

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2024

or

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

For the transition period from _____ to _____

Commission file number:

1-6523

Exact name of registrant as specified in its charter:

Bank of America Corporation

State or other jurisdiction of incorporation or organization:

Delaware

IRS Employer Identification No.:

56-0906609

Address of principal executive offices:

Bank of America Corporate Center
100 N. Tryon Street
Charlotte, North Carolina 28255

Registrant's telephone number, including area code:

(704) 386-5681

Former name, former address and former fiscal year, if changed since last report:

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BAC	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of Floating Rate Non-Cumulative Preferred Stock, Series E	BAC PrE	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 6.000% Non-Cumulative Preferred Stock, Series GG	BAC PrB	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 5.875% Non-Cumulative Preferred Stock, Series HH	BAC PrK	New York Stock Exchange
7.25% Non-Cumulative Perpetual Convertible Preferred Stock, Series L	BAC PrL	New York Stock Exchange
Depository Shares, each representing a 1/1,200th interest in a share of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series 1	BML PrG	New York Stock Exchange

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Depository Shares, each representing a 1/1,200th interest in a share of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series 2	BML PrH	New York Stock Exchange
Depository Shares, each representing a 1/1,200th interest in a share of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series 4	BML PrJ	New York Stock Exchange
Depository Shares, each representing a 1/1,200th interest in a share of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series 5	BML PrL	New York Stock Exchange
Floating Rate Preferred Hybrid Income Term Securities of BAC Capital Trust XIII (and the guarantee related thereto)	BAC/PF	New York Stock Exchange
5.63% Fixed to Floating Rate Preferred Hybrid Income Term Securities of BAC Capital Trust XIV (and the guarantee related thereto)	BAC/PG	New York Stock Exchange
Income Capital Obligation Notes initially due December 15, 2066 of Bank of America Corporation	MER PrK	New York Stock Exchange
Senior Medium-Term Notes, Series A, Step Up Callable Notes, due November 28, 2031 of BofA Finance LLC (and the guarantee of the Registrant with respect thereto)	BAC/31B	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 5.375% Non-Cumulative Preferred Stock, Series KK	BAC PrM	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 5.000% Non-Cumulative Preferred Stock, Series LL	BAC PrN	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 4.375% Non-Cumulative Preferred Stock, Series NN	BAC PrO	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 4.125% Non-Cumulative Preferred Stock, Series PP	BAC PrP	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 4.250% Non-Cumulative Preferred Stock, Series QQ	BAC PrQ	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of 4.750% Non-Cumulative Preferred Stock, Series SS	BAC PrS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No

On July 29, 2024, there were 7,759,577,413 shares of Bank of America Corporation Common Stock outstanding.

Bank of America Corporation and Subsidiaries
June 30, 2024
Form 10-Q

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Bank of America Corporation (the "Corporation") 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." Forward-looking statements represent the Corporation's current expectations, plans or forecasts of its future results, revenues, liquidity, net interest income, provision for credit losses, expenses, efficiency ratio, capital measures, strategy, deposits, assets, and future business and economic conditions more generally, and other future matters. These statements are not guarantees of future results or performance and involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict and are often beyond the Corporation'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 the Corporation's 2023 Annual Report on Form 10-K and in any of the Corporation's subsequent Securities and Exchange Commission filings: the Corporation's potential judgments, orders, settlements, penalties, fines and reputational damage, which are inherently difficult to predict, resulting from pending, threatened or future litigation and regulatory investigations, proceedings and enforcement actions, of which the Corporation is subject to in the ordinary course of business, including matters related to our processing of unemployment benefits for California and certain other states, the features of our automatic credit card payment service, the adequacy of the Corporation's anti-money laundering and economic sanctions programs, the processing of electronic payments and related fraud and the rates paid on uninvested cash in investment advisory accounts that is swept into interest-paying bank deposits, which are in various stages; the possibility that the Corporation's future liabilities may be in excess of its recorded liability and estimated range of possible loss for litigation, and regulatory and government actions; the possibility that the Corporation could face increased claims from one or more parties involved in mortgage securitizations; the Corporation's ability to resolve representations and warranties repurchase and related claims; the risks related to the discontinuation of reference rates, including increased expenses and litigation and the effectiveness of hedging strategies; 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 Corporation's exposures to such risks, including direct, indirect and operational;

the impact of U.S. and global interest rates, inflation, currency exchange rates, economic conditions, trade policies and tensions, including tariffs, and potential geopolitical instability; the impact of the interest rate, inflationary, macroeconomic, banking and regulatory environment on the Corporation's assets, business, financial condition and results of operations; the impact of adverse developments affecting the U.S. or global banking industry, including bank failures and liquidity concerns, resulting in worsening economic and market volatility, and regulatory responses thereto; the possibility that future credit losses may be higher than currently expected due to changes in economic assumptions, customer behavior, adverse developments with respect to U.S. or global economic conditions and other uncertainties, including the impact of supply chain disruptions, inflationary pressures and labor shortages on economic conditions and our business; potential losses related to the Corporation's concentration of credit risk; the Corporation's ability to achieve its expense targets and expectations regarding revenue, net interest income, provision for credit losses, net charge-offs, effective tax rate, loan growth or other projections; variances to the underlying assumptions and judgments used in estimating banking book net interest income sensitivity; adverse changes to the Corporation's credit ratings from the major credit rating agencies; an inability to access capital markets or maintain deposits or borrowing costs; estimates of the fair value and other accounting values, subject to impairment assessments, of certain of the Corporation's assets and liabilities; the estimated or actual impact of changes in accounting standards or assumptions in applying those standards; uncertainty regarding the content, timing and impact of regulatory capital and liquidity requirements; the impact of adverse changes to total loss-absorbing capacity requirements, stress capital buffer requirements and/or global systemically important bank surcharges; the potential impact of actions of the Board of Governors of the Federal Reserve System on the Corporation's capital plans; the effect of changes in or interpretations of income tax laws and regulations; the impact of implementation and compliance with U.S. and international laws, regulations and regulatory interpretations, including, but not limited to, recovery and resolution planning requirements, Federal Deposit Insurance Corporation assessments, the Volcker Rule, fiduciary standards, derivatives regulations and potential changes to loss allocations between financial institutions and customers, including for losses incurred from the use of our products and services, including electronic payments and payment of checks, that were authorized by the customer but induced by fraud; the impact of failures or disruptions in or breaches of the Corporation's operations or information systems, or those of third parties, including as a result of cybersecurity incidents; the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learning; the risks related to the transition and physical impacts of climate change; our ability to achieve environmental, social and governance goals and commitments or the impact of any changes in the Corporation's sustainability strategy or commitments generally; the impact of uncertain political conditions or any future federal government

shutdown and uncertainty regarding the federal government's debt limit or changes in fiscal, monetary or regulatory policy; the emergence or continuation of widespread health emergencies or pandemics; the impact of natural disasters, extreme weather events, military conflicts (including the Russia/Ukraine conflict, the conflict in the Middle East, the possible expansion of such conflicts and potential geopolitical consequences), terrorism or other geopolitical events; and other matters.

Forward-looking statements speak only as of the date they are made, and the Corporation 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.

Notes to the Consolidated Financial Statements referred to in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) are incorporated by reference into the MD&A. Certain prior-period amounts have been reclassified to conform to current-period presentation. Throughout the MD&A, the Corporation uses certain acronyms and abbreviations which are defined in the Glossary.

Executive Summary

Business Overview

The Corporation is a Delaware corporation, a bank holding company (BHC) and a financial holding company. When used in this report, "Bank of America," "the Corporation," "we," "us" and "our" may refer to Bank of America Corporation individually, Bank of America Corporation and its subsidiaries, or certain of Bank of America Corporation's subsidiaries or affiliates. Our principal executive offices are located in Charlotte, North Carolina. Through our various bank and nonbank subsidiaries throughout the U.S. and in international markets, we provide a diversified range of banking and nonbank financial services and products through four business segments: *Consumer Banking, Global Wealth & Investment Management (GWIM), Global Banking and Global Markets*, with the remaining operations recorded in *All Other*. We operate our banking activities primarily under the Bank of America, National Association (Bank of America, N.A. or BANA) charter. At June 30, 2024, the Corporation had \$3.3 trillion in assets and a headcount of approximately 212,000 employees.

As of June 30, 2024, we served clients through operations across the U.S., its territories and more than 35 countries. Our retail banking footprint covers all major markets in the U.S., and we serve approximately 69 million consumer and small business clients with approximately 3,800 retail financial centers, approximately 15,000 ATMs, and leading digital banking platforms (www.bankofamerica.com) with approximately

47 million active users, including approximately 39 million active mobile users. We offer industry-leading support to approximately four million small business households. Our GWIM businesses, with client balances of \$4.0 trillion, provide tailored solutions to meet client needs through a full set of investment management, brokerage, banking, trust and retirement products. We are a global leader in corporate and investment banking and trading across a broad range of asset classes serving corporations, governments, institutions and individuals around the world.

The Corporation's website is www.bankofamerica.com, and the Investor Relations portion of our website is <https://investor.bankofamerica.com>. We use our website to distribute company information, including as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. We routinely post and make accessible financial and other information, including environmental, social and governance (ESG) information, regarding the Corporation on our website. Investors should monitor our website, including the Investor Relations portion, in addition to our press releases, U.S. Securities and Exchange Commission (SEC) filings, public conference calls and webcasts. Notwithstanding the foregoing, the information contained on our website as referenced in this paragraph is not incorporated by reference into this Quarterly Report on Form 10-Q.

Recent Developments

Capital Management

On June 26, 2024, the Board of Governors of the Federal Reserve System (Federal Reserve) announced the results of the 2024 Comprehensive Capital Analysis and Review (CCAR) supervisory stress tests. Based on the results, our stress capital buffer (SCB) is expected to be 3.2 percent, and the Common equity tier 1 (CET1) minimum requirement will be 10.7 percent when finalized. The new SCB will be effective from October 1, 2024 through September 30, 2025.

On July 24, 2024, the Corporation's Board of Directors (the Board) authorized a \$25 billion common stock repurchase program, effective August 1, 2024, to replace the Corporation's existing program, which will expire on the same date. For more information, see Capital Management – CCAR and Capital Planning on page 21. The Board also declared a quarterly common stock dividend of \$0.26 per share, an increase of eight percent compared to the prior dividend, payable on September 27, 2024 to shareholders of record as of September 6, 2024.

For more information on our capital resources and regulatory developments, see Capital Management beginning on page 21.

Financial Highlights

Table 1 Summary Income Statement and Selected Financial Data

(Dollars in millions, except per share information)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Income statement				
Net interest income	\$ 13,702	\$ 14,158	\$ 27,734	\$ 28,606
Noninterest income	11,675	11,039	23,461	22,849
Total revenue, net of interest expense	25,377	25,197	51,195	51,455
Provision for credit losses	1,508	1,125	2,827	2,056
Noninterest expense	16,309	16,038	33,546	32,276
Income before income taxes	7,560	8,034	14,822	17,123
Income tax expense	663	626	1,251	1,554
Net income	6,897	7,408	13,571	15,569
Preferred stock dividends	315	306	847	811
Net income applicable to common shareholders	\$ 6,582	\$ 7,102	\$ 12,724	\$ 14,758
Per common share information				
Earnings	\$ 0.83	\$ 0.88	\$ 1.60	\$ 1.83
Diluted earnings	0.83	0.88	1.59	1.82
Dividends paid	0.24	0.22	0.48	0.44
Performance ratios				
Return on average assets ⁽¹⁾	0.85 %	0.94 %	0.84 %	1.00 %
Return on average common shareholders' equity ⁽¹⁾	9.98	11.21	9.67	11.84
Return on average tangible common shareholders' equity ⁽²⁾	13.57	15.49	13.15	16.42
Efficiency ratio ⁽¹⁾	64.26	63.65	65.53	62.73
				December 31
				June 30 2024
				2023
Balance sheet				
Total loans and leases	\$ 1,056,785	\$ 1,053,732		
Total assets	3,257,996	3,180,151		
Total deposits	1,910,491	1,923,827		
Total liabilities	2,964,104	2,888,505		
Total common shareholders' equity	267,344	263,249		
Total shareholders' equity	293,892	291,646		

⁽¹⁾ For definitions, see Key Metrics on page 103.

⁽²⁾ Return on average tangible common shareholders' equity is a non-GAAP financial measure. For more information and a corresponding reconciliation to the most directly comparable financial measures defined by accounting principles generally accepted in the United States of America (GAAP), see Non-GAAP Reconciliations on page 48.

Net income was \$6.9 billion and \$13.6 billion, or \$0.83 and \$1.59 per diluted share, for the three and six months ended June 30, 2024 compared to \$7.4 billion and \$15.6 billion, or \$0.88 and \$1.82 per diluted share, for the same periods in 2023. The decrease in net income was primarily due to higher noninterest expense and provision for credit losses.

Total assets increased \$77.8 billion from December 31, 2023 to \$3.3 trillion primarily driven by higher securities borrowed or purchased under agreements to resell and trading account assets to support *Global Markets* client activity.

Total liabilities increased \$75.6 billion from December 31, 2023 to \$3.0 trillion primarily driven by higher securities loaned or sold under agreements to repurchase to support *Global Markets* client activity.

Shareholders' equity increased \$2.2 billion from December 31, 2023 primarily due to net income, partially offset by returns of capital to shareholders through common stock repurchases, common and preferred stock dividends, and preferred stock redemptions.

Net Interest Income

Net interest income decreased \$456 million to \$13.7 billion, and \$872 million to \$27.7 billion for the three and six months ended June 30, 2024 compared to the same periods in 2023. Net interest yield on a fully taxable-equivalent (FTE) basis decreased 13 basis points (bps) to 1.93 percent and 17 bps to 1.96 percent for the same periods. The decreases were primarily driven by higher deposit costs, partially offset by higher asset yields and higher net interest income related to *Global Markets* activity. For more information on net interest yield and FTE basis, see Supplemental Financial Data on page 6, and for more information on interest rate risk management, see Interest Rate Risk Management for the Banking Book on page 44.

Noninterest Income

Table 2 Noninterest Income

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Fees and commissions:				
Card income	\$ 1,581	\$ 1,546	\$ 3,044	\$ 3,015
Service charges	1,507	1,364	2,949	2,774
Investment and brokerage services	4,320	3,839	8,507	7,691
Investment banking fees	1,561	1,212	3,129	2,375
Total fees and commissions	8,969	7,961	17,629	15,855
Market making and similar activities	3,298	3,697	7,186	8,409
Other income	(592)	(619)	(1,354)	(1,415)
Total noninterest income	\$ 11,675	\$ 11,039	\$ 23,461	\$ 22,849

Noninterest income increased \$636 million to \$11.7 billion and \$612 million to \$23.5 billion for the three and six months ended June 30, 2024 compared to the same periods in 2023. The following highlights the significant changes.

- Service charges increased \$143 million and \$175 million primarily driven by higher treasury service charges.
- Investment and brokerage services increased \$481 million and \$816 million primarily driven by higher asset management fees due to higher average equity market valuations and positive assets under management (AUM) flows, partially offset by the impact of lower AUM pricing.
- Investment banking fees increased \$349 million and \$754 million primarily due to higher debt and equity issuance fees.
- Market making and similar activities decreased \$399 million and \$1.2 billion primarily driven by lower trading revenue from macro products in Fixed Income, Currencies and Commodities (FICC). The decreases were partially offset by higher trading revenue in Equities.

Noninterest Expense

Table 3 Noninterest Expense

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Compensation and benefits	\$ 9,826	\$ 9,401	\$ 20,021	\$ 19,319
Occupancy and equipment	1,818	1,776	3,629	3,575
Information processing and communications	1,763	1,644	3,563	3,341
Product delivery and transaction related	891	956	1,742	1,846
Marketing	487	513	942	971
Professional fees	654	527	1,202	1,064
Other general operating	870	1,221	2,447	2,160
Total noninterest expense	\$ 16,309	\$ 16,038	\$ 33,546	\$ 32,276

Noninterest expense increased \$271 million to \$16.3 billion and \$1.3 billion to \$33.5 billion for the three and six months ended June 30, 2024 compared to the same periods in 2023. The increases in both periods were primarily driven by higher investments in people and revenue-related compensation,

Provision for Credit Losses

The provision for credit losses increased \$383 million to \$1.5 billion and \$771 million to \$2.8 billion for the three and six months ended June 30, 2024 compared to the same periods in 2023. The provision for credit losses for the current-year periods was primarily driven by credit card loans and the commercial real estate office portfolio, partially offset by an improved macroeconomic outlook. For more information on the provision for credit losses, see Allowance for Credit Losses on page 40.

Income Tax Expense

Table 4 Income Tax Expense

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Income before income taxes	\$ 7,560	\$ 8,034	\$ 14,822	\$ 17,123
Income tax expense	663	626	1,251	1,554
Effective tax rate	8.8 %	7.8 %	8.4 %	9.1 %

The effective tax rates for the three and six months ended June 30, 2024 and 2023 were primarily driven by our recurring tax preference benefits that mainly consist of tax credits from investments in affordable housing and renewable energy. Also included in the effective tax rate for the six months ended June 30, 2024 was the discrete benefit from the \$700 million charge recorded in the first quarter for the FDIC special assessment. Absent the tax credits and discrete tax benefits, the effective tax rates would have been approximately 25 percent and 26 percent for the three months ended June 30, 2024 and 2023 and 26 percent for both the six months ended June 30, 2024 and 2023.

Supplemental Financial Data

Non-GAAP Financial Measures

In this Quarterly Report on Form 10-Q, we present certain non-GAAP financial measures. Non-GAAP financial measures exclude certain items or otherwise include components that differ from the most directly comparable measures calculated in accordance with GAAP. Non-GAAP financial measures are provided as additional useful information to assess our financial condition, results of operations (including period-to-period operating performance) or compliance with prospective regulatory requirements. These non-GAAP financial measures are not intended as a substitute for GAAP financial measures and may not be defined or calculated the same way as non-GAAP financial measures used by other companies.

When presented on a consolidated basis, we view net interest income on an FTE basis as a non-GAAP financial measure. To derive the FTE 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, we use the federal statutory tax rate of 21 percent and a representative state tax rate. Net interest yield, which measures the basis points we earn over the cost of funds, utilizes net interest income on an FTE basis. We believe that presentation of these items on an FTE basis allows for comparison of amounts from both taxable and tax-exempt sources and is consistent with industry practices.

We may present certain key performance indicators and ratios excluding certain items (e.g., debit valuation adjustment (DVA) gains (losses)), which result in non-GAAP financial measures. We believe that the presentation of measures that exclude these items is useful because such measures provide additional information to assess the underlying operational performance and trends of our businesses and to allow better comparison of period-to-period operating performance.

We also evaluate our business based on certain ratios that utilize tangible equity, a non-GAAP financial measure. Tangible equity represents shareholders' equity or common

shareholders' equity reduced by goodwill and intangible assets (excluding mortgage servicing rights (MSRs)), net of related deferred tax liabilities ("adjusted" shareholders' equity or common shareholders' equity). These measures are used to evaluate our use of equity. In addition, profitability, relationship and investment models use both return on average tangible common shareholders' equity and return on average tangible shareholders' equity as key measures to support our overall growth objectives. These ratios are:

- Return on average tangible common shareholders' equity measures our net income applicable to common shareholders as a percentage of adjusted average common shareholders' equity. The tangible common equity ratio represents adjusted ending common shareholders' equity divided by total tangible assets.
- Return on average tangible shareholders' equity measures our net income as a percentage of adjusted average total shareholders' equity. The tangible equity ratio represents adjusted ending shareholders' equity divided by total tangible assets.
- Tangible book value per common share represents adjusted ending common shareholders' equity divided by ending common shares outstanding.

We believe ratios utilizing tangible equity provide additional useful information because they present measures of those assets that can generate income. Tangible book value per common share provides additional useful information about the level of tangible assets in relation to outstanding shares of common stock.

The aforementioned supplemental data and performance measures are presented in Table 5 on page 7.

For more information on the reconciliation of these non-GAAP financial measures to the corresponding GAAP financial measures, see Non-GAAP Reconciliations on page 48.

Key Performance Indicators

We present certain key financial and nonfinancial performance indicators (key performance indicators) that management uses when assessing our consolidated and/or segment results. We believe they are useful to investors because they provide additional information about our underlying operational performance and trends. These key performance indicators (KPIs) may not be defined or calculated in the same way as similar KPIs used by other companies. For information on how these metrics are defined, see Key Metrics on page 103.

Our consolidated key performance indicators, which include various equity and credit metrics, are presented in Table 1 on page 4 and Table 5 on page 7.

For information on key segment performance metrics, see Business Segment Operations on page 10.

