $ 30,000 | $ 30,000 |
| **Global Wealth & Investment Management** | | | | | | | |
| Reported net income | **$ 1,453** | $ 1,479 | **$ 724** | $ 729 | $ 777 | $ 720 | $ 759 |
| Adjustment related to intangibles(2) | **7** | 9 | **4** | 3 | 4 | 4 | 4 |
| **Adjusted net income** | **$ 1,460** | $ 1,488 | **$ 728** | $ 732 | $ 781 | $ 724 | $ 763 |
| Average allocated equity(3) | **$ 22,233** | $ 20,311 | **$ 22,222** | $ 22,243 | $ 20,265 | $ 20,283 | $ 20,300 |
| Adjustment related to goodwill and a percentage of intangibles | **(10,233)** | (10,311) | **(10,222)** | (10,243) | (10,265) | (10,283) | (10,300) |
| **Average allocated capital** | **$ 12,000** | $ 10,000 | **$ 12,000** | $ 12,000 | $ 10,000 | $ 10,000 | $ 10,000 |
| **Global Banking** | | | | | | | |
| Reported net income | **$ 2,589** | $ 2,581 | **$ 1,353** | $ 1,236 | $ 1,255 | $ 1,137 | $ 1,297 |
| Adjustment related to intangibles(2) | **1** | 1 | **1** | — | 1 | 1 | 1 |
| **Adjusted net income** | **$ 2,590** | $ 2,582 | **$ 1,354** | $ 1,236 | $ 1,256 | $ 1,138 | $ 1,298 |
| Average allocated equity(3) | **$ 53,406** | $ 45,411 | **$ 53,405** | $ 53,407 | $ 45,410 | $ 45,413 | $ 45,416 |
| Adjustment related to goodwill and a percentage of intangibles | **(22,406)** | (22,411) | **(22,405)** | (22,407) | (22,410) | (22,413) | (22,416) |
| **Average allocated capital** | **$ 31,000** | $ 23,000 | **$ 31,000** | $ 31,000 | $ 23,000 | $ 23,000 | $ 23,000 |
| **Global Markets** | | | | | | | |
| Reported net income (loss) | **$ 2,409** | $ 2,074 | **$ 1,101** | $ 1,308 | $ (48) | $ (875) | $ 962 |
| Adjustment related to intangibles(2) | **5** | 4 | **3** | 2 | 3 | 2 | 2 |
| **Adjusted net income (loss)** | **$ 2,414** | $ 2,078 | **$ 1,104** | $ 1,310 | $ (45) | $ (873) | $ 964 |
| Average allocated equity(3) | **$ 39,374** | $ 35,364 | **$ 39,373** | $ 39,375 | $ 35,379 | $ 35,369 | $ 35,357 |
| Adjustment related to goodwill and a percentage of intangibles | **(5,374)** | (5,364) | **(5,373)** | (5,375) | (5,379) | (5,369) | (5,357) |
| **Average allocated capital** | **$ 34,000** | $ 30,000 | **$ 34,000** | $ 34,000 | $ 30,000 | $ 30,000 | $ 30,000 |

For footnotes see page51.

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)

| | Six Months Ended June 30 2014 | Six Months Ended June 30 2013 | Second Quarter 2014 | First Quarter 2014 | Second Quarter 2013 |
|---|---|---|---|---|---|
| **Consumer & Business Banking** | | | | | |
| Deposits | | | | | |
| Reported net income | **$ 1,375** | $ 886 | **$ 743** | $ 632 | $ 485 |
| Adjustment related to intangibles(2) | **—** | — | **—** | — | — |
| **Adjusted net income** | **$ 1,375** | $ 886 | **$ 743** | $ 632 | $ 485 |
| Average allocated equity(3) | **$ 36,484** | $ 35,397 | **$ 36,486** | $ 36,482 | $ 35,395 |
| Adjustment related to goodwill and a percentage of intangibles | **(19,984)** | (19,997) | **(19,986)** | (19,982) | (19,995) |
| **Average allocated capital** | **$ 16,500** | $ 15,400 | **$ 16,500** | $ 16,500 | $ 15,400 |
| Consumer Lending | | | | | |
| Reported net income | **$ 2,079** | $ 1,947 | **$ 1,045** | $ 1,034 | $ 906 |
| Adjustment related to intangibles(2) | **2** | 4 | **1** | 1 | 2 |
| **Adjusted net income** | **$ 2,081** | $ 1,951 | **$ 1,046** | $ 1,035 | $ 908 |
| Average allocated equity(3) | **$ 24,984** | $ 26,666 | **$ 24,975** | $ 24,993 | $ 26,655 |
| Adjustment related to goodwill and a percentage of intangibles | **(11,984)** | (12,066) | **(11,975)** | (11,993) | (12,055) |
| **Average allocated capital** | **$ 13,000** | $ 14,600 | **$ 13,000** | $ 13,000 | $ 14,600 |

(1) There are no adjustments to reported net income (loss) or average allocated equity for *Consumer Real Estate Services*.
(2) Represents cost of funds, earnings credits and certain expenses related to intangibles.
(3) Average allocated equity is comprised of average allocated capital plus capital for the portion of goodwill and intangibles specifically assigned to the business segment.

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