Table 5 Selected Financial Data

(In millions, except per share information)	2024 Quarters					2023 Quarters					Six Months Ended June 30			
	Second		First		Fourth		Third		Second		2024	2023		
	\$	13,702	\$	14,032	\$	13,946	\$	14,379	\$	14,158	\$	27,734	\$	28,606
Income statement														
Net interest income	\$	13,702	\$	14,032	\$	13,946	\$	14,379	\$	14,158	\$	27,734	\$	28,606
Noninterest income		11,675		11,786		8,013		10,788		11,039		23,461		22,849
Total revenue, net of interest expense		25,377		25,818		21,959		25,167		25,197		51,195		51,455
Provision for credit losses		1,508		1,319		1,104		1,234		1,125		2,827		2,056
Noninterest expense		16,309		17,237		17,731		15,838		16,038		33,546		32,276
Income before income taxes		7,560		7,262		3,124		8,095		8,034		14,822		17,123
Income tax expense		663		588		(20)		293		626		1,251		1,554
Net income		6,897		6,674		3,144		7,802		7,408		13,571		15,569
Net income applicable to common shareholders		6,582		6,142		2,838		7,270		7,102		12,724		14,758
Average common shares issued and outstanding		7,897.9		7,968.2		7,990.9		8,017.1		8,040.9		7,933.3		8,053.5
Average diluted common shares issued and outstanding		7,960.9		8,031.4		8,062.5		8,075.9		8,080.7		7,996.2		8,162.6
Performance ratios														
Return on average assets ⁽¹⁾		0.85 %		0.83 %		0.39 %		0.99 %		0.94 %		0.84 %		1.00 %
Four-quarter trailing return on average assets ⁽²⁾		0.76		0.78		0.84		0.98		0.96		n/a		n/a
Return on average common shareholders' equity ⁽¹⁾		9.98		9.35		4.33		11.24		11.21		9.67		11.84
Return on average tangible common shareholders' equity ⁽³⁾		13.57		12.73		5.92		15.47		15.49		13.15		16.42
Return on average shareholders' equity ⁽¹⁾		9.45		9.18		4.32		10.86		10.52		9.32		11.22
Return on average tangible shareholders' equity ⁽³⁾		12.42		12.07		5.71		14.41		14.00		12.25		14.97
Total ending equity to total ending assets		9.02		8.97		9.17		9.10		9.07		9.02		9.07
Common equity ratio ⁽¹⁾		8.21		8.10		8.28		8.20		8.16		8.21		8.16
Total average equity to total average assets		8.96		9.01		8.98		9.11		8.89		8.98		8.92
Dividend payout ⁽¹⁾		28.66		31.11		67.42		26.39		24.88		29.84		23.99
Per common share data														
Earnings	\$	0.83	\$	0.77	\$	0.36	\$	0.91	\$	0.88	\$	1.60	\$	1.83
Diluted earnings		0.83		0.76		0.35		0.90		0.88		1.59		1.82
Dividends paid		0.24		0.24		0.24		0.24		0.22		0.48		0.44
Book value ⁽¹⁾		34.39		33.71		33.34		32.65		32.05		34.39		32.05
Tangible book value ⁽³⁾		25.37		24.79		24.46		23.79		23.23		25.37		23.23
Market capitalization	\$	309,202	\$	298,312	\$	265,840	\$	216,942	\$	228,188	\$	309,202	\$	228,188
Average balance sheet														
Total loans and leases	\$	1,051,472	\$	1,047,890	\$	1,050,705	\$	1,046,254	\$	1,046,608				
Total assets		3,274,988		3,247,159		3,213,159		3,128,466		3,175,358				
Total deposits		1,909,925		1,907,462		1,905,011		1,876,153		1,875,353				
Long-term debt		243,689		254,782		256,262		245,819		248,480				
Common shareholders' equity		265,290		264,114		260,221		256,578		254,028				
Total shareholders' equity		293,403		292,511		288,618		284,975		282,425				
Asset quality														
Allowance for credit losses ⁽⁴⁾	\$	14,342	\$	14,371	\$	14,551	\$	14,640	\$	14,338				
Nonperforming loans, leases and foreclosed properties ⁽⁵⁾		5,691		6,034		5,630		4,993		4,274				
Allowance for loan and lease losses as a percentage of total loans and leases outstanding ⁽⁵⁾		1.26 %		1.26 %		1.27 %		1.27 %		1.24 %				
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases ⁽⁵⁾		242		225		243		275		314				
Net charge-offs	\$	1,533	\$	1,498	\$	1,192	\$	931	\$	869				
Annualized net charge-offs as a percentage of average loans and leases outstanding ⁽⁵⁾		0.59 %		0.58 %		0.45 %		0.35 %		0.33 %				
Capital ratios at period end ⁽⁶⁾														
Common equity tier 1 capital		11.9 %		11.9 %		11.8 %		11.9 %		11.6 %				
Tier 1 capital		13.5		13.6		13.5		13.6		13.3				
Total capital		15.1		15.2		15.2		15.4		15.1				
Tier 1 leverage		7.0		7.1		7.1		7.3		7.1				
Supplementary leverage ratio		6.0		6.0		6.1		6.2		6.0				
Tangible equity ⁽³⁾		7.0		7.0		7.1		7.0		7.0				
Tangible common equity ⁽³⁾		6.2		6.1		6.2		6.1		6.1				
Total loss-absorbing capacity and long-term debt metrics														
Total loss-absorbing capacity to risk-weighted assets		28.2 %		28.7 %		29.0 %		29.3 %		28.8 %				
Total loss-absorbing capacity to supplementary leverage exposure		12.5		12.8		13.0		13.3		13.0				
Eligible long-term debt to risk-weighted assets		13.7		14.2		14.5		14.8		14.6				
Eligible long-term debt to supplementary leverage exposure		6.0		6.3		6.5		6.7		6.6				

⁽¹⁾ For definitions, see Key Metrics on page 103.⁽²⁾ Calculated as total net income for four consecutive quarters divided by annualized average assets for four consecutive quarters.

- (3) Tangible equity ratios and tangible book value per share of common stock are non-GAAP financial measures. For more information on these ratios and corresponding reconciliations to GAAP financial measures, see Supplemental Financial Data on page 6 and Non-GAAP Reconciliations on page 48.
- (4) Includes the allowance for loan and lease losses and the reserve for unfunded lending commitments.
- (5) Balances and ratios do not include loans accounted for under the fair value option. For additional exclusions from nonperforming loans, leases and foreclosed properties, see Consumer Portfolio Credit Risk Management – Nonperforming Consumer Loans, Leases and Foreclosed Properties Activity on page 33 and corresponding Table 25 and Commercial Portfolio Credit Risk Management – Nonperforming Commercial Loans, Leases and Foreclosed Properties Activity on page 37 and corresponding Table 31.
- (6) For more information, including which approach is used to assess capital adequacy, see Capital Management on page 21.
n/a = not applicable

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Table 6 Quarterly Average Balances and Interest Rates - FTE Basis

(Dollars in millions)	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rate	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rate						
Second Quarter 2024												
Second Quarter 2023												
Earning assets												
Interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks	\$ 345,423	\$ 4,498	5.24 %	\$ 359,042	\$ 4,303	4.81 %						
Time deposits placed and other short-term investments	10,845	123	4.55	11,271	129	4.56						
Federal funds sold and securities borrowed or purchased under agreements to resell	318,380	5,159	6.52	294,535	4,955	6.75						
Trading account assets	202,295	2,542	5.05	187,420	2,091	4.47						
Debt securities	852,427	6,352	2.98	771,355	4,717	2.44						
Loans and leases ⁽²⁾												
Residential mortgage	227,567	1,824	3.21	228,758	1,704	2.98						
Home equity	25,529	405	6.38	25,957	353	5.45						
Credit card	98,983	2,825	11.48	94,431	2,505	10.64						
Direct/Indirect and other consumer	103,689	1,428	5.54	104,915	1,274	4.87						
Total consumer	455,768	6,482	5.71	454,061	5,836	5.15						
U.S. commercial	386,232	5,267	5.49	379,027	4,786	5.06						
Non-U.S. commercial	123,094	2,170	7.09	125,827	1,949	6.21						
Commercial real estate ⁽³⁾	71,345	1,285	7.24	74,065	1,303	7.06						
Commercial lease financing	15,033	196	5.22	13,628	149	4.38						
Total commercial	595,704	8,918	6.02	592,547	8,187	5.54						
Total loans and leases	1,051,472	15,400	5.89	1,046,608	14,023	5.37						
Other earning assets	107,093	2,940	11.04	102,712	2,271	8.88						
Total earning assets	2,887,935	37,014	5.15	2,772,943	32,489	4.70						
Cash and due from banks	24,208			26,098								
Other assets, less allowance for loan and lease losses	362,845			376,317								
Total assets	\$ 3,274,988			\$ 3,175,358								
Interest-bearing liabilities												
U.S. interest-bearing deposits												
Demand and money market deposits	\$ 941,109	\$ 5,234	2.24 %	\$ 951,403	\$ 3,565	1.50 %						
Time and savings deposits	348,689	3,331	3.84	230,008	1,452	2.53						
Total U.S. interest-bearing deposits	1,289,798	8,565	2.67	1,181,411	5,017	1.70						
Non-U.S. interest-bearing deposits	106,496	1,090	4.12	96,802	768	3.18						
Total interest-bearing deposits	1,396,294	9,655	2.78	1,278,213	5,785	1.82						
Federal funds purchased and securities loaned or sold under agreements to repurchase	371,372	6,171	6.68	322,728	5,807	7.22						
Short-term borrowings and other interest-bearing liabilities	152,742	2,899	7.64	163,739	2,548	6.24						
Trading account liabilities	53,895	540	4.03	44,944	472	4.22						
Long-term debt	243,689	3,887	6.40	248,480	3,584	5.78						
Total interest-bearing liabilities	2,217,992	23,152	4.20	2,058,104	18,196	3.55						
Noninterest-bearing sources												
Noninterest-bearing deposits	513,631			597,140								
Other liabilities ⁽⁴⁾	249,962			237,689								
Shareholders' equity	293,403			282,425								
Total liabilities and shareholders' equity	\$ 3,274,988			\$ 3,175,358								
Net interest spread			0.95 %			1.15 %						
Impact of noninterest-bearing sources			0.98			0.91						
Net interest income/yield on earning assets ⁽⁵⁾	\$ 13,862	1.93 %		\$ 14,293	2.06 %							

⁽¹⁾ Includes the impact of interest rate risk management contracts. For more information, see Interest Rate Risk Management for the Banking Book on page 44.⁽²⁾ Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is generally recognized on a cost recovery basis.⁽³⁾ Includes U.S. commercial real estate loans of \$65.3 billion and \$68.0 billion, and non-U.S. commercial real estate loans of \$6.0 billion for both the second quarter of 2024 and 2023.⁽⁴⁾ Includes \$46.6 billion and \$39.9 billion of structured notes and liabilities for the second quarter of 2024 and 2023.⁽⁵⁾ Net interest income includes FTE adjustments of \$160 million and \$135 million for the second quarter of 2024 and 2023.

Table 7 Year-to-Date Average Balances and Interest Rates - FTE Basis

	Average Balance	Interest Income/ Expense ⁽¹⁾	Yield/ Rate	Average Balance	Six Months Ended June 30		Interest Income/ Expense ⁽¹⁾	Yield/ Rate										
					2024													
					2023													
(Dollars in millions)																		
Earning assets																		
Interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks	\$ 345,943	\$ 9,029	5.25 %	\$ 281,303	\$ 6,302	4.52 %												
Time deposits placed and other short-term investments	10,286	239	4.67	10,928	237	4.37												
Federal funds sold and securities borrowed or purchased under agreements to resell	311,600	10,334	6.67	291,053	8,667	6.01												
Trading account assets	202,377	5,024	4.99	185,549	4,131	4.49												
Debt securities	847,455	12,514	2.95	811,046	10,202	2.51												
Loans and leases ⁽²⁾																		
Residential mortgage	227,658	3,627	3.19	229,015	3,388	2.96												
Home equity	25,526	795	6.26	26,234	670	5.15												
Credit card	99,399	5,611	11.35	93,110	4,931	10.68												
Direct/Indirect and other consumer	103,529	2,827	5.49	105,284	2,460	4.71												
Total consumer	456,112	12,860	5.66	453,643	11,449	5.08												
U.S. commercial	382,898	10,503	5.52	377,945	9,257	4.94												
Non-U.S. commercial	124,059	4,340	7.03	126,412	3,727	5.95												
Commercial real estate ⁽³⁾	71,666	2,596	7.28	72,337	2,447	6.82												
Commercial lease financing	14,946	396	5.31	13,657	296	4.35												
Total commercial	593,569	17,835	6.04	590,351	15,727	5.37												
Total loans and leases	1,049,681	30,695	5.88	1,043,994	27,176	5.24												
Other earning assets	106,915	5,622	10.57	98,592	4,563	9.33												
Total earning assets	2,874,257	73,457	5.14	2,722,465	61,278	4.53												
Cash and due from banks	24,197				26,936													
Other assets, less allowance for loan and lease losses	362,617				386,478													
Total assets	\$ 3,261,071				\$ 3,135,879													
Interest-bearing liabilities																		
U.S. interest-bearing deposits																		
Demand and money market deposits	948,912	10,246	2.17 %	963,178	6,355	1.33 %												
Time and savings deposits	337,228	6,390	3.81	213,587	2,371	2.24												
Total U.S. interest-bearing deposits	1,286,140	16,636	2.60	1,176,765	8,726	1.50												
Non-U.S. interest-bearing deposits	105,434	2,157	4.11	94,218	1,373	2.94												
Total interest-bearing deposits	1,391,574	18,793	2.72	1,270,983	10,099	1.60												
Federal funds purchased, securities loaned or sold under agreements to repurchase	360,939	12,197	6.80	289,556	9,358	6.52												
Short-term borrowings and other interest-bearing liabilities	146,917	5,408	7.40	160,331	5,177	6.51												
Trading account liabilities	52,826	1,086	4.14	44,451	976	4.43												
Long-term debt	249,234	7,921	6.37	246,630	6,793	5.53												
Total interest-bearing liabilities	2,201,490	45,405	4.15	2,011,951	32,403	3.24												
Noninterest-bearing sources																		
Noninterest-bearing deposits	517,119				613,468													
Other liabilities ⁽⁴⁾	249,505				230,607													
Shareholders' equity	292,957				279,853													
Total liabilities and shareholders' equity	\$ 3,261,071				\$ 3,135,879													
Net interest spread			0.99 %				1.29 %											
Impact of noninterest-bearing sources			0.97				0.84											
Net interest income/yield on earning assets ⁽⁵⁾	\$ 28,052	1.96 %			\$ 28,875	2.13 %												

⁽¹⁾ Includes the impact of interest rate risk management contracts. For more information, see Interest Rate Risk Management for the Banking Book on page 44.⁽²⁾ Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is generally recognized on a cost recovery basis.⁽³⁾ Includes U.S. commercial real estate loans of \$65.8 billion and \$66.8 billion, and non-U.S. commercial real estate loans of \$5.9 billion and \$5.5 billion for the six months ended June 30, 2024 and 2023.⁽⁴⁾ Includes \$45.3 billion and \$38.6 billion of structured notes and liabilities for the six months ended June 30, 2024 and 2023.⁽⁵⁾ Net interest income includes FTE adjustments of \$318 million and \$269 million for the six months ended June 30, 2024 and 2023.

Business Segment Operations

Segment Description and Basis of Presentation

We report our results of operations through four business segments: *Consumer Banking*, *GWIM*, *Global Banking* and *Global Markets*, with the remaining operations recorded in *All Other*. We manage our segments and report their results on an FTE basis. For more information, see Business Segment Operations in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

We periodically review capital allocated to our businesses and allocate capital annually during the strategic and capital planning processes. We utilize a methodology that considers the effect of regulatory capital requirements in addition to internal risk-based capital models. The capital allocated to the business segments is referred to as allocated capital. Allocated equity in the reporting units is comprised of allocated capital plus capital

for the portion of goodwill and intangibles specifically assigned to the reporting unit. For more information, including the definition of a reporting unit, see Note 7 – *Goodwill and Intangible Assets* to the Consolidated Financial Statements.

For more information on our presentation of financial information on an FTE basis, see Supplemental Financial Data on page 6, and for reconciliations to consolidated total revenue, net income and period-end total assets, see Note 17 – *Business Segment Information* to the Consolidated Financial Statements.

Key Performance Indicators

We present certain key financial and nonfinancial performance indicators that management uses when evaluating segment results. We believe they are useful to investors because they provide additional information about our segments' operational performance, client trends and business growth.

Consumer Banking

(Dollars in millions)	Deposits		Consumer Lending		Total Consumer Banking		% Change	
			Three Months Ended June 30					
	2024	2023	2024	2023	2024	2023		
Net interest income	\$ 5,220	\$ 5,733	\$ 2,898	\$ 2,704	\$ 8,118	\$ 8,437	(4)%	
Noninterest income:								
Card income	(10)	(10)	1,371	1,351	1,361	1,341	1	
Service charges	614	524	—	1	614	525	17	
All other income	95	177	18	44	113	221	(49)	
Total noninterest income	699	691	1,389	1,396	2,088	2,087	—	
Total revenue, net of interest expense	5,919	6,424	4,287	4,100	10,206	10,524	(3)	
Provision for credit losses	74	103	1,207	1,164	1,281	1,267	1	
Noninterest expense	3,385	3,428	2,079	2,025	5,464	5,453	—	
Income before income taxes	2,460	2,893	1,001	911	3,461	3,804	(9)	
Income tax expense	616	723	250	228	866	951	(9)	
Net income	\$ 1,844	\$ 2,170	\$ 751	\$ 683	\$ 2,595	\$ 2,853	(9)	
Effective tax rate ⁽¹⁾					25.0 %	25.0 %		
Net interest yield	2.22 %	2.29 %	3.78 %	3.58 %	3.29 %	3.24 %		
Return on average allocated capital	54	64	10	10	24	27		
Efficiency ratio	57.20	53.33	48.49	49.43	53.54	51.81		

Balance Sheet

Average	Three Months Ended June 30						% Change	
	2024		2023		2024			
	\$	2024	\$	2023	\$	2024		
Total loans and leases	\$ 4,299	\$ 4,078	\$ 307,955	\$ 302,584	\$ 312,254	\$ 306,662	2 %	
Total earning assets ⁽²⁾	946,784	1,002,528	308,116	302,944	992,304	1,045,743	(5)	
Total assets ⁽²⁾	979,302	1,035,969	313,070	309,228	1,029,777	1,085,469	(5)	
Total deposits	944,363	1,001,307	4,817	5,030	949,180	1,006,337	(6)	
Allocated capital	13,700	13,700	29,550	28,300	43,250	42,000	3	

⁽¹⁾ Estimated at the segment level only.

⁽²⁾ In segments and businesses where the total of liabilities and equity exceeds assets, we allocate 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 Banking.

(Dollars in millions)	Deposits		Consumer Lending		Total Consumer Banking		% Change	
	Six Months Ended June 30							
	2024	2023	2024	2023	2024	2023		
Net interest income	\$ 10,489	\$ 11,549	\$ 5,826	\$ 5,481	\$ 16,315	\$ 17,030	(4)%	
Noninterest income:								
Card income	(20)	(20)	2,653	2,635	2,633	2,615	1	
Service charges	1,191	1,122	1	2	1,192	1,124	6	
All other income	197	374	35	87	232	461	(50)	
Total noninterest income	1,368	1,476	2,689	2,724	4,057	4,200	(3)	
Total revenue, net of interest expense	11,857	13,025	8,515	8,205	20,372	21,230	(4)	
Provision for credit losses	150	286	2,281	2,070	2,431	2,356	3	
Noninterest expense	6,764	6,843	4,175	4,083	10,939	10,926	—	
Income before income taxes	4,943	5,896	2,059	2,052	7,002	7,948	(12)	
Income tax expense	1,236	1,474	515	513	1,751	1,987	(12)	
Net income	\$ 3,707	\$ 4,422	\$ 1,544	\$ 1,539	\$ 5,251	\$ 5,961	(12)	
Effective tax rate ⁽¹⁾					25.0 %	25.0 %		
Net interest yield	2.22 %	2.30 %	3.80 %	3.67 %	3.30 %	3.25 %		
Return on average allocated capital	54	65	11	11	24	29		
Efficiency ratio	57.04	52.53	49.04	49.77	53.70	51.46		
Balance Sheet								
Average								
Total loans and leases	\$ 4,270	\$ 4,099	\$ 308,376	\$ 301,126	\$ 312,646	\$ 305,225	2 %	
Total earning assets ⁽²⁾	948,489	1,012,432	308,515	301,378	993,931	1,055,419	(6)	
Total assets ⁽²⁾	981,080	1,045,933	313,433	307,760	1,031,439	1,095,302	(6)	
Total deposits	946,103	1,011,285	4,720	4,949	950,823	1,016,234	(6)	
Allocated capital	13,700	13,700	29,550	28,300	43,250	42,000	3	
Period end								
Total loans and leases	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023	% Change	
Total earning assets ⁽²⁾	948,823	965,088	308,592	311,008	995,348	1,009,360		
Total assets ⁽²⁾	981,546	999,372	314,481	317,194	1,033,960	1,049,830	(2)	
Total deposits	946,420	964,136	6,053	5,436	952,473	969,572	(2)	

See page 10 for footnotes.

Consumer Banking, comprised of Deposits and Consumer Lending, offers a diversified range of credit, banking and investment products and services to consumers and small businesses. For more information about *Consumer Banking*, see Business Segment Operations in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Consumer Banking Results

Three-Month Comparison

Net income for *Consumer Banking* decreased \$258 million to \$2.6 billion primarily due to lower revenue. Net interest income decreased \$319 million to \$8.1 billion primarily driven by lower deposit balances, partially offset by higher loan balances. Noninterest income was \$2.1 billion, largely unchanged from the same period a year ago.

The provision for credit losses was \$1.3 billion, relatively unchanged from the same period a year ago. Noninterest expense was \$5.5 billion, relatively unchanged from the same period a year ago.

The return on average allocated capital was 24 percent, down from 27 percent, due to an increase in allocated capital and lower net income. For information on capital allocated to the business segments, see Business Segment Operations on page 10.

Six-Month Comparison

Net income for *Consumer Banking* decreased \$710 million to \$5.3 billion primarily due to lower revenue. Net interest income decreased \$715 million to \$16.3 billion primarily due to the same factors as described in the three-month discussion. Noninterest income decreased \$143 million to \$4.1 billion, primarily due to lower other income driven by the allocation of asset and liability management (ALM) results.

The provision for credit losses increased \$75 million to \$2.4 billion primarily driven by credit card loans. Noninterest expense was \$10.9 billion, relatively unchanged from the same period a year ago.

The return on average allocated capital was 24 percent, down from 29 percent, primarily due to an increase in allocated capital and lower net income.

Deposits

Three-Month Comparison

Net income for Deposits decreased \$326 million to \$1.8 billion primarily due to lower revenue. Net interest income decreased \$513 million to \$5.2 billion primarily driven by lower deposit balances. Noninterest income was \$699 million, relatively unchanged from the same period a year ago.

Noninterest expense was \$3.4 billion, relatively unchanged from the same period a year ago.

Average deposits decreased \$56.9 billion to \$944.4 billion primarily due to net outflows of \$60.9 billion in money market savings and \$26.1 billion in checking, partially offset by growth in time deposits of \$40.1 billion.

Six-Month Comparison

Net income for Deposits decreased \$715 million to \$3.7 billion primarily due to lower revenue. Net interest income decreased \$1.1 billion to \$10.5 billion primarily due to the same factor as described in the three-month discussion. Noninterest income decreased \$108 million to \$1.4 billion primarily driven by the allocation of ALM results.

Average deposits decreased \$65.2 billion to \$946.1 billion primarily due to net outflows of \$67.2 billion in money market savings and \$29.1 billion in checking, partially offset by growth in time deposits of \$41.8 billion.

The table below provides key performance indicators for Deposits. Management uses these metrics, and we believe they are useful to investors because they provide additional information to evaluate our deposit profitability and digital/mobile trends.

Key Statistics – Deposits

Total deposit spreads (excludes noninterest costs)⁽¹⁾

Period end

Consumer investment assets (in millions)⁽²⁾

Active digital banking users (in thousands)⁽³⁾

Active mobile banking users (in thousands)⁽⁴⁾

Financial centers

ATMs

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Total deposit spreads (excludes noninterest costs) ⁽¹⁾	2.77%	2.67%	2.73%	2.60%
Consumer investment assets (in millions) ⁽²⁾	\$ 476,116	\$ 386,761	\$ 47,304	\$ 45,713
Active digital banking users (in thousands) ⁽³⁾	38,988	37,329	3,786	3,887
Active mobile banking users (in thousands) ⁽⁴⁾	14,972	15,335		

⁽¹⁾ Includes deposits held in Consumer Lending.

⁽²⁾ Includes client brokerage assets, deposit sweep balances, Bank of America, N.A. brokered CDs and AUM in Consumer Banking.

⁽³⁾ Represents mobile and/or online active users over the past 90 days.

⁽⁴⁾ Represents mobile active users over the past 90 days.

Consumer investment assets increased \$89.4 billion from June 30, 2023 to \$476.1 billion at June 30, 2024 driven by market performance and positive net client flows. Active mobile banking users increased approximately two million, reflecting continuing changes in our clients' banking preferences. Since June 30, 2023, we have had a net decrease of 101 financial centers and 363 ATMs as we continue to optimize our consumer banking network.

Consumer Lending

Three-Month Comparison

Net income for Consumer Lending increased \$68 million to \$751 million primarily due to higher revenue. Net interest income increased \$194 million to \$2.9 billion primarily due to higher loan balances. Noninterest income was \$1.4 billion, relatively unchanged from the same period a year ago.

The provision for credit losses was \$1.2 billion, relatively unchanged from the same period a year ago. Noninterest expense increased \$54 million to \$2.1 billion, relatively unchanged from the same period a year ago.

Average loans increased \$5.4 billion to \$308.0 billion primarily driven by an increase in credit card loans.

Six-Month Comparison

Net income for Consumer Lending was \$1.5 billion, relatively unchanged from the same period a year ago. Net interest income increased \$345 million to \$5.8 billion primarily due to the same factor as described in the three-month discussion. Noninterest income was \$2.7 billion, relatively unchanged from the same period a year ago.

The provision for credit losses increased \$211 million to \$2.3 billion primarily driven by credit card loans. Noninterest expense increased \$92 million to \$4.2 billion, relatively unchanged from the same period a year ago.

Average loans increased \$7.3 billion to \$308.4 billion primarily driven by the same factor as described in the three-month discussion.

The following table provides key performance indicators for Consumer Lending. Management uses these metrics, and we believe they are useful to investors because they provide additional information about loan growth and profitability.

Key Statistics – Consumer Lending

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Total credit card ⁽¹⁾				
Gross interest yield ⁽²⁾	12.32 %	11.66 %	12.28 %	11.75 %
Risk-adjusted margin ⁽³⁾	6.75	7.83	6.78	8.25
New accounts (in thousands)	951	1,137	1,949	2,324
Purchase volumes	\$ 93,296	\$ 93,103	\$ 180,307	\$ 178,647
Debit card purchase volumes	\$ 140,346	\$ 132,962	\$ 272,753	\$ 257,338

⁽¹⁾ Includes GWIM's credit card portfolio.

⁽²⁾ Calculated as the effective annual percentage rate divided by average loans.

⁽³⁾ Calculated as the difference between total revenue, net of interest expense, and net credit losses divided by average loans.

During the three and six months ended June 30, 2024, the total risk-adjusted margin decreased 108 bps and 147 bps primarily driven by higher net credit losses and lower net fee income, partially offset by higher interest margin. During the

three and six months ended June 30, 2024, total credit card purchase volumes increased \$193 million and \$1.7 billion, and debit card purchase volumes increased \$7.4 billion and \$15.4 billion, reflecting higher levels of consumer spending.

Key Statistics – Loan Production ⁽¹⁾

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Consumer Banking:				
First mortgage	\$ 2,696	\$ 2,889	\$ 4,384	\$ 4,845
Home equity	2,027	2,171	3,627	4,354
Total ⁽²⁾:				
First mortgage	\$ 5,728	\$ 5,940	\$ 9,171	\$ 9,877
Home equity	2,393	2,542	4,284	5,138

⁽¹⁾ The loan production amounts represent the unpaid principal balance of loans and, in the case of home equity, the principal amount of the total line of credit.

⁽²⁾ In addition to loan production in *Consumer Banking*, there is also first mortgage and home equity loan production in GWIM.

First mortgage loan originations for *Consumer Banking* and the total Corporation decreased \$193 million and \$212 million during the three months ended June 30, 2024 primarily driven by lower demand. During the six months ended June 30, 2024, first mortgage loan originations for *Consumer Banking* and the total Corporation decreased \$461 million and \$706 million primarily driven by lower demand.

Home equity production in *Consumer Banking* and the total Corporation decreased \$144 million and \$149 million during the three months ended June 30, 2024 primarily driven by lower demand. During the six months ended June 30, 2024, home equity production in *Consumer Banking* and the total Corporation decreased \$727 million and \$854 million primarily driven by lower demand.

Global Wealth & Investment Management

(Dollars in millions)	Three Months Ended June 30			% Change	Six Months Ended June 30			% Change
	2024	2023			2024	2023		
Net interest income	\$ 1,693	\$ 1,805	(6)%		\$ 3,507	\$ 3,681	(5)%	
Noninterest income:								
Investment and brokerage services	3,707	3,251	14		7,307	6,489	13	
All other income	174	186	(6)		351	387	(9)	
Total noninterest income	3,881	3,437	13		7,658	6,876	11	
Total revenue, net of interest expense	5,574	5,242	6		11,165	10,557	6	
Provision for credit losses	7	13	(46)		(6)	38	(116)	
Noninterest expense	4,199	3,925	7		8,463	7,992	6	
Income before income taxes	1,368	1,304	5		2,708	2,527	7	
Income tax expense	342	326	5		677	632	7	
Net income	\$ 1,026	\$ 978	5		\$ 2,031	\$ 1,895	7	
Effective tax rate	25.0 %	25.0 %			25.0 %	25.0 %		
Net interest yield	2.15	2.21			2.19	2.20		
Return on average allocated capital	22	21			22	21		
Efficiency ratio	75.34	74.86			75.80	75.70		
Balance Sheet								
Average	Three Months Ended June 30			% Change	Six Months Ended June 30			% Change
	2024	2023			2024	2023		
Total loans and leases	\$ 222,776	\$ 218,604	2 %		\$ 220,696	\$ 220,018	— %	
Total earning assets	317,250	327,066	(3)		322,471	336,671	(4)	
Total assets	330,958	340,105	(3)		336,039	349,582	(4)	
Total deposits	287,678	295,380	(3)		292,525	304,648	(4)	
Allocated capital	18,500	18,500	—		18,500	18,500	—	
Period end	June 30 2024		December 31 2023		% Change			
	\$ 224,837	\$ 219,657	\$ 310,055	330,653	2 %	(6)		
				324,476	344,626	(6)		
				281,283	299,657	(6)		

GWIM consists of two primary businesses: Merrill Wealth Management and Bank of America Private Bank. For additional information on GWIM, see Business Segment Operations in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Three-Month Comparison

Net income for GWIM increased \$48 million to \$1.0 billion primarily due to higher revenue, largely offset by higher noninterest expense. The operating margin was 25 percent, unchanged from the same period a year ago.

Net interest income decreased \$112 million to \$1.7 billion primarily driven by an increase in the deposit rate paid and lower average deposit balances.

Noninterest income, which primarily includes investment and brokerage services income, increased \$444 million to \$3.9 billion. The increase was primarily driven by higher asset management fees due to higher average equity market valuations and positive AUM flows, partially offset by the impact of lower AUM pricing.

Noninterest expense increased \$274 million to \$4.2 billion primarily due to higher revenue-related incentives.

The return on average allocated capital was 22 percent, up from 21 percent, due to higher net income. For information on capital allocated to the business segments, see Business Segment Operations on page 10.

Average loans increased \$4.2 billion to \$222.8 billion primarily driven by custom lending and residential mortgage, partially offset by securities-based lending. Average deposits decreased \$7.7 billion to \$287.7 billion primarily driven by a higher level of client tax payments as well as clients moving deposits to higher yielding investment cash alternatives, including offerings on our investment and brokerage platforms.

Merrill Wealth Management revenue of \$4.6 billion increased seven percent primarily driven by higher asset management fees due to the impact of higher average equity market valuations and positive AUM flows, partially offset by the impact of lower AUM pricing and lower net interest income.

Bank of America Private Bank revenue of \$951 million increased five percent primarily driven by higher asset management fees due to the impact of higher average equity market valuations and the impact of positive AUM flows.

Six-Month Comparison

Net income for GWIM increased \$136 million to \$2.0 billion primarily due to the same factors as described in the three-month discussion.

The operating margin was 24 percent, unchanged from the same period a year ago.

Net interest income decreased \$174 million to \$3.5 billion primarily due to the same factors as described in the three-month discussion.

Noninterest income, which primarily includes investment and brokerage services income, increased \$782 million to \$7.7 billion due to the same factors as described in the three-month discussion.

Noninterest expense increased \$471 million to \$8.5 billion due to the same factor as described in the three-month discussion.

The return on average allocated capital was 22 percent, up from 21 percent, due to the same factor as described in the three-month discussion.

Average loans increased \$678 million to \$220.7 billion primarily due to the same factors as described in the three-month discussion. Average deposits decreased \$12.1 billion to \$292.5 billion due to the same factors as described in the three-month discussion.

Merrill Wealth Management revenue of \$9.3 billion increased six percent primarily driven by the same factors as described in the three-month discussion.

Bank of America Private Bank revenue of \$1.9 billion increased four percent primarily driven by the same factors as described in the three-month discussion.

Key Indicators and Metrics

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Revenue by Business				
Merrill Wealth Management	\$ 4,623	\$ 4,340	\$ 9,270	\$ 8,737
Bank of America Private Bank	951	902	1,895	1,820
Total revenue, net of interest expense	\$ 5,574	\$ 5,242	\$ 11,165	\$ 10,557
Client Balances by Business, at period end				
Merrill Wealth Management			\$ 3,371,418	\$ 3,057,680
Bank of America Private Bank			640,467	577,514
Total client balances	\$ 4,011,885	\$ 3,635,194		
Client Balances by Type, at period end				
Assets under management			\$ 1,758,875	\$ 1,531,042
Brokerage and other assets			1,779,881	1,628,294
Deposits			281,283	292,526
Loans and leases ⁽¹⁾			227,657	222,280
Less: Managed deposits in assets under management			(35,811)	(38,948)
Total client balances	\$ 4,011,885	\$ 3,635,194		
Assets Under Management Rollforward				
Assets under management, beginning of period	\$ 1,730,005	\$ 1,467,242	\$ 1,617,740	\$ 1,401,474
Net client flows	10,790	14,296	35,445	29,558
Market valuation/other	18,080	49,504	105,690	100,010
Total assets under management, end of period	\$ 1,758,875	\$ 1,531,042	\$ 1,758,875	\$ 1,531,042

⁽¹⁾ Includes margin receivables, which are classified in customer and other receivables on the Consolidated Balance Sheet.

Client Balances

Client balances increased \$376.7 billion, or 10 percent, to \$4.0 trillion at June 30, 2024 compared to June 30, 2023. The increase in client balances was primarily due to the impact of higher end-of-period market valuations and positive net client flows.

Global Banking

(Dollars in millions)	Three Months Ended June 30			% Change	Six Months Ended June 30			% Change
	2024	2023			2024	2023		
Net interest income	\$ 3,275	\$ 3,690		(11)%	\$ 6,735	\$ 7,597		(11)%
Noninterest income:								
Service charges	775	735		5	1,525	1,449		5
Investment banking fees	835	718		16	1,685	1,386		22
All other income	1,168	1,319		(11)	2,088	2,233		(6)
Total noninterest income	2,778	2,772		—	5,298	5,068		5
Total revenue, net of interest expense	6,053	6,462		(6)	12,033	12,665		(5)
Provision for credit losses	235	9		n/m	464	(228)		n/m
Noninterest expense	2,899	2,819		3	5,911	5,759		3
Income before income taxes	2,919	3,634		(20)	5,658	7,134		(21)
Income tax expense	803	981		(18)	1,556	1,926		(19)
Net income	\$ 2,116	\$ 2,653		(20)	\$ 4,102	\$ 5,208		(21)
Effective tax rate	27.5 %	27.0 %			27.5 %	27.0 %		
Net interest yield	2.37	2.80			2.44	2.92		
Return on average allocated capital	17	22			17	21		
Efficiency ratio	47.88	43.59			49.12	45.46		
Balance Sheet								
Average	Three Months Ended June 30			% Change	Six Months Ended June 30			% Change
	2024	2023			2024	2023		
Total loans and leases	\$ 372,738	\$ 383,058		(3)%	\$ 373,173	\$ 382,039		(2)%
Total earning assets	555,834	527,959		5	555,895	525,181		6
Total assets	624,189	595,585		5	623,631	592,254		5
Total deposits	525,357	497,533		6	525,528	495,069		6
Allocated capital	49,250	49,250		—	49,250	49,250		—
Period end								
	June 30 2024		December 31 2023		% Change			
	\$ 372,421	\$ 373,891	\$ 550,525	\$ 522,525				
Total loans and leases								— %
Total earning assets								—
Total assets								—
Total deposits								(1)

n/m = not meaningful

Global Banking, which includes Global Corporate Banking, Global Commercial Banking, Business Banking and Global Investment Banking, provides a wide range of lending-related products and services, integrated working capital management and treasury solutions, and underwriting and advisory services through our network of global offices and client relationship teams. For more information about *Global Banking*, see Business Segment Operations in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Three-Month Comparison

Net income for *Global Banking* decreased \$537 million to \$2.1 billion primarily driven by lower revenue and higher provision for credit losses.

Net interest income decreased \$415 million to \$3.3 billion primarily due to the impact of interest rates, partially offset by the benefit of higher average deposit balances.

Noninterest income was \$2.8 billion, relatively unchanged from the same period a year ago.

The provision for credit losses increased \$226 million to \$235 million primarily driven by the commercial real estate office portfolio.

Noninterest expense increased \$80 million to \$2.9 billion due to higher regulatory costs and continued investments in the business, including technology.

The return on average allocated capital was 17 percent, down from 22 percent, due to lower net income. For information on capital allocated to the business segments, see Business Segment Operations on page 10.

Six-Month Comparison

Net income for *Global Banking* decreased \$1.1 billion to \$4.1 billion driven by higher provision for credit losses, lower revenue and higher noninterest expense.

Net interest income decreased \$862 million to \$6.7 billion primarily due to the same factors as described in the three-month discussion.

Noninterest income increased \$230 million to \$5.3 billion due to higher investment banking fees and treasury service charges, partially offset by lower leasing-related revenue.

The provision for credit losses increased \$692 million to \$464 million primarily driven by the commercial real estate office portfolio compared to a benefit in the prior year due to certain improved macroeconomic conditions.

Noninterest expense increased \$152 million to \$5.9 billion primarily due to the same factors as described in the three-month discussion.

The return on average allocated capital was 17 percent, down from 21 percent, due to lower net income.

Global Corporate, Global Commercial and Business Banking

The following table and discussion present a summary of the results, which exclude certain investment banking and other activities in *Global Banking*.

Global Corporate, Global Commercial and Business Banking

(Dollars in millions)	Global Corporate Banking		Global Commercial Banking		Business Banking		Total	
	Three Months Ended June 30							
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue								
Business Lending	\$ 1,260	\$ 1,359	\$ 1,247	\$ 1,270	\$ 58	\$ 63	\$ 2,565	\$ 2,692
Global Transaction Services	1,261	1,483	938	1,045	362	395	2,561	2,923
Total revenue, net of interest expense	\$ 2,521	\$ 2,842	\$ 2,185	\$ 2,315	\$ 420	\$ 458	\$ 5,126	\$ 5,615
Balance Sheet								
Average								
Total loans and leases	\$ 162,283	\$ 174,280	\$ 197,906	\$ 196,069	\$ 12,439	\$ 12,508	\$ 372,628	\$ 382,857
Total deposits	287,350	267,949	186,975	177,901	51,032	51,682	525,357	497,532
Global Corporate Banking								
Six Months Ended June 30				Business Banking				Total
(Dollars in millions)	2024	2023	2024	2023	2024	2023	2024	2023
Revenue								
Business Lending	\$ 2,325	\$ 2,393	\$ 2,527	\$ 2,503	\$ 117	\$ 130	\$ 4,969	\$ 5,026
Global Transaction Services	2,596	3,032	1,908	2,174	723	782	5,227	5,988
Total revenue, net of interest expense	\$ 4,921	\$ 5,425	\$ 4,435	\$ 4,677	\$ 840	\$ 912	\$ 10,196	\$ 11,014
Balance Sheet								
Average								
Total loans and leases	\$ 163,662	\$ 174,783	\$ 197,091	\$ 194,442	\$ 12,285	\$ 12,563	\$ 373,038	\$ 381,788
Total deposits	288,871	263,587	186,351	180,245	50,305	51,241	525,527	495,073
Period end								
Total loans and leases	\$ 162,276	\$ 173,248	\$ 197,546	\$ 195,899	\$ 12,467	\$ 12,324	\$ 372,289	\$ 381,471
Total deposits	283,248	265,104	187,766	177,235	51,509	50,391	522,523	492,730

Business Lending revenue decreased \$127 million for the three months ended June 30, 2024 compared to the same period a year ago primarily driven by lower leasing-related revenue and the impact of lower average loan balances. Business lending revenue decreased \$57 million for the six months ended June 30, 2024 compared to the same period a year ago primarily driven by the same factors as described in the three-month discussion.

Global Transaction Services revenue decreased \$362 million for the three months ended June 30, 2024 primarily driven by the impact of interest rates, partially offset by the benefit of higher average deposit balances and treasury service charges. Global Transaction Services revenue decreased \$761 million for the six months ended June 30, 2024 primarily driven by the same factors as described in the three-month discussion.

Average loans and leases of \$372.6 billion decreased three percent for the three months ended June 30, 2024, and average loans and leases of \$373.0 billion decreased two percent for the six months ended June 30, 2024 due to lower client demand.

Average deposits of \$525.4 billion and \$522.5 billion for the three and six months ended June 30, 2024 increased six percent for both periods. The increases were due to growth in both domestic and international balances.

Global Investment Banking

Client teams and product specialists underwrite and distribute debt, equity and loan products, and provide advisory services and tailored risk management solutions. The economics of certain investment banking and underwriting activities are shared primarily between *Global Banking* and *Global Markets* under an internal revenue-sharing arrangement. *Global Banking* originates certain deal-related transactions with our corporate and commercial clients that are executed and distributed by *Global Markets*. To provide a complete discussion of our consolidated investment banking fees, the table below presents total Corporation investment banking fees and the portion attributable to *Global Banking*.

Investment Banking Fees

(Dollars in millions)	Global Banking				Total Corporation				Global Banking				Total Corporation			
	Three Months Ended June 30				Six Months Ended June 30				Three Months Ended June 30				Six Months Ended June 30			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Products																
Advisory	\$ 322	\$ 333	\$ 374	\$ 375	\$ 639	\$ 646	\$ 747	\$ 738								
Debt issuance	363	263	880	600	746	553	1,765	1,244								
Equity issuance	150	122	357	287	300	187	720	455								
Gross investment banking fees	835	718	1,611	1,262	1,685	1,386	3,232	2,437								
Self-led deals	(5)	(16)	(50)	(50)	(18)	(20)	(103)	(62)								
Total investment banking fees	\$ 830	\$ 702	\$ 1,561	\$ 1,212	\$ 1,667	\$ 1,366	\$ 3,129	\$ 2,375								

Total Corporation investment banking fees, which exclude self-led deals and are primarily included within *Global Banking* and *Global Markets*, were \$1.6 billion and \$3.1 billion for the three and six months ended June 30, 2024. The three-month period increased 29 percent compared to the same period in 2023, and the six-month period increased 32 percent compared to the same period in 2023. The increases in both periods were primarily due to higher debt and equity issuance fees.

Global Markets

(Dollars in millions)	Three Months Ended June 30				Six Months Ended June 30			
	2024	2023	% Change	2024	2023	% Change		
Net interest income	\$ 770	\$ 297	n/m	\$ 1,451	\$ 406	n/m		
Noninterest income:								
Investment and brokerage services	516	499	3 %	1,011	1,032	(2)%		
Investment banking fees	719	503	43	1,427	972	47		
Market making and similar activities	3,218	3,409	(6)	7,048	7,807	(10)		
All other income	236	163	45	405	280	45		
Total noninterest income	4,689	4,574	3	9,891	10,091	(2)		
Total revenue, net of interest expense	5,459	4,871	12	11,342	10,497	8		
Provision for credit losses	(13)	(4)	n/m	(49)	(57)	n/m		
Noninterest expense	3,486	3,349	4	6,978	6,700	4		
Income before income taxes	1,986	1,526	30	4,413	3,854	15		
Income tax expense	576	420	37	1,280	1,060	21		
Net income	\$ 1,410	\$ 1,106	27	\$ 3,133	\$ 2,794	12		
Effective tax rate		29.0 %		27.5 %			29.0 %	27.5 %
Return on average allocated capital		13		10			14	12
Efficiency ratio		63.83		68.74			61.52	63.82
Balance Sheet	Three Months Ended June 30				Six Months Ended June 30			
Average	2024	2023	% Change	2024	2023	% Change		
Trading-related assets:								
Trading account securities	\$ 321,204	\$ 317,928	1 %	\$ 322,207	\$ 328,529	(2)%		
Reverse repurchases	139,901	139,480	—	136,991	133,155	3		
Securities borrowed	139,705	120,481	16	137,278	118,392	16		
Derivative assets	38,953	43,236	(10)	38,318	43,490	(12)		
Total trading-related assets	639,763	621,125	3	634,794	623,566	2		
Total loans and leases	135,106	128,539	5	134,431	126,802	6		
Total earning assets	706,383	657,947	7	699,615	643,024	9		
Total assets	908,525	877,471	4	901,952	873,727	3		
Total deposits	31,944	33,222	(4)	32,265	34,658	(7)		
Allocated capital	45,500	45,500	—	45,500	45,500	—		
Period end	June 30 2024	December 31 2023	% Change					
Total trading-related assets	\$ 619,122	\$ 542,544	14 %					
Total loans and leases	138,441	136,223	2					
Total earning assets	701,978	637,955	10					
Total assets	887,162	817,588	9					
Total deposits	33,151	34,833	(5)					

n/m = not meaningful

Global Markets offers sales and trading services and research services to institutional clients across fixed-income, credit, currency, commodity and equity businesses. *Global Markets* product coverage includes securities and derivative products in both the primary and secondary markets. For more information about *Global Markets*, see Business Segment

Bank of America 18

Operations in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

The following explanations for period-over-period changes in results for *Global Markets*, including those disclosed under Sales and Trading Revenue, are the same for amounts including and excluding net DVA. Amounts excluding net DVA are a non-GAAP financial measure. For more information on net DVA, see Supplemental Financial Data on page 6.

Three-Month Comparison

Net income for *Global Markets* increased \$304 million to \$1.4 billion for the three months ended June 30, 2024 compared to the same period in 2023. Net DVA losses totaled \$1 million compared to \$102 million in 2023. Excluding net DVA, net income increased \$227 million to \$1.4 billion. These increases were primarily driven by higher revenue, partially offset by higher noninterest expense.

Revenue increased \$588 million to \$5.5 billion primarily due to higher sales and trading revenue and investment banking fees. Sales and trading revenue increased \$394 million, and excluding net DVA, increased \$293 million. These increases were primarily driven by higher revenue in Equities.

Noninterest expense increased \$137 million to \$3.5 billion, primarily driven by revenue-related expenses and continued investments in the business, including technology.

Average total assets increased \$31.1 billion to \$908.5 billion for the three months ended June 30, 2024 compared to the same period in 2023 driven by increased securities financing activity, higher levels of inventory and loan growth in FICC.

The return on average allocated capital was 13 percent, up from 10 percent in the same period a year ago, reflecting higher net income. For information on capital allocated to the business segments, see Business Segment Operations on page 10.

Six-Month Comparison

Net income for *Global Markets* increased \$339 million to \$3.1 billion for the six months ended June 30, 2024 compared to the same period in 2023. Net DVA losses were \$86 million compared to \$88 million in 2023. Excluding net DVA, net income increased \$337 million to \$3.2 billion. These increases were primarily driven by higher revenue, partially offset by higher noninterest expense.

Revenue increased \$845 million to \$11.3 billion primarily due to the same factors as described in the three-month discussion. Sales and trading revenue increased \$419 million, and excluding net DVA, sales and trading revenue increased \$417 million. These increases were driven by higher revenue in Equities, partially offset by lower revenue in FICC.

Noninterest expense increased \$278 million to \$7.0 billion, driven by the same factors as described in the three-month discussion.

Average total assets increased \$28.2 billion to \$902.0 billion, and period-end total assets increased \$69.6 billion from December 31, 2023 to \$887.2 billion. The increases were driven by higher securities financing activity and higher levels of inventory in FICC.

The return on average allocated capital was 14 percent, up from 12 percent in the same period a year ago, reflecting higher net income.

Sales and Trading Revenue

For a description of sales and trading revenue, see Business Segment Operations in the MD&A of the Corporation's 2023 Annual Report on Form 10-K. The following table and related discussion present sales and trading revenue, substantially all of which is in *Global Markets*, with the remainder in *Global Banking*. In addition, the following table and related discussion also present sales and trading revenue, excluding net DVA, which is a non-GAAP financial measure. For more information on net DVA, see Supplemental Financial Data on page 6.

Sales and Trading Revenue ^(1, 2, 3)

(Dollars in millions)

Sales and trading revenue ⁽²⁾

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Fixed-income, currencies and commodities	\$ 2,742	\$ 2,667	\$ 5,973	\$ 6,107
Equities	1,937	1,618	3,798	3,245
Total sales and trading revenue	\$ 4,679	\$ 4,285	\$ 9,771	\$ 9,352

Sales and trading revenue, excluding net DVA ⁽⁴⁾

	2024	2023	2024	2023
Fixed-income, currencies and commodities	\$ 2,737	\$ 2,764	\$ 6,044	\$ 6,193
Equities	1,943	1,623	3,813	3,247
Total sales and trading revenue, excluding net DVA	\$ 4,680	\$ 4,387	\$ 9,857	\$ 9,440

⁽¹⁾ For more information on sales and trading revenue, see Note 3 – Derivatives to the Consolidated Financial Statements.

⁽²⁾ Includes FTE adjustments of \$142 million and \$291 million for the three and six months ended June 30, 2024 compared to \$85 million and \$175 million for the same periods in 2023.

⁽³⁾ Includes *Global Banking* sales and trading revenue of \$186 million and \$330 million for the three and six months ended June 30, 2024 compared to \$154 million and \$331 million for the same periods in 2023.

⁽⁴⁾ FICC and Equities sales and trading revenue, excluding net DVA, is a non-GAAP financial measure. FICC net DVA gains (losses) were \$5 million and \$(71) million for the three and six months ended June 30, 2024 compared to \$(97) million and \$(86) million for the same periods in 2023. Equities net DVA gains (losses) were \$(6) million and \$(15) million for the three and six months ended June 30, 2024 compared to \$(5) million and \$(2) million for the same periods in 2023.

Three-Month Comparison

Including net DVA, FICC revenue increased \$75 million for the three months ended June 30, 2024 compared to the same period in 2023. Excluding net DVA, FICC revenue decreased \$27 million. FICC revenue, including and excluding net DVA, was driven by a weaker trading environment for foreign exchange and rates products, largely offset by improved client activity in mortgages, credit and commodities. Including and excluding net DVA, Equities revenue increased \$319 million and \$320 million driven by a strong trading performance in cash and derivatives.

Six-Month Comparison

Including and excluding net DVA, FICC revenue decreased \$134 million and \$149 million for the six months ended June 30, 2024 compared to the same period in 2023 driven by a weaker trading environment for macro products, partially offset by improved trading in mortgages. Including and excluding net DVA, Equities revenue increased \$553 million and \$566 million driven by the same factors as described in the three-month discussion.

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All Other

(Dollars in millions)	Three Months Ended June 30		% Change	Six Months Ended June 30		% Change
	2024	2023		2024	2023	
Net interest income	\$ 6	\$ 64	(91)%	\$ 44	\$ 161	(73)%
Noninterest income (loss)	(1,761)	(1,831)	(4)	(3,443)	(3,386)	2
Total revenue, net of interest expense	(1,755)	(1,767)	(1)	(3,399)	(3,225)	5
Provision for credit losses	(2)	(160)	(99)	(13)	(53)	(75)
Noninterest expense	261	492	(47)	1,255	899	40
Loss before income taxes	(2,014)	(2,099)	(4)	(4,641)	(4,071)	14
Income tax benefit	(1,764)	(1,917)	(8)	(3,695)	(3,782)	(2)
Net loss	\$ (250)	\$ (182)	37	\$ (946)	\$ (289)	n/m
Balance Sheet						
Average	Three Months Ended June 30		% Change	Six Months Ended June 30		% Change
	2024	2023		2024	2023	
Total loans and leases	\$ 8,598	\$ 9,745	(12)%	\$ 8,735	\$ 9,910	(12)%
Total assets ⁽¹⁾	381,539	276,728	38	368,010	225,014	64
Total deposits	115,766	42,881	n/m	107,552	33,842	n/m
Period end	June 30 2024		% Change	December 31 2023		% Change
	\$ 8,285	\$ 8,842		\$ 392,181	346,356	
Total loans and leases				121,059	92,705	31
Total assets ⁽¹⁾						
Total deposits						

⁽¹⁾ In segments where the total of liabilities and equity exceeds assets, which are generally deposit-taking segments, we allocate assets from All Other to those segments to match liabilities (i.e., deposits) and allocated shareholders' equity. Average allocated assets were \$941.7 billion and \$949.8 billion for the three and six months ended June 30, 2024 compared to \$977.8 billion and \$995.1 billion for the same periods in 2023, and period-end allocated assets were \$931.1 billion and \$972.9 billion at June 30, 2024 and December 31, 2023.

n/m = not meaningful

All Other primarily consists of ALM activities, liquidating businesses and certain expenses not otherwise allocated to a business segment. ALM activities encompass interest rate and foreign currency risk management activities for which substantially all of the results are allocated to our business segments. For more information on our ALM activities, see Note 17 – Business Segment Information to the Consolidated Financial Statements.

Three-Month Comparison

The net loss in All Other increased \$68 million to \$250 million primarily due to a lower income tax benefit, partially offset by lower noninterest expense.

Noninterest expense decreased \$231 million to \$261 million primarily due to lower expenses related to a liquidating business activity.

The income tax benefit decreased \$153 million to \$1.8 billion due to lower tax preference benefits primarily related to

tax credit investment activity. Both periods included income tax benefit adjustments to eliminate the FTE treatment of certain tax credits recorded in Global Banking and Global Markets.

Six-Month Comparison

The net loss in All Other increased \$657 million to \$946 million primarily due to higher noninterest expense.

Noninterest expense increased \$356 million to \$1.3 billion primarily due to a \$700 million accrual for the increase in the Corporation's estimated share of the FDIC special assessment, partially offset by lower expenses related to a liquidating business activity.

The income tax benefit was \$3.7 billion, relatively unchanged from the same period a year ago. Both periods included income tax benefit adjustments to eliminate the FTE treatment of certain tax credits recorded in Global Banking and Global Markets.

Managing Risk

Risk is inherent in all our business activities. The seven key types of risk faced by the Corporation are strategic, credit, market, liquidity, compliance, operational and reputational. Sound risk management enables us to serve our customers and deliver for our shareholders. If not managed well, risk can result in financial loss, regulatory sanctions and penalties, and damage to our reputation, each of which may adversely impact our ability to execute our business strategies. We take a comprehensive approach to risk management with a defined Risk Framework and an articulated Risk Appetite Statement, which are approved annually by the Enterprise Risk Committee and the Board.

Our Risk Framework serves as the foundation for the consistent and effective management of risks facing the Corporation. The Risk Framework sets forth roles and responsibilities for the management of risk and provides a blueprint for how the Board, through delegation of authority to committees and executive officers, establishes risk appetite and associated limits for our activities.

Our risk appetite provides a common framework that includes a set of measures to assist senior management and the Board in assessing the Corporation's risk profile across all risk types against our risk appetite and risk capacity. Our risk appetite is formally articulated in the Risk Appetite Statement, which includes both qualitative statements and quantitative limits.

For more information on the Corporation's risks, see Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K. These risks are being managed within our Risk Framework and supporting risk management programs. For more information on our Risk Framework, risk management activities and the key types of risk faced by the Corporation, see the Managing Risk section in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Capital Management

The Corporation manages its capital position so that its capital is more than adequate to support its business activities and aligns with risk, risk appetite and strategic planning. For more information, see Capital Management in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

CCAR and Capital Planning

The Federal Reserve requires BHCs to submit a capital plan and planned capital actions on an annual basis, consistent with the rules governing the CCAR capital plan, which includes supervisory stress testing by the Federal Reserve. We submitted our 2024 CCAR capital plan and related supervisory stress tests in April 2024 and received our results on June 26, 2024. Based on the results, our SCB is expected to be 3.2 percent, and the CET1 minimum requirement will be 10.7 percent when finalized. The new SCB will be effective from October 1, 2024 through September 30, 2025.

The Board has authorized the repurchase of up to \$25 billion of common stock over time, which includes common stock repurchases to offset shares awarded under the Corporation's equity-based compensation plans. Pursuant to Board authorization, during the three months ended June 30, 2024, we repurchased \$3.5 billion of common stock. For more

information, see Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds on page 105 and Capital Management - CCAR and Capital Planning in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

On July 24, 2024, the Corporation's Board authorized a \$25 billion common stock repurchase program, effective August 1, 2024, to replace the Corporation's existing program adopted by the Board in October 2021 and subsequently modified in September 2023. The existing repurchase program will expire on August 1, 2024.

The timing and amount of common stock repurchases are subject to various factors, including the Corporation's capital position, liquidity, financial performance and alternative uses of capital, stock trading price, regulatory requirements and general market conditions, and may be suspended at any time. Such repurchases may be effected through open market purchases or privately negotiated transactions, including repurchase plans that satisfy the conditions of Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (Exchange Act).

Regulatory Capital

As a BHC, we are subject to regulatory capital rules, including Basel 3, issued by U.S. banking regulators. The Corporation's depository institution subsidiaries are also subject to the Prompt Corrective Action (PCA) framework. The Corporation and its primary affiliated banking entity, BANA, are Advanced approaches institutions under Basel 3 and are required to report regulatory risk-based capital ratios and risk-weighted assets (RWA) under both the Standardized and Advanced approaches. The lower of the capital ratios under Standardized or Advanced approaches compared to their respective regulatory capital ratio requirements is used to assess capital adequacy, including under the PCA framework. As of June 30, 2024, the CET1 capital, Tier 1 capital and Total capital ratios under the Standardized approach were the binding ratios.

Minimum Capital Requirements

In order to avoid restrictions on capital distributions and discretionary bonus payments to executive officers, the Corporation must meet risk-based capital ratio requirements that include a capital conservation buffer of 2.5 percent (under the Advanced approaches only), an SCB (under the Standardized approach only), plus any applicable countercyclical capital buffer and a global systemically important bank (G-SIB) surcharge. The buffers and surcharge must be comprised solely of CET1 capital. For the period from January 1, 2024 through September 30, 2024, the Corporation's minimum CET1 capital ratio requirements are 10.0 percent under both the Standardized approach and the Advanced approaches.

The Corporation is required to calculate its G-SIB surcharge on an annual basis under two methods and is subject to the higher of the resulting two surcharges. Method 1 is consistent with the approach prescribed by the Basel Committee's assessment methodology and is calculated using specified indicators of systemic importance. Method 2 modifies the Method 1 approach by, among other factors, including a measure of the Corporation's reliance on short-term wholesale funding. Effective January 1, 2024, the Corporation's G-SIB surcharge, which is higher under Method 2, increased 50 bps, resulting in an increase in our minimum CET1 capital ratio

requirement under the Standardized approach to 10.0 percent from 9.5 percent. At June 30, 2024, the Corporation's CET1 capital ratio of 11.9 percent under the Standardized approach exceeded its CET1 capital ratio requirement.

The Corporation is also required to maintain a minimum supplementary leverage ratio (SLR) of 3.0 percent plus a leverage buffer of 2.0 percent in order to avoid certain restrictions on capital distributions and discretionary bonus payments to executive officers. At June 30, 2024, our insured depository institution subsidiaries exceeded their requirement to

maintain a minimum 6.0 percent SLR to be considered well capitalized under the PCA framework.

Capital Composition and Ratios

Table 8 presents Bank of America Corporation's capital ratios and related information in accordance with Basel 3 Standardized and Advanced approaches as measured at June 30, 2024 and December 31, 2023. For the periods presented herein, the Corporation met the definition of well capitalized under current regulatory requirements.

Table 8 Bank of America Corporation Regulatory Capital under Basel 3

	Standardized Approach ⁽¹⁾	Advanced Approaches ⁽¹⁾	Regulatory Minimum ⁽²⁾
June 30, 2024			
Risk-based capital metrics:			
Common equity tier 1 capital	\$ 198,119	\$ 198,119	
Tier 1 capital	224,641	224,641	
Total capital ⁽³⁾	251,434	241,423	
Risk-weighted assets (in billions)	1,661	1,469	
Common equity tier 1 capital ratio	11.9 %	13.5 %	10.0 %
Tier 1 capital ratio	13.5	15.3	11.5
Total capital ratio	15.1	16.4	13.5
Leverage-based metrics:			
Adjusted quarterly average assets (in billions) ⁽⁴⁾	\$ 3,196	\$ 3,196	
Tier 1 leverage ratio	7.0 %	7.0 %	4.0
Supplementary leverage exposure (in billions)		\$ 3,757	
Supplementary leverage ratio		6.0 %	5.0
December 31, 2023			
Risk-based capital metrics:			
Common equity tier 1 capital	\$ 194,928	\$ 194,928	
Tier 1 capital	223,323	223,323	
Total capital ⁽³⁾	251,399	241,449	
Risk-weighted assets (in billions)	1,651	1,459	
Common equity tier 1 capital ratio	11.8 %	13.4 %	9.5 %
Tier 1 capital ratio	13.5	15.3	11.0
Total capital ratio	15.2	16.6	13.0
Leverage-based metrics:			
Adjusted quarterly average assets (in billions) ⁽⁴⁾	\$ 3,135	\$ 3,135	
Tier 1 leverage ratio	7.1 %	7.1 %	4.0
Supplementary leverage exposure (in billions)		\$ 3,676	
Supplementary leverage ratio		6.1 %	5.0

⁽¹⁾ Capital ratios as of June 30, 2024 and December 31, 2023 are calculated using the regulatory capital rule that allows a five-year transition period related to the adoption of the current expected credit losses (CECL) accounting standard on January 1, 2020.

⁽²⁾ The CET1 capital regulatory minimum is the sum of the CET1 capital ratio minimum of 4.5 percent, our G-SIB surcharge of 3.0 percent at June 30, 2024 and 2.5 percent at December 31, 2023, and our capital conservation buffer (under the Advanced approaches) or SCB (under the Standardized approach) of 2.5 percent, as applicable. The countercyclical capital buffer was zero for both periods. The SLR regulatory minimum includes a leverage buffer of 2.0 percent.

⁽³⁾ Total capital under the Advanced approaches differs from the Standardized approach due to differences in the amount permitted in Tier 2 capital related to the qualifying allowance for credit losses.

⁽⁴⁾ Reflects total average assets adjusted for certain Tier 1 capital deductions.

At June 30, 2024, CET1 capital was \$198.1 billion, an increase of \$3.2 billion from December 31, 2023, primarily due to earnings, partially offset by capital distributions. Tier 1 capital increased \$1.3 billion primarily driven by the same factors as CET1 capital, partially offset by preferred stock redemptions. Total capital under the Standardized approach increased \$35 million primarily due to the same factors driving the increase in Tier 1 capital and an increase in the adjusted allowance for

credit losses included in Tier 2 capital, largely offset by a decrease in subordinated debt. RWA under the Standardized approach, which yielded the lower CET1 capital ratio at June 30, 2024, increased \$10.2 billion during 2024 to \$1,661 billion primarily driven by client activity in *Global Markets* and lending activity in *GWIM*. Supplementary leverage exposure at June 30, 2024 increased \$80.2 billion primarily driven by increased activity in *Global Markets* and *ALM* activities in *All Other*.

Table 9 shows the capital composition at June 30, 2024 and December 31, 2023.

Table 9 Capital Composition under Basel 3

(Dollars in millions)	June 30 2024	December 31 2023
Total common shareholders' equity	\$ 267,344	\$ 263,249
CECL transitional amount ⁽¹⁾	627	1,254
Goodwill, net of related deferred tax liabilities	(68,648)	(68,648)
Deferred tax assets arising from net operating loss and tax credit carryforwards	(8,074)	(7,912)
Intangibles, other than mortgage servicing rights, net of related deferred tax liabilities	(1,467)	(1,496)
Defined benefit pension plan net assets	(787)	(764)
Cumulative unrealized net (gain) loss related to changes in fair value of financial liabilities attributable to own creditworthiness, net-of-tax	1,511	1,342
Accumulated net (gain) loss on certain cash flow hedges ⁽²⁾	7,762	8,025
Other	(149)	(122)
Common equity tier 1 capital	198,119	194,928
Qualifying preferred stock, net of issuance cost	26,547	28,396
Other	(25)	(1)
Tier 1 capital	224,641	223,323
Tier 2 capital instruments	13,583	15,340
Qualifying allowance for credit losses ⁽³⁾	13,564	12,920
Other	(354)	(184)
Total capital under the Standardized approach	251,434	251,399
Adjustment in qualifying allowance for credit losses under the Advanced approaches ⁽³⁾	(10,011)	(9,950)
Total capital under the Advanced approaches	\$ 241,423	\$ 241,449

⁽¹⁾ June 30, 2024 and December 31, 2023 include 25 percent and 50 percent of the CECL transition provision's impact as of December 31, 2021.

⁽²⁾ Includes amounts in accumulated other comprehensive income (OCI) related to the hedging of items that are not recognized at fair value on the Consolidated Balance Sheet.

⁽³⁾ Includes the impact of transition provisions related to the CECL accounting standard.

Table 10 shows the components of RWA as measured under Basel 3 at June 30, 2024 and December 31, 2023.

Table 10 Risk-weighted Assets under Basel 3

(Dollars in billions)	Standardized Approach		Advanced Approaches		Standardized Approach		Advanced Approaches	
	June 30, 2024				December 31, 2023			
Credit risk	\$ 1,588	\$ 991	\$ 1,580	\$ 983				
Market risk	73	73	71	71				
Operational risk	n/a	359	n/a	361				
Risks related to credit valuation adjustments	n/a	46	n/a	44				
Total risk-weighted assets	\$ 1,661	\$ 1,469	\$ 1,651	\$ 1,459				

n/a = not applicable

Bank of America, N.A. Regulatory Capital

Table 11 presents regulatory capital information for BANA in accordance with Basel 3 Standardized and Advanced approaches as measured at June 30, 2024 and December 31, 2023. BANA met the definition of well capitalized under the PCA framework for both periods.

Table 11 Bank of America, N.A. Regulatory Capital under Basel 3

	Standardized Approach ⁽¹⁾	Advanced Approaches ⁽¹⁾	Regulatory Minimum ⁽²⁾			
	June 30, 2024					
(Dollars in millions, except as noted)						
Risk-based capital metrics:						
Common equity tier 1 capital	\$ 190,106	\$ 190,106				
Tier 1 capital	190,106	190,106				
Total capital ⁽³⁾	205,041	195,264				
Risk-weighted assets (in billions)	1,406	1,124				
Common equity tier 1 capital ratio	13.5 %	16.9 %	7.0 %			
Tier 1 capital ratio	13.5	16.9	8.5			
Total capital ratio	14.6	17.4	10.5			
Leverage-based metrics:						
Adjusted quarterly average assets (in billions) ⁽⁴⁾	\$ 2,492	\$ 2,492				
Tier 1 leverage ratio	7.6 %	7.6 %	5.0			
Supplementary leverage exposure (in billions)		\$ 2,944				
Supplementary leverage ratio		6.5 %	6.0			
December 31, 2023						
Risk-based capital metrics:						
Common equity tier 1 capital	\$ 187,621	\$ 187,621				
Tier 1 capital	187,621	187,621				
Total capital ⁽³⁾	201,932	192,175				
Risk-weighted assets (in billions)	1,395	1,114				
Common equity tier 1 capital ratio	13.5 %	16.8 %	7.0 %			
Tier 1 capital ratio	13.5	16.8	8.5			
Total capital ratio	14.5	17.2	10.5			
Leverage-based metrics:						
Adjusted quarterly average assets (in billions) ⁽⁴⁾	\$ 2,471	\$ 2,471				
Tier 1 leverage ratio	7.6 %	7.6 %	5.0			
Supplementary leverage exposure (in billions)		\$ 2,910				
Supplementary leverage ratio		6.4 %	6.0			

⁽¹⁾ Capital ratios as of June 30, 2024 and December 31, 2023 are calculated using the regulatory capital rule that allows a five-year transition period related to the adoption of the CECL accounting standard on January 1, 2020.

⁽²⁾ Risk-based capital regulatory minimums at both June 30, 2024 and December 31, 2023 are the minimum ratios under Basel 3 including a capital conservation buffer of 2.5 percent. The regulatory minimums for the leverage ratios as of both period ends are the percent required to be considered well capitalized under the PCA framework.

⁽³⁾ Total capital under the Advanced approaches differs from the Standardized approach due to differences in the amount permitted in Tier 2 capital related to the qualifying allowance for credit losses.

⁽⁴⁾ Reflects total average assets adjusted for certain Tier 1 capital deductions.

Total Loss-Absorbing Capacity Requirements

Total loss-absorbing capacity (TLAC) consists of the Corporation's Tier 1 capital and eligible long-term debt issued directly by the Corporation. Eligible long-term debt for TLAC ratios is comprised of unsecured debt that has a remaining maturity of at least one year and satisfies additional requirements as prescribed in the TLAC final rule. As with the

risk-based capital ratios and SLR, the Corporation is required to maintain TLAC ratios in excess of minimum requirements plus applicable buffers to avoid restrictions on capital distributions and discretionary bonus payments to executive officers. Table 12 presents the Corporation's TLAC and long-term debt ratios and related information as of June 30, 2024 and December 31, 2023.

Table 12 Bank of America Corporation Total Loss-Absorbing Capacity and Long-Term Debt

	TLAC ⁽¹⁾	Regulatory Minimum ⁽²⁾	Long-term Debt	Regulatory Minimum ⁽³⁾
(Dollars in millions)				
Total eligible balance	\$ 467,863		\$ 226,808	
Percentage of risk-weighted assets ⁽⁴⁾	28.2 %	22.0 %	13.7 %	9.0 %
Percentage of supplementary leverage exposure	12.5	9.5	6.0	4.5
June 30, 2024				
Total eligible balance	\$ 479,156		\$ 239,892	
Percentage of risk-weighted assets ⁽⁴⁾	29.0 %	22.0 %	14.5 %	8.5 %
Percentage of supplementary leverage exposure	13.0	9.5	6.5	4.5
December 31, 2023				

⁽¹⁾ As of June 30, 2024 and December 31, 2023, TLAC ratios are calculated using the regulatory capital rule that allows a five-year transition period related to the adoption of the CECL accounting standard on January 1, 2020.

⁽²⁾ The TLAC RWA regulatory minimum consists of 18.0 percent plus a TLAC RWA buffer comprised of 2.5 percent plus the Method 1 G-SIB surcharge of 1.5 percent. The countercyclical buffer is zero for both periods. The TLAC supplementary leverage exposure regulatory minimum consists of 7.5 percent plus a 2.0 percent TLAC leverage buffer. The TLAC RWA and leverage buffers must be comprised solely of CET1 capital and Tier 1 capital, respectively.

⁽³⁾ The long-term debt RWA regulatory minimum is comprised of 6.0 percent plus the Corporation's G-SIB surcharge of 3.0 percent at June 30, 2024 and 2.5 percent at December 31, 2023. The long-term debt leverage exposure regulatory minimum is 4.5 percent. Effective January 1, 2024, the Corporation's G-SIB surcharge, which is higher under Method 2, increased 50 bps, resulting in an increase in our long-term debt RWA regulatory minimum requirement to 9.0 percent from 8.5 percent.

⁽⁴⁾ The approach that yields the higher RWA is used to calculate TLAC and long-term debt ratios, which was the Standardized approach as of June 30, 2024 and December 31, 2023.

Regulatory Developments

For information on regulatory developments, see Capital Management – Regulatory Developments in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Regulatory Capital and Securities Regulation

The Corporation's principal U.S. broker-dealer subsidiaries are BofA Securities, Inc. (BofAS) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S). The Corporation's principal European subsidiaries undertaking broker-dealer activities are Merrill Lynch International (MLI) and BofA Securities Europe SA (BofASE).

The U.S. broker-dealer subsidiaries are subject to the net capital requirements of Rule 15c3-1 under the Exchange Act. BofAS computes its capital requirements as an alternative net capital broker-dealer under Rule 15c3-1e, and MLPF&S computes its capital requirements in accordance with the alternative standard under Rule 15c3-1. BofAS is registered as a futures commission merchant and is subject to Commodity Futures Trading Commission (CFTC) Regulation 1.17. The U.S. broker-dealer subsidiaries are also registered with the Financial Industry Regulatory Authority, Inc. (FINRA). Pursuant to FINRA Rule 4110, FINRA may impose higher net capital requirements than Rule 15c3-1 under the Exchange Act with respect to each of the broker-dealers.

BofAS provides institutional services, and in accordance with the alternative net capital requirements, is required to maintain tentative net capital in excess of \$5.0 billion and net capital in excess of the greater of \$1.0 billion or a certain percentage of its reserve requirement in addition to a certain percentage of securities-based swap risk margin. BofAS must also notify the SEC in the event its tentative net capital is less than \$6.0 billion. BofAS is also required to hold a certain percentage of its customers' and affiliates' risk-based margin in order to meet its CFTC minimum net capital requirement. At June 30, 2024, BofAS had tentative net capital of \$22.0 billion. BofAS also had regulatory net capital of \$19.3 billion, which exceeded the minimum requirement of \$4.1 billion.

MLPF&S provides retail services. At June 30, 2024, MLPF&S' regulatory net capital was \$4.2 billion, which exceeded the minimum requirement of \$158 million.

Our European broker-dealers are subject to requirements from U.S. and non-U.S. regulators. MLI, a U.K. investment firm, is regulated by the Prudential Regulation Authority and the Financial Conduct Authority and is subject to certain regulatory

capital requirements. At June 30, 2024, MLI's capital resources were \$33.8 billion, which exceeded the minimum Pillar 1 requirement of \$12.1 billion.

BofASE, an authorized credit institution with its head office located in France, is regulated by the Autorité de Contrôle Prudentiel et de Résolution and the Autorité des Marchés Financiers, and supervised under the Single Supervisory Mechanism by the European Central Bank. At June 30, 2024, BofASE's capital resources were \$9.8 billion, which exceeded the minimum Pillar 1 requirement of \$3.5 billion.

In addition, MLI and BofASE remained conditionally registered with the SEC as security-based swap dealers, and maintained net liquid assets at June 30, 2024 that exceeded the applicable minimum requirements under the Exchange Act. The entities are also registered as swap dealers with the CFTC and met applicable capital requirements at June 30, 2024.

Liquidity Risk

Funding and Liquidity Risk Management

Our primary liquidity risk management objective is to meet expected or unexpected cash flow and collateral requirements, including payments under long-term debt agreements, commitments to extend credit and customer deposit withdrawals, while continuing to support our businesses and customers under a range of economic conditions. To achieve that objective, we analyze and monitor our liquidity risk under expected and stressed conditions, maintain liquidity and access to diverse funding sources, including our stable deposit base, and seek to align liquidity-related incentives and risks. These liquidity risk management practices have allowed us to effectively manage market fluctuations from the rising interest rate environment, inflationary pressures and changes in the macroeconomic environment.

We define liquidity as readily available assets, limited to cash and high-quality, liquid, unencumbered securities that we can use to meet our contractual and contingent financial obligations as they arise. We manage our liquidity position through line-of-business and ALM activities, as well as through our legal entity funding strategy, on both a forward and current (including intraday) basis under both expected and stressed conditions. We believe that a centralized approach to funding and liquidity management enhances our ability to monitor liquidity requirements, maximizes access to funding sources,

minimizes borrowing costs and facilitates timely responses to liquidity events. For more information on the Corporation's liquidity risks, see the Liquidity section within Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K. For more information regarding global funding and liquidity risk management, as well as liquidity sources, liquidity arrangements, contingency planning and credit ratings discussed below, see Liquidity Risk in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

NB Holdings Corporation

Bank of America Corporation, as the parent company (the Parent), which is a separate and distinct legal entity from our bank and nonbank subsidiaries, has an intercompany arrangement with our wholly-owned holding company subsidiary, NB Holdings Corporation (NB Holdings). We have transferred, and agreed to transfer, additional Parent assets not required to satisfy anticipated near-term expenditures to NB Holdings. The Parent is expected to continue to have access to the same flow of dividends, interest and other amounts of cash necessary to service its debt, pay dividends and perform other obligations as it would have had it not entered into these arrangements and transferred any assets. These arrangements support our preferred single point of entry resolution strategy, under which only the Parent would be resolved under the U.S. Bankruptcy Code.

Global Liquidity Sources and Other Unencumbered Assets

We maintain liquidity available to the Corporation, including the Parent and selected subsidiaries, in the form of cash and high-quality, liquid, unencumbered securities. Our liquidity buffer, referred to as Global Liquidity Sources (GLS), is comprised of assets that are readily available to the Parent and selected subsidiaries, including holding company, bank and broker-dealer subsidiaries, even during stressed market conditions. Our cash is primarily on deposit with the Federal Reserve Bank and, to a lesser extent, central banks outside of the U.S. We limit the composition of high-quality, liquid, unencumbered securities to U.S. government securities, U.S. agency securities, U.S. agency mortgage-backed securities and other investment-grade securities, and a select group of non-U.S. government securities. We can obtain cash for these securities, even in stressed conditions, through repurchase agreements or outright sales. We hold our GLS in legal entities that allow us to meet the liquidity requirements of our global businesses, and we consider the impact of potential regulatory, tax, legal and other restrictions that could limit the transferability of funds among entities.

Table 13 presents average GLS for the three months ended June 30, 2024 and December 31, 2023.

Table 13 Average Global Liquidity Sources

(Dollars in billions)	Three Months Ended		December 31
	June 30 2024	2023	
Bank entities	\$ 745	\$ 735	
Nonbank and other entities ⁽¹⁾	164	162	
Total Average Global Liquidity Sources	\$ 909	\$ 897	

⁽¹⁾ Nonbank includes Parent, NB Holdings and other regulated entities.

Our bank subsidiaries' liquidity is primarily driven by deposit and lending activity, as well as securities valuation and net debt activity. Bank subsidiaries can also generate incremental liquidity by pledging a range of unencumbered loans and securities to certain Federal Home Loan Banks (FHLBs) and the

Federal Reserve Discount Window. The cash we could have obtained by borrowing against this pool of specifically-identified eligible assets was \$317 billion and \$312 billion at June 30, 2024 and December 31, 2023. We have established operational procedures to enable us to borrow against these assets, including regularly monitoring our total pool of eligible loans and securities collateral. Eligibility is defined in guidelines from the FHLBs and the Federal Reserve and is subject to change at their discretion. Due to regulatory restrictions, liquidity generated by the bank subsidiaries can generally be used only to fund obligations within the bank subsidiaries, and transfers to the Parent or nonbank subsidiaries may be subject to prior regulatory approval.

Liquidity is also held in nonbank entities, including the Parent, NB Holdings and other regulated entities. The Parent and NB Holdings liquidity is typically in the form of cash deposited at BANA, which is excluded from the liquidity at bank subsidiaries, and high-quality, liquid, unencumbered securities. Liquidity held in other regulated entities, comprised primarily of broker-dealer subsidiaries, is primarily available to meet the obligations of that entity, and transfers to the Parent or to any other subsidiary may be subject to prior regulatory approval due to regulatory restrictions and minimum requirements. Our other regulated entities also hold unencumbered investment-grade securities and equities that we believe could be used to generate additional liquidity.

Table 14 presents the composition of average GLS for the three months ended June 30, 2024 and December 31, 2023.

Table 14 Average Global Liquidity Sources Composition

(Dollars in billions)	Three Months Ended		December 31
	June 30 2024	2023	
Cash on deposit	\$ 344	\$ 380	
U.S. Treasury securities	256	197	
U.S. agency securities, mortgage-backed securities, and other investment-grade securities	286	299	
Non-U.S. government securities	23	21	
Total Average Global Liquidity Sources	\$ 909	\$ 897	

Our GLS are substantially the same in composition to what qualifies as High Quality Liquid Assets (HQLA) under the final U.S. Liquidity Coverage Ratio (LCR) rules. However, HQLA for purposes of calculating LCR is not reported at market value, but at a lower value that incorporates regulatory deductions and the exclusion of excess liquidity held at certain subsidiaries. The LCR is calculated as the amount of a financial institution's unencumbered HQLA relative to the estimated net cash outflows the institution could encounter over a 30-day period of significant liquidity stress, expressed as a percentage. Our average consolidated HQLA, on a net basis, was \$592 billion and \$590 billion for the three months ended June 30, 2024 and December 31, 2023. For the same periods, the average consolidated LCR was 113 percent and 115 percent. Our LCR fluctuates due to normal business flows from customer activity.

Liquidity Stress Analysis

We utilize liquidity stress analysis to assist us in determining the appropriate amounts of liquidity to maintain at the Parent and our subsidiaries to meet contractual and contingent cash outflows under a range of scenarios. For more information on liquidity stress analysis, see Liquidity Risk – Liquidity Stress Analysis in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is a liquidity requirement for large banks to maintain a minimum level of stable funding over a one-year period. The requirement is intended to support the ability of banks to lend to households and businesses in both normal and adverse economic conditions and is complementary to the LCR, which focuses on short-term liquidity risks. The U.S. NSFR applies to the Corporation on a consolidated basis and to our insured depository institutions. For the three months ended March 31, 2024 and June 30, 2024, the average consolidated NSFR was 120 percent and 119 percent.

Diversified Funding Sources

We fund our assets primarily with a mix of deposits, and secured and unsecured liabilities through a centralized, globally coordinated funding approach diversified across products, programs, markets, currencies and investor groups. We fund a substantial portion of our lending activities through our deposits, which were \$1.91 trillion and \$1.92 trillion at June 30, 2024 and December 31, 2023. Our trading activities in other regulated entities are primarily funded on a secured basis through securities lending and repurchase agreements, and these amounts will vary based on customer activity and market conditions.

Deposits

Our deposit base is well-diversified by clients, geography and product type across our business segments. At June 30, 2024, 50 percent of our deposits were in *Consumer Banking*, 15 percent in *GWIM* and 27 percent in *Global Banking*. We consider a substantial portion of our deposit base to be a stable, low-

cost and consistent source of liquidity. At June 30, 2024 approximately 68 percent of consumer and small business deposits and 79 percent of U.S. deposits in *Global Banking* were held by clients who have had accounts with us for 10 or more years. In addition, at June 30, 2024 and December 31, 2023, 27 percent and 28 percent of our deposits were noninterest bearing and included operating accounts of our consumer and commercial clients. Deposits at June 30, 2024 decreased \$13.3 billion from December 31, 2023 primarily due to seasonal deposit outflows and customers' movement of balances to higher yielding investment alternatives, partially offset by time deposit growth.

During the three months ended June 30, 2024 and 2023, rates paid on deposits were 60 bps and 22 bps in *Consumer Banking*, 314 bps and 235 bps in *GWIM*, and 318 bps and 224 bps in *Global Banking*. For information on rates paid on consolidated deposit balances, see Table 6 on page 8.

Long-term Debt

During the six months ended June 30, 2024, we issued \$29.8 billion of long-term debt consisting of \$7.8 billion of notes issued by Bank of America Corporation, which were primarily TLAC compliant, \$10.6 billion of notes issued by Bank of America, N.A. and \$11.4 billion of other debt.

During the six months ended June 30, 2024, we had total long-term debt maturities and redemptions in the aggregate of \$33.7 billion consisting of \$20.9 billion for Bank of America Corporation, \$6.8 billion for Bank of America, N.A. and \$6.0 billion of other debt. Table 15 presents the carrying value of aggregate annual contractual maturities of long-term debt at June 30, 2024.

Table 15 Long-term Debt by Maturity

(Dollars in millions)	Remainder of 2024		2025	2026	2027	2028	Thereafter	Total
Bank of America Corporation								
Senior notes ⁽¹⁾	\$	—	\$ 13,013	\$ 24,560	\$ 21,349	\$ 27,423	\$ 102,997	\$ 189,342
Senior structured notes		317	1,550	1,281	927	1,056	11,231	16,362
Subordinated notes		3,105	5,129	4,865	2,085	913	9,122	25,219
Junior subordinated notes		—	—	—	191	—	557	748
Total Bank of America Corporation	3,422	19,692	30,706	24,552	29,392	123,907	123,907	231,671
Bank of America, N.A.								
Senior notes		—	4,913	3,261	—	662	—	8,836
Subordinated notes		—	—	—	—	—	1,424	1,424
Advances from Federal Home Loan Banks		4,750	3,712	8	3	8	40	8,521
Securitizations and other Bank VIEs ⁽²⁾		—	2,392	3,475	1,249	1,234	274	8,624
Other		21	572	82	18	57	80	830
Total Bank of America, N.A.	4,771	11,589	6,826	1,270	1,961	1,818	1,818	28,235
Other debt								
Structured Liabilities		2,045	4,702	4,677	4,211	1,983	12,399	30,017
Nonbank VIEs ⁽²⁾		35	8	6	—	6	496	551
Total other debt	2,080	4,710	4,683	4,211	1,989	12,895	12,895	30,568
Total long-term debt	\$ 10,273	\$ 35,991	\$ 42,215	\$ 30,033	\$ 33,342	\$ 138,620	\$ 138,620	\$ 290,474

⁽¹⁾ Total includes \$176.5 billion of outstanding notes that are both TLAC eligible and callable one year before their stated maturities, including \$9.6 billion during the remainder of 2024, and \$21.8 billion, \$21.3 billion, \$24.6 billion and \$19.4 billion during each year of 2025 through 2028, respectively, and \$79.8 billion thereafter. For more information on our TLAC eligible and callable outstanding notes, see Liquidity Risk – Diversified Funding Sources in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

⁽²⁾ Represents liabilities of consolidated variable interest entities (VIEs) included in total long-term debt on the Consolidated Balance Sheet.

Total long-term debt decreased \$11.7 billion to \$290.5 billion during the six months ended June 30, 2024 primarily due to debt maturities and valuation adjustments, partially offset by debt issuances. We may, from time to time, purchase outstanding debt instruments in various transactions, depending on market conditions, liquidity and other factors. Our other regulated entities may also make markets in our debt instruments to provide liquidity for investors.

During the six months ended June 30, 2024, we issued \$14.2 billion of structured notes, which are debt obligations that pay investors returns linked to other debt or equity securities, indices, currencies or commodities. These structured notes are typically issued to meet client demand, and notes with certain attributes may also be TLAC eligible. We typically hedge the returns we are obligated to pay on these liabilities with derivatives and/or investments in the underlying

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instruments, so that from a funding perspective, the cost is similar to our other unsecured long-term debt. We could be required to settle certain structured note obligations for cash or other securities prior to maturity under certain circumstances, which we consider for liquidity planning purposes. We believe, however, that a portion of such borrowings will remain outstanding beyond the earliest put or redemption date.

Substantially all of our senior and subordinated debt obligations contain no provisions that could trigger a requirement for an early repayment, require additional collateral support, result in changes to terms, accelerate maturity or create additional financial obligations upon an adverse change in our credit ratings, financial ratios, earnings, cash flows or stock price. For more information on long-term debt funding, including issuances and maturities and redemptions, see Note 11 – Long-term Debt to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

We use derivative transactions to manage the duration, interest rate and currency risks of our borrowings, considering the characteristics of the assets they are funding. For more information on our ALM activities, see Interest Rate Risk Management for the Banking Book on page 44.

Table 16 Senior Debt Ratings

	Moody's Investors Service			Standard & Poor's Global Ratings			Fitch Ratings		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
Bank of America Corporation	A1	P-1	Stable	A-	A-2	Stable	AA-	F1+	Stable
Bank of America, N.A.	Aa1	P-1	Negative	A+	A-1	Stable	AA	F1+	Stable
Bank of America Europe Designated Activity Company	NR	NR	NR	A+	A-1	Stable	AA	F1+	Stable
Merrill Lynch, Pierce, Fenner & Smith Incorporated	NR	NR	NR	A+	A-1	Stable	AA	F1+	Stable
BofA Securities, Inc.	NR	NR	NR	A+	A-1	Stable	AA	F1+	Stable
Merrill Lynch International	NR	NR	NR	A+	A-1	Stable	AA	F1+	Stable
BofA Securities Europe SA	NR	NR	NR	A+	A-1	Stable	AA	F1+	Stable

NR = not rated

Finance Subsidiary Issuers and Parent Guarantor

BofA Finance LLC, a Delaware limited liability company (BofA Finance), is a consolidated finance subsidiary of the Corporation that has issued and sold, and is expected to continue to issue and sell, its senior unsecured debt securities (Guaranteed Notes) that are fully and unconditionally guaranteed by the Corporation. The Corporation guarantees the due and punctual payment, on demand, of amounts payable on the Guaranteed Notes if not paid by BofA Finance. In addition, each of BAC Capital Trust XIII, BAC Capital Trust XIV and BAC Capital Trust XV, Delaware statutory trusts (collectively, the Trusts) is a 100 percent owned finance subsidiary of the Corporation that has issued and sold trust preferred securities (the Trust Preferred Securities) or capital securities (the Capital Securities and, together with the Guaranteed Notes and the Trust Preferred Securities, the Guaranteed Securities), as applicable, that remained outstanding at June 30, 2024. The Corporation has fully and unconditionally guaranteed (or effectively provided for the full and unconditional guarantee of) all such securities issued by such finance subsidiaries. For more information regarding such guarantees by the Corporation, see Liquidity Risk – Finance Subsidiary Issuers and Parent Guarantor in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Representations and Warranties Obligations

For information on representations and warranties obligations in connection with the sale of mortgage loans, see Note 12 –

Credit Ratings

Credit ratings and outlooks are opinions expressed by rating agencies on our creditworthiness and that of our obligations or securities, including long-term debt, short-term borrowings, preferred stock and other securities, including asset securitizations. Table 16 presents the Corporation's current long-term/short-term senior debt ratings and outlooks expressed by the rating agencies.

The ratings and outlooks from Moody's Investors Service, Standard & Poor's Global Ratings and Fitch Ratings for the Corporation and its subsidiaries have not changed from those disclosed in the Corporation's 2023 Annual Report on Form 10-K.

For more information on additional collateral and termination payments that could be required in connection with certain over-the-counter derivative contracts and other trading agreements in the event of a credit rating downgrade, see Note 3 – Derivatives to the Consolidated Financial Statements herein and Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K.

Commitments and Contingencies to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Credit Risk Management

For information on our credit risk management activities, see the following: Consumer Portfolio Credit Risk Management on page 29, Commercial Portfolio Credit Risk Management on page 33, Non-U.S. Portfolio on page 39, Allowance for Credit Losses on page 40, Note 5 – Outstanding Loans and Leases and Allowance for Credit Losses to the Consolidated Financial Statements, and Credit Risk Management in the MD&A of the Corporation's 2023 Annual Report on Form 10-K. For information on the Corporation's loan modification programs, see Note 1 – Summary of Significant Accounting Principles and Note 5 – Outstanding Loans and Leases and Allowance for Credit Losses to the Consolidated Financial Statements. For more information on the Corporation's credit risks, see the Credit section within Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K.

During the six months ended June 30, 2024, our net charge-off ratio increased primarily driven by credit card loans and the commercial real estate office portfolio. Commercial reservable criticized exposure increased compared to December 31, 2023 driven by an increase across a broad range of industries excluding commercial real estate, while nonperforming loans remained relatively unchanged. Uncertainty remains regarding

broader economic impacts as a result of inflationary pressures, elevated rates and the current geopolitical environment and could lead to adverse impacts to credit quality metrics in future periods.

Consumer Portfolio Credit Risk Management

Credit risk management for the consumer portfolio begins with initial underwriting and continues throughout a borrower's credit cycle. Statistical techniques in conjunction with experiential judgment are used in all aspects of portfolio management including underwriting, product pricing, risk appetite, setting credit limits, and establishing operating processes and metrics to quantify and balance risks and returns. Statistical models are built using detailed behavioral information from external sources, such as credit bureaus, and/or internal historical experience and are a component of our consumer credit risk management process. These models are used in part to assist in making both new and ongoing credit decisions as well as portfolio management strategies, including authorizations and line management, collection practices and strategies, and determination of the allowance for loan and lease losses and allocated capital for credit risk.

Consumer Credit Portfolio

During the six months ended June 30, 2024, the U.S. unemployment rate remained relatively stable and home prices continued to rise. During the three and six months ended June 30, 2024, net charge-offs increased \$339 million and \$714 million to \$1.1 billion and \$2.1 billion compared to the same periods in 2023, primarily due to higher credit card loan charge-offs.

The consumer allowance for loan and lease losses was \$8.5 billion, relatively unchanged from December 31, 2023. For more information, see Allowance for Credit Losses on page 40.

For more information on our accounting policies regarding delinquencies, nonperforming status, charge-offs and loan modifications for the consumer portfolio, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K and Note 5 – Outstanding Loans and Leases and Allowance for Credit Losses to the Consolidated Financial Statements.

Table 17 presents our outstanding consumer loans and leases, consumer nonperforming loans and accruing consumer loans past due 90 days or more.

Table 17 Consumer Credit Quality

(Dollars in millions)	Outstandings		Nonperforming		Accruing Past Due 90 Days or More	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023
Residential mortgage ⁽¹⁾	\$ 227,870	\$ 228,403	\$ 2,097	\$ 2,114	\$ 211	\$ 252
Home equity	25,442	25,527	422	450	—	—
Credit card	99,450	102,200	n/a	n/a	1,257	1,224
Direct/Indirect consumer ⁽²⁾	103,834	103,468	152	148	6	2
Other consumer	117	124	—	—	—	—
Consumer loans excluding loans accounted for under the fair value option	\$ 456,713	\$ 459,722	\$ 2,671	\$ 2,712	\$ 1,474	\$ 1,478
Loans accounted for under the fair value option ⁽³⁾	231	243				
Total consumer loans and leases	\$ 456,944	\$ 459,965				
Percentage of outstanding consumer loans and leases ⁽⁴⁾	n/a	n/a	0.58 %	0.59 %	0.32 %	0.32 %
Percentage of outstanding consumer loans and leases, excluding fully-insured loan portfolios ⁽⁴⁾	n/a	n/a	0.60	0.60	0.28	0.27

⁽¹⁾ Residential mortgage loans accruing past due 90 days or more are fully-insured loans. At June 30, 2024 and December 31, 2023, residential mortgage included \$125 million and \$156 million of loans on which interest had been curtailed by the Federal Housing Administration (FHA), and therefore were no longer accruing interest, although principal was still insured, and \$86 million and \$96 million of loans on which interest was still accruing.

⁽²⁾ Outstandings primarily includes auto and specialty lending loans and leases of \$53.6 billion and \$53.9 billion, U.S. securities-based lending loans of \$46.7 billion and \$46.0 billion at June 30, 2024 and December 31, 2023, and non-U.S. consumer loans of \$2.8 billion at both June 30, 2024 and December 31, 2023.

⁽³⁾ For more information on the fair value option, see Note 15 – Fair Value Option to the Consolidated Financial Statements.

⁽⁴⁾ Excludes consumer loans accounted for under the fair value option. At June 30, 2024 and December 31, 2023, loans accounted for under the fair value option past due 90 days or more and not accruing interest were insignificant.

n/a= not applicable

Table 18 presents net charge-offs and related ratios for consumer loans and leases.

Table 18 Consumer Net Charge-offs and Related Ratios

(Dollars in millions)	Net Charge-offs				Net Charge-off Ratios ⁽¹⁾			
	Three Months Ended June 30		Six Months Ended June 30		Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023	2024	2023	2024	2023
Residential mortgage	\$ —	\$ 2	\$ 3	\$ 3	— %	— %	— %	— %
Home equity	(14)	(16)	(27)	(28)	(0.23)	(0.25)	(0.21)	(0.21)
Credit card	955	610	1,854	1,111	3.88	2.60	3.75	2.41
Direct/Indirect consumer	51	17	116	18	0.20	0.06	0.23	0.03
Other consumer	67	107	141	269	n/m	n/m	n/m	n/m
Total	\$ 1,059	\$ 720	\$ 2,087	\$ 1,373	0.93	0.64	0.92	0.61

⁽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.

n/m = not meaningful

We believe that the presentation of information adjusted to exclude the impact of the fully-insured loan portfolio and loans accounted for under the fair value option is more representative of the ongoing operations and credit quality of the business. As a result, in the following tables and discussions of the residential mortgage and home equity portfolios, we exclude loans accounted for under the fair value option and provide information that excludes the impact of the fully-insured loan portfolio in certain credit quality statistics.

Residential Mortgage

The residential mortgage portfolio made up the largest percentage of our consumer loan portfolio at 50 percent of consumer loans and leases at June 30, 2024. Approximately 51 percent of the residential mortgage portfolio was in *Consumer Banking*, 46 percent was in *GWIM* and the remaining portion was in *All Other*.

Outstanding balances in the residential mortgage portfolio decreased \$533 million during the six months ended June 30, 2024, as paydowns and payoffs outpaced new originations.

At June 30, 2024 and December 31, 2023, the residential mortgage portfolio included \$10.5 billion and \$11.0 billion of outstanding fully-insured loans, of which \$2.1 billion and \$2.2 billion had FHA insurance, with the remainder protected by Fannie Mae long-term standby agreements.

Table 19 presents certain residential mortgage key credit statistics on both a reported basis and excluding the fully-insured loan portfolio. The following discussion presents the residential mortgage portfolio excluding the fully-insured loan portfolio.

Table 19 Residential Mortgage – Key Credit Statistics

(Dollars in millions)	Reported Basis ⁽¹⁾		Excluding Fully-insured Loans ⁽¹⁾	
	June 30 2024		December 31 2023	
	\$ 227,870	\$ 228,403	\$ 217,377	\$ 217,439
Outstandings	\$ 1,452	\$ 1,513	\$ 987	\$ 986
Accruing past due 30 days or more	211	252	—	—
Accruing past due 90 days or more	2,097	2,114	2,097	2,114
Nonperforming loans ⁽²⁾				
Percent of portfolio				
Refreshed LTV greater than 90 but less than or equal to 100	1 %	1 %	1 %	1 %
Refreshed LTV greater than 100	—	—	—	—
Refreshed FICO below 620	1	1	1	1

⁽¹⁾ Outstandings, accruing past due, nonperforming loans and percentages of portfolio exclude loans accounted for under the fair value option.

⁽²⁾ Includes loans that are contractually current that have not yet demonstrated a sustained period of payment performance following a modification.

Nonperforming outstanding balances in the residential mortgage portfolio remained relatively unchanged during the six months ended June 30, 2024. Of the nonperforming residential mortgage loans at June 30, 2024, \$1.3 billion, or 63 percent, were current on contractual payments. Loans accruing past due 30 days or more of \$987 million also remained relatively unchanged.

\$49 million, or one percent, of outstanding interest-only residential mortgages that had entered the amortization period were accruing past due 30 days or more compared to \$987 million, or less than one percent, for the entire residential mortgage portfolio. In addition, at June 30, 2024, \$197 million, or six percent, of outstanding interest-only residential mortgage loans that had entered the amortization period were nonperforming, of which \$75 million were contractually current. Loans that have yet to enter the amortization period in our interest-only residential mortgage portfolio are primarily well-collateralized loans to our wealth management clients and have an interest-only period of three years to 10 years. Substantially all of these loans that have yet to enter the amortization period will not be required to make a fully-amortizing payment until 2026 or later.

Of the \$217.4 billion in total residential mortgage loans outstanding at June 30, 2024, \$63.5 billion, or 29 percent, of loans were originated as interest-only. The outstanding balance of interest-only residential mortgage loans that had entered the amortization period was \$3.5 billion, or six percent, at June 30, 2024. Residential mortgage loans that have entered the amortization period generally experience a higher rate of early stage delinquencies and nonperforming status compared to the residential mortgage portfolio as a whole. At June 30, 2024,

Table 20 presents outstandings, nonperforming loans and net charge-offs by certain state concentrations for the residential mortgage portfolio. In the New York area, the New York-Northern New Jersey-Long Island Metropolitan Statistical Area (MSA) made up 15 percent of outstandings at both

June 30, 2024 and December 31, 2023. The Los Angeles-Long Beach-Santa Ana MSA within California represented 14 percent of outstandings at both June 30, 2024 and December 31, 2023.

Table 20 Residential Mortgage State Concentrations

(Dollars in millions)	Outstandings ⁽¹⁾		Nonperforming ⁽¹⁾		Net Charge-offs			
					Three Months Ended June 30		Six Months Ended June 30	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	2024	2023	2024	2023
California	\$ 81,240	\$ 81,085	\$ 634	\$ 641	—	\$ (1)	\$ 2	\$ (1)
New York	25,864	25,975	317	320	1	1	1	3
Florida	15,605	15,450	138	131	(1)	—	(1)	(2)
Texas	9,313	9,361	88	88	—	1	—	1
New Jersey	8,626	8,671	94	97	(1)	(1)	(1)	(1)
Other	76,729	76,897	826	837	1	2	2	3
Residential mortgage loans	\$ 217,377	\$ 217,439	\$ 2,097	\$ 2,114	—	\$ 2	\$ 3	\$ 3
Fully-insured loan portfolio	10,493	10,964						
Total residential mortgage loan portfolio	\$ 227,870	\$ 228,403						

⁽¹⁾ Outstandings and nonperforming loans exclude loans accounted for under the fair value option.

Home Equity

At June 30, 2024, the home equity portfolio made up six percent of the consumer portfolio and was comprised of home equity lines of credit (HELOCs), home equity loans and reverse mortgages. HELOCs generally have an initial draw period of 10 years, and after the initial draw period ends, the loans generally convert to 15- or 20-year amortizing loans. We no longer originate home equity loans or reverse mortgages.

At June 30, 2024, 84 percent of the home equity portfolio was in *Consumer Banking*, 10 percent was in *GWIM* and the remainder of the portfolio was in *All Other*. Outstanding balances in the home equity portfolio decreased \$85 million during the six months ended June 30, 2024 primarily due to paydowns outpacing draws on existing lines and new originations. Of the

total home equity portfolio at June 30, 2024 and December 31, 2023, \$9.7 billion and \$10.1 billion, or 38 percent and 39 percent, were in first-lien positions. At June 30, 2024, outstanding balances in the home equity portfolio that were in a second-lien or more junior-lien position and where we also held the first-lien loan totaled \$4.4 billion, or 17 percent, of our total home equity portfolio.

Unused HELOCs totaled \$45.3 billion and \$45.1 billion at June 30, 2024 and December 31, 2023. The HELOC utilization rate was 35 percent at both June 30, 2024 and December 31, 2023.

Table 21 presents certain home equity portfolio key credit statistics.

Table 21 Home Equity – Key Credit Statistics⁽¹⁾

(Dollars in millions)	June 30 2024		December 31 2023	
Outstandings	\$ 25,442		\$ 25,527	
Accruing past due 30 days or more	87		95	
Nonperforming loans ⁽²⁾	422		450	
Percent of portfolio				
Refreshed CLTV greater than 90 but less than or equal to 100	— %		— %	
Refreshed CLTV greater than 100	—		—	
Refreshed FICO below 620	3		3	

⁽¹⁾ Outstandings, accruing past due, nonperforming loans and percentages of the portfolio exclude loans accounted for under the fair value option.

⁽²⁾ Includes loans that are contractually current that have not yet demonstrated a sustained period of payment performance following a modification.

Nonperforming outstanding balances in the home equity portfolio decreased \$28 million to \$422 million at June 30, 2024, primarily driven by paydowns and payoffs and returns to performing status outpacing new additions. Of the nonperforming home equity loans at June 30, 2024, \$253 million, or 60 percent, were current on contractual payments. In addition, \$94 million, or 22 percent, were 180 days or more past due and had been written down to the estimated fair value of the collateral, less costs to sell. Accruing loans that were 30 days or more past due remained relatively unchanged during the six months ended June 30, 2024.

Of the \$25.4 billion in total home equity portfolio outstandings at June 30, 2024, as shown in Table 21, 10 percent require interest-only payments. The outstanding balance of HELOCs that had reached the end of their draw period and

entered the amortization period was \$3.6 billion at June 30, 2024. The HELOCs that have entered the amortization period have experienced a higher percentage of early stage delinquencies and nonperforming status when compared to the HELOC portfolio as a whole. At June 30, 2024, \$36 million, or one percent, of outstanding HELOCs that had entered the amortization period were accruing past due 30 days or more. In addition, at June 30, 2024, \$262 million, or seven percent, were nonperforming.

For our interest-only HELOC portfolio, we do not actively track how many of our home equity customers pay only the minimum amount due on their home equity loans and lines; however, we can infer some of this information through a review of our HELOC portfolio that we service and is still in its revolving period. During the six months ended June 30, 2024, 29 percent

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of these customers with an outstanding balance did not pay any principal on their HELOCs.

Table 22 presents outstandings, nonperforming balances and net recoveries by certain state concentrations for the home equity portfolio. In the New York area, the New York-Northern New Jersey-Long Island MSA made up 11 percent of the

outstanding home equity portfolio at both June 30, 2024 and December 31, 2023. The Los Angeles-Long Beach-Santa Ana MSA within California made up 10 percent of the outstanding home equity portfolio at both June 30, 2024 and December 31, 2023.

Table 22 Home Equity State Concentrations

(Dollars in millions)	Outstandings ⁽¹⁾		Nonperforming ⁽¹⁾		Net Charge-Offs			
	June 30 2024		December 31 2023		June 30 2024		December 31 2023	
	2024	2023	2024	2023	2024	2023	2024	2023
California	\$ 6,960	\$ 6,966	\$ 105	\$ 109	\$ (2)	\$ (1)	\$ (5)	\$ (2)
Florida	2,539	2,576	49	53	(2)	(2)	(4)	(5)
New Jersey	1,830	1,870	38	46	(2)	(3)	(4)	(3)
New York	1,527	1,590	66	71	(2)	(2)	(2)	(4)
Texas	1,457	1,410	15	16	—	—	—	—
Other	11,129	11,115	149	155	(6)	(8)	(12)	(14)
Total home equity loan portfolio	\$ 25,442	\$ 25,527	\$ 422	\$ 450	\$ (14)	\$ (16)	\$ (27)	\$ (28)

⁽¹⁾ Outstandings and nonperforming loans exclude loans accounted for under the fair value option.

Credit Card

At June 30, 2024, 97 percent of the credit card portfolio was managed in *Consumer Banking* with the remainder in *GWIM*. Outstandings in the credit card portfolio decreased \$2.8 billion during the six months ended June 30, 2024 to \$99.5 billion as payments more than offset purchase volume and card transfers. Net charge-offs increased \$345 million to \$955 million and \$743 million to \$1.9 billion during the three and six months ended June 30, 2024 compared to the same periods in 2023.

Credit card loans 30 days or more past due and still accruing interest of \$2.4 billion, and 90 days or more past due and still accruing interest of \$1.3 billion remained relatively unchanged at June 30, 2024.

Unused lines of credit for credit card increased to \$396.5 billion at June 30, 2024 from \$390.2 billion at December 31, 2023.

Table 23 presents certain state concentrations for the credit card portfolio.

Table 23 Credit Card State Concentrations

(Dollars in millions)	Outstandings		Accruing Past Due 90 Days or More		Net Charge-offs			
	June 30 2024		December 31 2023		June 30 2024		December 31 2023	
	2024	2023	2024	2023	2024	2023	2024	2023
California	\$ 16,518	\$ 16,952	\$ 235	\$ 216	\$ 177	\$ 109	\$ 338	\$ 197
Florida	10,325	10,521	172	168	130	80	253	149
Texas	8,739	8,978	127	125	94	57	184	105
New York	5,574	5,788	79	84	60	51	122	90
Washington	5,339	5,352	43	41	31	18	58	32
Other	52,955	54,609	601	590	463	295	899	538
Total credit card portfolio	\$ 99,450	\$ 102,200	\$ 1,257	\$ 1,224	\$ 955	\$ 610	\$ 1,854	\$ 1,111

Direct/Indirect Consumer

At June 30, 2024, 52 percent of the direct/indirect portfolio was included in *Consumer Banking* (consumer auto and recreational vehicle lending) and 48 percent was included in

GWIM (principally securities-based lending loans). Outstandings in the direct/indirect portfolio increased \$366 million during the six months ended June 30, 2024 to \$103.8 billion driven by increases in securities-based lending.

Table 24 presents certain state concentrations for the direct/indirect consumer loan portfolio.

Table 24 Direct/Indirect State Concentrations

(Dollars in millions)	Outstandings		Nonperforming		Net Charge-offs			
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	Three Months Ended June 30		Six Months Ended June 30	
					2024	2023	2024	2023
California	\$ 15,502	\$ 15,416	\$ 30	\$ 27	\$ 12	\$ 4	\$ 27	\$ 6
Florida	13,953	13,550	18	18	6	3	15	3
Texas	9,859	9,668	15	14	7	3	15	3
New York	7,365	7,335	13	11	3	2	7	2
New Jersey	4,401	4,376	6	5	2	1	4	1
Other	52,754	53,123	70	73	21	4	48	3
Total direct/indirect loan portfolio	\$ 103,834	\$ 103,468	\$ 152	\$ 148	\$ 51	\$ 17	\$ 116	\$ 18

Other Consumer

Other consumer primarily consists of deposit overdraft balances. Net charge-offs decreased \$40 million to \$67 million and \$128 million to \$141 million during the three and six months ended June 30, 2024 compared to the same periods in 2023, primarily driven by lower overdraft losses from fraud activity.

Nonperforming Consumer Loans, Leases and Foreclosed Properties Activity

Table 25 presents nonperforming consumer loans, leases and foreclosed properties activity for the three and six months

ended June 30, 2024 and 2023. During the six months ended June 30, 2024, nonperforming consumer loans of \$2.7 billion remained relatively unchanged.

At June 30, 2024, \$460 million, or 17 percent, of nonperforming loans were 180 days or more past due and had been written down to their estimated property value less costs to sell. In addition, at June 30, 2024, \$1.6 billion, or 61 percent, of nonperforming consumer loans were current and classified as nonperforming loans in accordance with applicable policies.

During the six months ended June 30, 2024, foreclosed properties of \$114 million remained relatively unchanged.

Table 25 Nonperforming Consumer Loans, Leases and Foreclosed Properties Activity

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Nonperforming loans and leases, beginning of period	\$ 2,697	\$ 2,714	\$ 2,712	\$ 2,754
Additions	223	258	477	511
Reductions:				
Paydowns and payoffs	(118)	(131)	(249)	(234)
Sales	(1)	(2)	(2)	(4)
Returns to performing status ⁽¹⁾	(121)	(92)	(234)	(262)
Charge-offs	(7)	(13)	(17)	(25)
Transfers to foreclosed properties	(2)	(5)	(16)	(11)
Total net additions (reductions) to nonperforming loans and leases	(26)	15	(41)	(25)
Total nonperforming loans and leases, June 30	2,671	2,729	2,671	2,729
Foreclosed properties, June 30	114	97	114	97
Nonperforming consumer loans, leases and foreclosed properties, June 30 ⁽²⁾	\$ 2,785	\$ 2,826	\$ 2,785	\$ 2,826
Nonperforming consumer loans and leases as a percentage of outstanding consumer loans and leases ⁽³⁾	0.58 %	0.60 %		
Nonperforming consumer loans, leases and foreclosed properties as a percentage of outstanding consumer loans, leases and foreclosed properties ⁽³⁾	0.61	0.62		

⁽¹⁾ Consumer loans may be returned to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected, or when the loan otherwise becomes well-secured and is in the process of collection.

⁽²⁾ Includes reposessed non-real estate assets of \$22 million and \$0 at June 30, 2024 and 2023.

⁽³⁾ Outstanding consumer loans and leases exclude loans accounted for under the fair value option.

Commercial Portfolio Credit Risk Management

Commercial credit risk is evaluated and managed with the goal that concentrations of credit exposure continue to be aligned with our risk appetite. We review, measure and manage concentrations of credit exposure by industry, product, geography, customer relationship and loan size. We also review, measure and manage commercial real estate loans by geographic location and property type. In addition, within our non-U.S. portfolio, we evaluate exposures by region and by country. Tables 30, 32 and 35 summarize our concentrations. We also utilize syndications of exposure to third parties, loan sales, hedging and other risk mitigation techniques to manage

the size and risk profile of the commercial credit portfolio. For more information on our industry concentrations, see Table 32 and Commercial Portfolio Credit Risk Management – Industry Concentrations on page 37.

For more information on our accounting policies regarding delinquencies, nonperforming status, net charge-offs and loan modifications for the commercial portfolio, see Note 1 – *Summary of Significant Accounting Principles* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K and Note 5 – *Outstanding Loans and Leases and Allowance for Credit Losses* to the Consolidated Financial Statements.

Commercial Credit Portfolio

Outstanding commercial loans and leases increased \$6.1 billion during the six months ended June 30, 2024 due to growth in U.S. commercial, primarily in *GWIM* and *Global Markets*. During the six months ended June 30, 2024, commercial credit quality deteriorated as reservable criticized utilized exposure increased primarily driven by U.S. commercial across a broad range of industries while commercial nonperforming loans remained relatively unchanged. Commercial net charge-offs increased \$325 million and \$641 million to \$474 million and \$944 million during the three and six months ended June 30, 2024 compared to the same periods in 2023 primarily due to higher losses in the commercial real estate office portfolio.

With the exception of the office property type, which is further discussed in the Commercial Real Estate section herein, credit quality of commercial real estate borrowers has remained relatively stable since December 31, 2023; however, we are closely monitoring emerging trends and borrower performance in the higher interest rate environment. Recent demand for office space has been stagnant, and future demand for office space continues to be uncertain as companies evaluate space needs with employment models that utilize a mix of remote and conventional office use.

The commercial allowance for loan and lease losses decreased \$98 million during the six months ended June 30, 2024 to \$4.7 billion. For more information, see Allowance for Credit Losses on page 40.

Total commercial utilized credit exposure increased \$1.5 billion during the six months ended June 30, 2024 to \$697.8 billion primarily driven by increased loans and leases, partially offset by lower derivative assets. The utilization rate for loans and leases, standby letters of credit (SBLCs) and financial guarantees, and commercial letters of credit, in the aggregate, was 55 percent at both June 30, 2024 and December 31, 2023.

Table 26 presents commercial credit exposure by type for utilized, unfunded and total binding committed credit exposure. Commercial utilized credit exposure includes SBLCs and financial guarantees and commercial letters of credit that have been issued and for which we are legally bound to advance funds under prescribed conditions during a specified time period, and excludes exposure related to trading account assets. Although funds have not yet been advanced, these exposure types are considered utilized for credit risk management purposes.

Table 26 Commercial Credit Exposure by Type

(Dollars in millions)	Commercial Utilized ⁽¹⁾		Commercial Unfunded ^(2, 3, 4)		Total Commercial Committed	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023
Loans and leases	\$ 599,841	\$ 593,767	\$ 512,178	\$ 507,641	\$ 1,112,019	\$ 1,101,408
Derivative assets ⁽⁵⁾	35,956	39,323	—	—	35,956	39,323
Standby letters of credit and financial guarantees	31,290	31,348	1,912	1,953	33,202	33,301
Debt securities and other investments	17,902	20,422	4,595	3,083	22,497	23,505
Loans held-for-sale	5,996	4,338	5,482	4,904	11,478	9,242
Operating leases	5,191	5,312	—	—	5,191	5,312
Commercial letters of credit	874	943	165	232	1,039	1,175
Other	763	846	—	—	763	846
Total	\$ 697,813	\$ 696,299	\$ 524,332	\$ 517,813	\$ 1,222,145	\$ 1,214,112

⁽¹⁾ Commercial utilized exposure includes loans of \$3.0 billion and \$3.3 billion accounted for under the fair value option at June 30, 2024 and December 31, 2023.

⁽²⁾ Commercial unfunded exposure includes commitments accounted for under the fair value option with a notional amount of \$3.2 billion and \$2.6 billion at June 30, 2024 and December 31, 2023.

⁽³⁾ Excludes unused business card lines, which are not legally binding.

⁽⁴⁾ Includes the notional amount of unfunded legally binding lending commitments, net of amounts distributed (i.e., syndicated or participated) to other financial institutions. The distributed amounts were \$10.3 billion at both June 30, 2024 and December 31, 2023.

⁽⁵⁾ Derivative assets are carried at fair value, reflect the effects of legally enforceable master netting agreements and have been reduced by cash collateral of \$27.4 billion and \$29.4 billion at June 30, 2024 and December 31, 2023. Not reflected in utilized and committed exposure is additional non-cash derivative collateral held of \$56.8 billion and \$56.1 billion at June 30, 2024 and December 31, 2023, which consists primarily of other marketable securities.

Table 27 presents our commercial loans and leases portfolio and related credit quality information at June 30, 2024 and December 31, 2023.

Table 27 Commercial Credit Quality

(Dollars in millions)	Outstandings		Nonperforming		Accruing Past Due 90 Days or More	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023
Commercial and industrial:						
U.S. commercial	\$ 369,139	\$ 358,931	\$ 700	\$ 636	\$ 68	\$ 51
Non-U.S. commercial	122,183	124,581	90	175	3	4
Total commercial and industrial	491,322	483,512	790	811	71	55
Commercial real estate	70,284	72,878	1,971	1,927	59	32
Commercial lease financing	14,874	14,854	19	19	7	7
	576,480	571,244	2,780	2,757	137	94
U.S. small business commercial ⁽¹⁾	20,395	19,197	22	16	189	184
Commercial loans excluding loans accounted for under the fair value option	\$ 596,875	\$ 590,441	\$ 2,802	\$ 2,773	\$ 326	\$ 278
Loans accounted for under the fair value option ⁽²⁾	2,966	3,326				
Total commercial loans and leases	\$ 599,841	\$ 593,767				

⁽¹⁾ Includes card-related products.

⁽²⁾ Commercial loans accounted for under the fair value option includes U.S. commercial of \$2.0 billion and \$2.2 billion and non-U.S. commercial of \$945 million and \$1.2 billion at June 30, 2024 and December 31, 2023. For more information on the fair value option, see Note 15 – Fair Value Option to the Consolidated Financial Statements.

Table 28 presents net charge-offs and related ratios for our commercial loans and leases for the three and six months ended June 30, 2024 and 2023.

Table 28 Commercial Net Charge-offs and Related Ratios

(Dollars in millions)	Net Charge-offs				Net Charge-off Ratios ⁽¹⁾			
	Three Months Ended June 30		Six Months Ended June 30		Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023	2024	2023	2024	2023
Commercial and industrial:								
U.S. commercial	\$ 87	\$ 5	\$ 153	\$ 52	0.10 %	0.01 %	0.08 %	0.03 %
Non-U.S. commercial	(3)	—	(12)	20	(0.01)	—	(0.02)	0.03
Total commercial and industrial	84	5	141	72	0.07	—	0.06	0.03
Commercial real estate	272	69	576	91	1.53	0.37	1.62	0.25
Commercial lease financing	—	1	1	—	—	—	0.01	—
	356	75	718	163	0.25	0.05	0.25	0.06
U.S. small business commercial	118	74	226	140	2.35	1.62	2.28	1.55
Total commercial	\$ 474	\$ 149	\$ 944	\$ 303	0.32	0.10	0.32	0.10

⁽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.

Table 29 presents commercial reservable criticized utilized exposure by loan type. Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories as defined by regulatory authorities. Total commercial reservable criticized utilized exposure increased \$1.5 billion during the six

months ended June 30, 2024 primarily driven by U.S. commercial, partially offset by commercial real estate. At June 30, 2024 and December 31, 2023, 90 percent and 89 percent of commercial reservable criticized utilized exposure was secured.

Table 29 Commercial Reservable Criticized Utilized Exposure ^(1, 2)

(Dollars in millions)	June 30, 2024		December 31, 2023	
Commercial and industrial:				
U.S. commercial	\$ 13,758	3.48 %	\$ 12,006	3.12 %
Non-U.S. commercial	1,835	1.44	1,787	1.37
Total commercial and industrial	15,593	2.98	13,793	2.68
Commercial real estate	8,314	11.62	8,749	11.80
Commercial lease financing	211	1.42	166	1.12
	24,118	3.96	22,708	3.76
U.S. small business commercial	643	3.16	592	3.08
Total commercial reservable criticized utilized exposure	\$ 24,761	3.94	\$ 23,300	3.74

- (1) Total commercial reservable criticized utilized exposure includes loans and leases of \$23.7 billion and \$22.5 billion and commercial letters of credit of \$1.0 billion and \$795 million at June 30, 2024 and December 31, 2023.
- (2) Percentages are calculated as commercial reservable criticized utilized exposure divided by total commercial reservable utilized exposure for each exposure category.

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Commercial and Industrial

Commercial and industrial loans include U.S. commercial and non-U.S. commercial portfolios.

U.S. Commercial

At June 30, 2024, 62 percent of the U.S. commercial loan portfolio, excluding small business, was managed in *Global Banking*, 22 percent in *Global Markets*, 15 percent in *GWIM* (loans that provide financing for asset purchases, business investments and other liquidity needs for high net worth clients) and the remainder primarily in *Consumer Banking*. U.S. commercial loans increased \$10.2 billion, or three percent, during the six months ended June 30, 2024 primarily driven by *Global Banking* and *GWIM*. Reservable criticized utilized exposure increased \$1.8 billion, or 15 percent, driven by a broad range of industries.

Non-U.S. Commercial

At June 30, 2024, 60 percent of the non-U.S. commercial loan portfolio was managed in *Global Banking*, 39 percent in *Global Markets* and the remainder primarily in *GWIM*. Non-U.S. commercial loans decreased \$2.4 billion, or two percent, during the six months ended June 30, 2024 primarily driven by *Global Banking*. Reservable criticized utilized exposure increased \$48 million, or three percent. For information on the non-U.S. commercial portfolio, see Non-U.S. Portfolio on page 39.

Commercial Real Estate

Commercial real estate primarily includes commercial loans secured by non-owner-occupied real estate and is dependent on the sale or lease of the real estate as the primary source of repayment. Outstanding loans decreased \$2.6 billion, or four percent, during the six months ended June 30, 2024 to \$70.3 billion primarily driven by the office property type. The

commercial real estate portfolio is primarily managed in *Global Banking* and consists of loans made primarily to public and private developers, and commercial real estate firms. The portfolio remains diversified across property types and geographic regions. California represented the largest state concentration at 20 percent of commercial real estate at both June 30, 2024 and December 31, 2023.

Reservable criticized utilized exposure decreased \$435 million, or five percent, during the six months ended June 30, 2024 primarily driven by office loans. Office loans represented the largest property type concentration at 23 percent of the commercial real estate portfolio at June 30, 2024, and approximately two percent of total loans for the Corporation. This property type is roughly 75 percent Class A and had an origination loan-to-value of approximately 55 percent. Reservable criticized exposure for the office property type was \$5.1 billion at June 30, 2024, and approximately \$4.8 billion of office loans are scheduled to mature by the end of 2024.

During the three and six months ended June 30, 2024, net charge-offs increased by \$203 million and \$485 million to \$272 million and \$576 million compared to the same periods in 2023 driven by office loans. We use a number of proactive risk mitigation initiatives to reduce adversely rated exposure in the commercial real estate portfolio, including transfers of deteriorating exposures for management by independent special asset officers and the pursuit of loan restructurings or asset sales to achieve the best results for our customers and the Corporation.

Table 30 presents outstanding commercial real estate loans by geographic region, based on the geographic location of the collateral, and by property type.

Table 30 Outstanding Commercial Real Estate Loans

	June 30 2024	December 31 2023
(Dollars in millions)		
By Geographic Region		
Northeast	\$ 15,966	\$ 15,920
California	14,085	14,551
Southwest	8,566	9,318
Southeast	7,245	8,368
Florida	4,654	4,986
Midwest	3,414	3,149
Illinois	3,266	3,361
Midsouth	2,833	2,785
Northwest	2,100	2,095
Non-U.S.	5,891	6,052
Other	2,264	2,293
Total outstanding commercial real estate loans	\$ 70,284	\$ 72,878
By Property Type		
Non-residential		
Office	\$ 16,314	\$ 17,976
Industrial / Warehouse	14,675	14,746
Multi-family rental	11,561	10,606
Shopping centers / Retail	5,640	5,756
Hotel / Motels	5,051	5,665
Multi-use	2,131	2,681
Other	14,080	14,201
Total non-residential	69,452	71,631
Residential		
Total outstanding commercial real estate loans	\$ 70,284	\$ 72,878

U.S. Small Business Commercial

The U.S. small business commercial loan portfolio is comprised of small business card loans and small business loans primarily managed in *Consumer Banking*. Credit card-related products were 54 percent of the U.S. small business commercial portfolio at both June 30, 2024 and December 31, 2023 and represented 99 percent and 98 percent of net charge-offs for the three and six months ended June 30, 2024 compared to 98 percent for the same periods in 2023. Accruing past due 90 days or more of \$189 million remained relatively unchanged.

Nonperforming Commercial Loans, Leases and Foreclosed Properties Activity

Table 31 presents the nonperforming commercial loans, leases and foreclosed properties activity during the three and six months ended June 30, 2024 and 2023. Nonperforming loans do not include loans accounted for under the fair value option. During the six months ended June 30, 2024, nonperforming commercial loans and leases increased \$29 million to \$2.8 billion. At June 30, 2024, 94 percent of commercial nonperforming loans, leases and foreclosed properties were secured, and 42 percent were contractually current. Commercial nonperforming loans were carried at 79 percent of their unpaid principal balance, as the carrying value of these loans has been reduced to the estimated collateral value less costs to sell.

Table 31 Nonperforming Commercial Loans, Leases and Foreclosed Properties Activity ^(1, 2)

	Three Months Ended June 30		Six Months Ended June 30		
	2024	2023	2024	2023	
	\$	\$	\$	\$	
(Dollars in millions)					
Nonperforming loans and leases, beginning of period					
Additions	704	484	1,710	903	
Reductions:					
Paydowns	(505)	(171)	(725)	(243)	
Sales	(9)	(3)	(10)	(3)	
Returns to performing status ⁽³⁾	(129)	(7)	(133)	(59)	
Charge-offs	(357)	(87)	(725)	(175)	
Transfers to foreclosed properties	(88)	(23)	(88)	(23)	
Transfers to loans held-for-sale	—	—	—	(57)	
Total net additions (reductions) to nonperforming loans and leases	(384)	193	29	343	
Total nonperforming loans and leases, June 30	2,802	1,397	2,802	1,397	
Foreclosed properties, June 30	104	51	104	51	
Nonperforming commercial loans, leases and foreclosed properties, June 30	\$ 2,906	\$ 1,448	\$ 2,906	\$ 1,448	
Nonperforming commercial loans and leases as a percentage of outstanding commercial loans and leases ⁽⁴⁾	0.47 %	0.24 %			
Nonperforming commercial loans, leases and foreclosed properties as a percentage of outstanding commercial loans, leases and foreclosed properties ⁽⁴⁾	0.49	0.25			

⁽¹⁾ Balances do not include nonperforming loans held-for-sale of \$707 million and \$174 million at June 30, 2024 and 2023.

⁽²⁾ Includes U.S. small business commercial activity. Small business card loans are excluded as they are not classified as nonperforming.

⁽³⁾ 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, when the loan otherwise becomes well-secured and is in the process of collection, or when a modified loan demonstrates a sustained period of payment performance.

⁽⁴⁾ Outstanding commercial loans exclude loans accounted for under the fair value option.

Industry Concentrations

Table 32 presents commercial committed and utilized credit exposure by industry. For information on net notional credit protection purchased to hedge funded and unfunded exposures for which we elected the fair value option, as well as certain other credit exposures, see Commercial Portfolio Credit Risk Management – Risk Mitigation.

Commercial credit exposure is diversified across a broad range of industries. Total commercial committed exposure increased \$8.0 billion during the six months ended June 30, 2024 to \$1.2 trillion. The increase in commercial committed exposure was concentrated in Asset managers and funds, Software and services and Consumer services.

For information on industry limits, see Commercial Portfolio Credit Risk Management – Risk Mitigation in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Asset managers and funds, our largest industry concentration with committed exposure of \$174.3 billion, increased \$5.0 billion, or three percent, during the six months ended June 30, 2024, which was primarily driven by investment-grade exposures.

Real estate, our second largest industry concentration with committed exposure of \$97.3 billion decreased \$3.0 billion or three percent during the six months ended June 30, 2024. For more information on the commercial real estate and related portfolios, see Commercial Portfolio Credit Risk Management – Commercial Real Estate on page 36.

Capital goods, our third largest industry concentration with committed exposure of \$92.2 billion, decreased \$4.8 billion, or five percent, during the six months ended June 30, 2024. The decline in committed exposure was primarily due to decreases in Industrial conglomerates and Aerospace and defense, partially offset by an increase in Building products.

Various macroeconomic challenges, including geopolitical tensions, inflationary pressures and elevated interest rates, have led to uncertainty in the U.S. and global economies and have adversely impacted, and may continue to adversely impact, a number of industries. We continue to monitor all industries, particularly higher risk industries that are experiencing or could experience a more significant impact to their financial condition.

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Table 32 Commercial Credit Exposure by Industry⁽¹⁾

(Dollars in millions)	Commercial Utilized		Total Commercial Committed ⁽²⁾	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023
	\$	\$	\$	\$
Asset managers and funds	106,806	\$ 103,138	174,326	\$ 169,318
Real estate ⁽³⁾	71,734	73,150	97,266	100,269
Capital goods	48,192	49,698	92,243	97,044
Finance companies	60,950	62,906	89,871	89,119
Healthcare equipment and services	34,369	35,037	62,557	61,766
Materials	25,662	25,223	56,069	55,296
Retailing	25,016	24,561	53,432	54,523
Consumer services	27,525	27,355	51,504	49,105
Food, beverage and tobacco	24,317	23,865	49,745	49,426
Government and public education	31,755	31,051	47,840	45,873
Individuals and trusts	34,124	32,481	46,069	43,938
Commercial services and supplies	23,282	22,642	42,292	41,473
Utilities	17,426	18,610	39,416	39,481
Energy	12,332	12,450	37,122	36,996
Transportation	23,798	24,200	34,860	36,267
Technology hardware and equipment	11,033	11,951	29,585	29,160
Software and services	10,901	9,830	26,734	22,381
Global commercial banks	21,621	22,749	24,819	25,684
Media	12,626	13,033	24,302	24,908
Vehicle dealers	18,179	16,283	23,546	22,570
Consumer durables and apparel	8,803	9,184	21,201	20,732
Pharmaceuticals and biotechnology	6,778	6,852	20,920	22,169
Insurance	9,903	9,371	20,115	19,322
Telecommunication services	9,165	9,224	17,685	17,269
Automobiles and components	8,044	7,049	16,192	16,459
Food and staples retailing	7,956	7,423	12,911	12,496
Financial markets infrastructure (clearinghouses)	2,953	4,229	5,156	6,503
Religious and social organizations	2,563	2,754	4,367	4,565
Total commercial credit exposure by industry	\$ 697,813	\$ 696,299	\$ 1,222,145	\$ 1,214,112

⁽¹⁾ Includes U.S. small business commercial exposure.⁽²⁾ Includes the notional amount of unfunded legally binding lending commitments, net of amounts distributed (i.e., syndicated or participated) to other financial institutions. The distributed amounts were \$10.3 billion at both June 30, 2024 and December 31, 2023.⁽³⁾ 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 primary business activity of the borrowers or counterparties using operating cash flows and primary source of repayment as key factors.

Risk Mitigation

We purchase credit protection to cover the funded portion as well as the unfunded portion of certain credit exposures. To lower the cost of obtaining our desired credit protection levels, we may add credit exposure within an industry, borrower or counterparty group by selling protection.

At June 30, 2024 and December 31, 2023, net notional credit default protection purchased in our credit derivatives portfolio to hedge our funded and unfunded exposures for which we elected the fair value option, as well as certain other credit exposures, was \$10.4 billion and \$10.9 billion. We recorded net gains of \$9 million and net losses of \$16 million for the three and six months ended June 30, 2024 compared to net losses of \$34 million and \$111 million for the three and six months ended June 30, 2023. The gains and losses on these instruments were largely offset by gains and losses on the

related exposures. The Value-at-Risk (VaR) results for these exposures are included in the fair value option portfolio information in Table 38. For more information, see Trading Risk Management on page 42.

Tables 33 and 34 present the maturity profiles and the credit exposure debt ratings of the net credit default protection portfolio at June 30, 2024 and December 31, 2023.

Table 33 Net Credit Default Protection by Maturity

	June 30 2024	December 31 2023
Less than or equal to one year	18 %	36 %
Greater than one year and less than or equal to five years	82	64
Total net credit default protection	100 %	100 %

Table 34 Net Credit Default Protection by Credit Exposure Debt Rating

(Dollars in millions)	Net Notional ⁽¹⁾	Percent of Total	Net Notional ⁽¹⁾	Percent of Total
	June 30, 2024		December 31, 2023	
AAA	\$ (399)	3.8 %	\$ (479)	4.4 %
AA	(633)	6.1	(1,080)	9.9
A	(5,151)	49.3	(5,237)	48.2
BBB	(3,134)	30.0	(2,912)	26.8
BB	(616)	5.9	(698)	6.4
B	(284)	2.7	(419)	3.9
CCC and below	(233)	2.2	(52)	0.5
NR ⁽⁴⁾	1	—	2	(0.1)
Total net credit default protection	\$ (10,449)	100.0 %	\$ (10,875)	100.0 %

(1) Represents net credit default protection purchased.

(2) Ratings are refreshed on a quarterly basis.

(3) Ratings of BBB- or higher are considered to meet the definition of investment grade.

(4) NR is comprised of index positions held and any names that have not been rated.

For more information on credit derivatives and counterparty credit risk valuation adjustments, see Note 3 – *Derivatives* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Non-U.S. Portfolio

Our non-U.S. credit and trading portfolios are subject to country risk. We define country risk as the risk of loss from unfavorable economic and political conditions, currency fluctuations, social instability and changes in government policies. A risk management framework is in place to measure, monitor and manage non-U.S. risk and exposures. In addition to the direct risk of doing business in a country, we also are exposed to indirect country risks (e.g., related to the collateral received on secured financing transactions or related to client clearing activities). These indirect exposures are managed in the normal course of business through credit, market and operational risk governance rather than through country risk governance. For more information on our non-U.S. credit and trading portfolios, see Non-U.S. Portfolio in the MD&A of the Corporation's 2023 Annual Report on Form 10-K. For more information on risks related to our non-U.S. portfolio, see the Geopolitical section within Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K.

Table 35 presents our 20 largest non-U.S. country exposures at June 30, 2024. These exposures accounted for 89 percent of our total non-U.S. exposure at both June 30, 2024 and December 31, 2023. Net country exposure for these 20 countries increased \$10.0 billion in 2024 primarily driven by an increase in the United Kingdom.

Table 35 Top 20 Non-U.S. Countries Exposure

(Dollars in millions)	Funded Loans and Loan Equivalents	Unfunded Loan Commitments	Net Counterparty Exposure	Securities/Other Investments	Country Exposure at June 30 2024	Hedges and Credit Default Protection	Net Country Exposure at June 30 2024	Increase (Decrease) from December 31 2023
United Kingdom	\$ 38,443	\$ 19,266	\$ 5,098	\$ 5,820	\$ 68,627	\$ (1,816)	\$ 66,811	\$ 10,876
Germany	24,453	9,659	1,245	2,268	37,625	(4,019)	33,606	(2,049)
Canada	13,565	9,944	1,339	3,074	27,922	(453)	27,469	(546)
France	13,946	9,069	1,078	3,159	27,252	(1,671)	25,581	723
Australia	12,059	4,856	439	1,840	19,194	(361)	18,833	(2,489)
Brazil	9,781	1,367	1,055	4,171	16,374	(94)	16,280	997
Japan	8,874	1,985	1,777	4,367	17,003	(735)	16,268	(706)
India	6,334	254	873	5,299	12,760	(55)	12,705	780
Ireland	7,822	2,078	63	473	10,436	(162)	10,274	(59)
Singapore	4,464	526	159	4,905	10,054	(37)	10,017	(800)
China	5,341	285	562	3,637	9,825	(239)	9,586	1,074
Switzerland	4,085	4,865	282	245	9,477	(182)	9,295	66
South Korea	4,727	1,306	590	1,937	8,560	(128)	8,432	(28)
Mexico	5,167	1,735	445	986	8,333	(131)	8,202	(717)
Netherlands	2,995	3,870	691	673	8,229	(1,038)	7,191	42
Italy	4,559	2,319	155	545	7,578	(738)	6,840	225
Spain	2,838	2,023	166	1,044	6,071	(302)	5,769	173
Hong Kong	3,200	550	420	1,111	5,281	(29)	5,252	(600)
Saudi Arabia	3,728	1,454	151	77	5,410	(1,396)	4,014	1,506
Indonesia	741	—	31	3,056	3,828	(38)	3,790	1,555
Total top 20 non-U.S. countries exposure	\$ 177,122	\$ 77,411	\$ 16,619	\$ 48,687	\$ 319,839	\$ (13,624)	\$ 306,215	\$ 10,023

Our largest non-U.S. country exposure at June 30, 2024 was the United Kingdom with net exposure of \$66.8 billion, which increased \$10.9 billion from December 31, 2023 primarily due to increased deposits with the central bank. Our second largest non-U.S. country exposure was Germany with net exposure of \$33.6 billion at June 30, 2024, which decreased \$2.0 billion from December 31, 2023 primarily due to lower exposure with financial institutions.

Allowance for Credit Losses

The allowance for credit losses decreased \$209 million from December 31, 2023 to \$14.3 billion at June 30, 2024, which included a \$33 million and \$176 million reserve decrease related to the consumer and commercial portfolios. The reserve

decrease was primarily driven by the commercial portfolio due to an improved macroeconomic outlook.

Table 36 presents an allocation of the allowance for credit losses by product type at June 30, 2024 and December 31, 2023.

Table 36 Allocation of the Allowance for Credit Losses by Product Type

(Dollars in millions)	Amount	Percent of Total	Percent of Loans and Leases Outstanding ⁽¹⁾	June 30, 2024		Percent of Total	Percent of Loans and Leases Outstanding ⁽¹⁾
				Amount	Percent of Total		
Allowance for loan and lease losses							
Residential mortgage	\$ 283	2.14 %	0.12 %	\$ 339	2.54 %		0.15 %
Home equity	64	0.48	0.25	47	0.35		0.19
Credit card	7,341	55.45	7.38	7,346	55.06		7.19
Direct/Indirect consumer	751	5.67	0.72	715	5.36		0.69
Other consumer	75	0.57	n/m	73	0.55		n/m
Total consumer	8,514	64.31	1.86	8,520	63.86		1.85
U.S. commercial ⁽²⁾	2,586	19.54	0.66	2,600	19.49		0.69
Non-U.S. commercial	822	6.21	0.67	842	6.31		0.68
Commercial real estate	1,279	9.66	1.82	1,342	10.06		1.84
Commercial lease financing	37	0.28	0.25	38	0.28		0.26
Total commercial	4,724	35.69	0.79	4,822	36.14		0.82
Allowance for loan and lease losses	13,238	100.00 %	1.26	13,342	100.00 %		1.27
Reserve for unfunded lending commitments	1,104				1,209		
Allowance for credit losses	\$ 14,342				\$ 14,551		

⁽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.

⁽²⁾ Includes allowance for loan and lease losses for U.S. small business commercial loans of \$1.2 billion and \$1.0 billion at June 30, 2024 and December 31, 2023.

n/m = not meaningful

Net charge-offs for the three and six months ended June 30, 2024 were \$1.5 billion and \$3.0 billion compared to \$869 million and \$1.7 billion for the same periods in 2023 primarily due to credit card loans and the commercial real estate office portfolio. The provision for credit losses increased \$383 million to \$1.5 billion and \$771 million to \$2.8 billion for the three and six months ended June 30, 2024 compared to the same periods in 2023. The provision for credit losses for the current-year periods was primarily driven by credit card loans and the commercial real estate office portfolio. The provision for credit losses for the consumer portfolio, including unfunded lending commitments, of \$1.1 billion and \$2.1 billion was largely unchanged for the three and six months ended June 30, 2024 compared to the same periods in 2023. The provision for credit

losses for the commercial portfolio, including unfunded lending commitments, increased \$255 million to \$414 million and \$764 million to \$774 million for the three and six months ended June 30, 2024 compared to the same periods in 2023.

Table 37 presents a rollforward of the allowance for credit losses, including certain loan and allowance ratios for the three and six months ended June 30, 2024 and 2023. For more information on the Corporation's credit loss accounting policies and activity related to the allowance for credit losses, see Note 1 – *Summary of Significant Accounting Principles* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K and Note 5 – *Outstanding Loans and Leases and Allowance for Credit Losses* to the Consolidated Financial Statements.

Table 37 Allowance for Credit Losses

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024		2023	
	n/a	n/a	\$ 13,342	\$ 12,682
Allowance for loan and lease losses, December 31				
January 1, 2023 adoption of credit loss standard	n/a	n/a	n/a	(243)
Allowance for loan and lease losses, beginning of period	\$ 13,213	\$ 12,514	\$ 13,342	\$ 12,439
Loans and leases charged off				
Residential mortgage	(5)	(10)	(13)	(18)
Home equity	(3)	(5)	(6)	(11)
Credit card	(1,106)	(756)	(2,151)	(1,406)
Direct/Indirect consumer	(89)	(56)	(191)	(96)
Other consumer	(72)	(112)	(150)	(283)
Total consumer charge-offs	(1,275)	(939)	(2,511)	(1,814)
U.S. commercial ⁽¹⁾	(226)	(106)	(422)	(240)
Non-U.S. commercial	—	(8)	(1)	(31)
Commercial real estate	(278)	(71)	(582)	(95)
Commercial lease financing	—	(1)	(1)	—
Total commercial charge-offs	(504)	(186)	(1,006)	(366)
Total loans and leases charged off	(1,779)	(1,125)	(3,517)	(2,180)
Recoveries of loans and leases previously charged off				
Residential mortgage	5	8	10	15
Home equity	17	21	33	39
Credit card	151	146	297	295
Direct/Indirect consumer	38	39	75	78
Other consumer	5	5	9	14
Total consumer recoveries	216	219	424	441
U.S. commercial ⁽²⁾	21	27	43	48
Non-U.S. commercial	3	8	13	11
Commercial real estate	6	2	6	4
Total commercial recoveries	30	37	62	63
Total recoveries of loans and leases previously charged off	246	256	486	504
Net charge-offs	(1,533)	(869)	(3,031)	(1,676)
Provision for loan and lease losses	1,562	1,309	2,932	2,209
Other	(4)	(4)	(5)	(22)
Allowance for loan and lease losses, June 30	13,238	12,950	13,238	12,950
Reserve for unfunded lending commitments, beginning of period	1,158	1,437	1,209	1,540
Provision for unfunded lending commitments	(54)	(50)	(105)	(153)
Other	—	1	—	1
Reserve for unfunded lending commitments, June 30	1,104	1,388	1,104	1,388
Allowance for credit losses, June 30	\$ 14,342	\$ 14,338	\$ 14,342	\$ 14,338
Loan and allowance ratios ⁽³⁾:				
Loans and leases outstanding at June 30	\$ 1,053,588	\$ 1,046,897	\$ 1,053,588	\$ 1,046,897
Allowance for loan and lease losses as a percentage of total loans and leases outstanding at June 30	1.26 %	1.24 %	1.26 %	1.24 %
Consumer allowance for loan and lease losses as a percentage of total consumer loans and leases outstanding at June 30	1.86	1.70	1.86	1.70
Commercial allowance for loan and lease losses as a percentage of total commercial loans and leases outstanding at June 30	0.79	0.88	0.79	0.88
Average loans and leases outstanding	\$ 1,048,300	\$ 1,041,976	\$ 1,046,511	\$ 1,039,172
Annualized net charge-offs as a percentage of average loans and leases outstanding	0.59 %	0.33 %	0.58 %	0.33 %
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases at June 30	242	314	242	314
Ratio of the allowance for loan and lease losses at June 30 to annualized net charge-offs	2.15	3.71	2.17	3.83
Amounts included in allowance for loan and lease losses for loans and leases that are excluded from nonperforming loans and leases at June 30 ⁽⁴⁾	\$ 8,453	\$ 5,481	\$ 8,453	\$ 5,481
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases, excluding the allowance for loan and lease losses for loans and leases that are excluded from nonperforming loans and leases at June 30 ⁽⁴⁾	87 %	181 %	87 %	181 %

⁽¹⁾ Includes U.S. small business commercial charge-offs of \$130 million and \$248 million for the three and six months ended June 30, 2024 compared to \$84 million and \$159 million for the same periods in 2023.

⁽²⁾ Includes U.S. small business commercial recoveries of \$12 million and \$22 million for the three and six months ended June 30, 2024 compared to \$10 million and \$19 million for the same periods in 2023.

⁽³⁾ 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.

⁽⁴⁾ Primarily includes amounts related to credit card and unsecured consumer lending portfolios in *Consumer Banking*.

n/a = not applicable

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Market Risk Management

For more information on our market risk management process, see Market Risk Management in the MD&A of the Corporation's 2023 Annual Report on Form 10-K. For more information on market risks, see the Market section within Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K.

Market risk is the risk that changes in market conditions may adversely impact the value of assets or liabilities, or otherwise negatively impact earnings. This risk is inherent in the financial instruments associated with our operations, primarily within our *Global Markets* segment. We are also exposed to these risks in other areas of the Corporation (e.g., our ALM activities). In the event of market stress, these risks could have a material impact on our results.

Trading Risk Management

To evaluate risks in our trading activities, we focus on the actual and potential volatility of revenues generated by individual positions as well as portfolios of positions. VaR is a common statistic used to measure market risk. Our primary VaR statistic is equivalent to a 99 percent confidence level, which means that for a VaR with a one-day holding period, there should not be losses in excess of VaR, on average, 99 out of 100 trading days.

Table 38 presents the total market-based portfolio VaR, which is the combination of the total covered positions (and less liquid trading positions) portfolio and the fair value option portfolio. For more information on the market risk VaR for trading activities, see Trading Risk Management in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

The total market-based portfolio VaR results in Table 38 include market risk to which we are exposed from all business segments, excluding credit valuation adjustment (CVA), DVA and related hedges. The majority of this portfolio is within the *Global Markets* segment.

Table 38 presents period-end, average, high and low daily trading VaR for the three months ended June 30, 2024, March 31, 2024 and June 30, 2023 using a 99 percent confidence level. The amounts disclosed in Table 38 and Table 39 align to the view of covered positions used in the Basel 3 capital calculations. Foreign exchange and commodity positions are always considered covered positions, regardless of trading or banking treatment for the trade, except for structural foreign currency positions that are excluded with prior regulatory approval.

The average of total covered positions and less liquid trading positions portfolio VaR increased for the three months ended June 30, 2024 compared to the prior quarter due to an increase in interest rate and debt risk.

Table 38 Market Risk VaR for Trading Activities

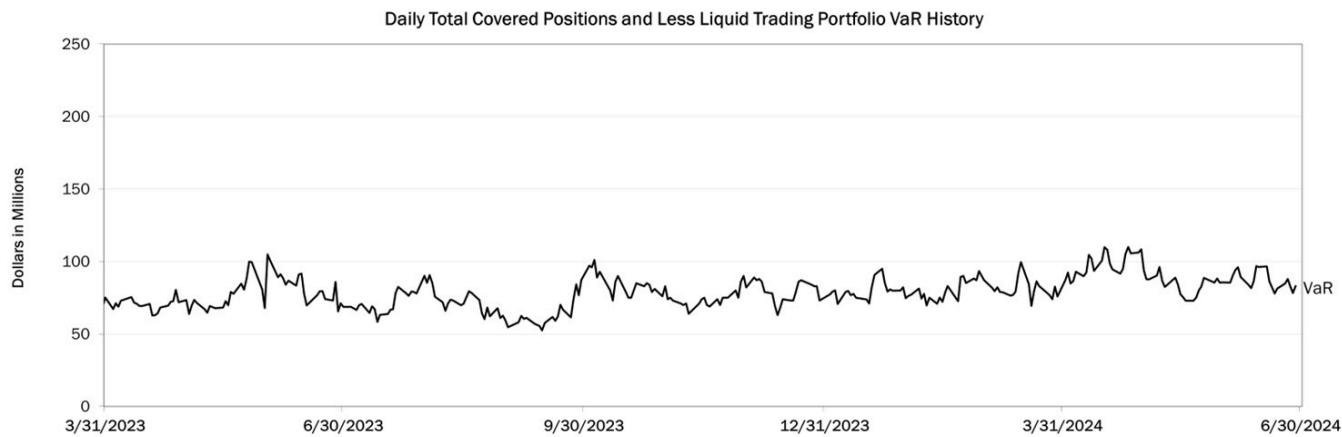
(Dollars in millions)	Three Months Ended												Six Months Ended June 30	
	June 30, 2024				March 31, 2024				June 30, 2023					
	Period End	Average	High ⁽¹⁾	Low ⁽¹⁾	Period End	Average	High ⁽¹⁾	Low ⁽¹⁾	Period End	Average	High ⁽¹⁾	Low ⁽¹⁾	2024 Average	2023 Average
Foreign exchange	\$ 30	\$ 32	\$ 40	\$ 25	\$ 34	\$ 34	\$ 42	\$ 27	\$ 22	\$ 29	\$ 42	\$ 16	\$ 33	\$ 31
Interest rate	76	70	91	50	56	63	89	41	42	50	74	36	66	47
Credit	66	54	69	44	48	46	55	42	50	50	54	47	50	67
Equity	19	20	26	14	19	17	25	13	24	24	56	13	18	21
Commodities	10	9	12	8	10	10	12	8	8	9	12	7	10	10
Portfolio diversification	(120)	(104)	n/a	n/a	(97)	(103)	n/a	n/a	(85)	(98)	n/a	n/a	(103)	(110)
Total covered positions portfolio	81	81	99	64	70	67	86	55	61	64	85	53	74	66
Impact from less liquid exposures ⁽²⁾	2	9	n/a	n/a	6	13	n/a	n/a	8	12	n/a	n/a	11	26
Total covered positions and less liquid trading positions portfolio	83	90	110	73	76	80	100	69	69	76	105	63	85	92
Fair value option loans	15	21	45	12	12	14	17	11	19	20	26	15	18	31
Fair value option hedges	8	16	27	8	8	9	12	6	12	16	20	12	12	16
Fair value option portfolio diversification	(10)	(23)	n/a	n/a	(11)	(11)	n/a	n/a	(19)	(24)	n/a	n/a	(17)	(29)
Total fair value option portfolio	13	14	24	10	9	12	16	9	12	12	14	11	13	18
Portfolio diversification	(8)	(8)	n/a	n/a	(5)	(7)	n/a	n/a	(6)	(7)	n/a	n/a	(7)	(8)
Total market-based portfolio	\$ 88	\$ 96	117	82	\$ 80	\$ 85	106	74	\$ 75	\$ 81	113	66	\$ 91	\$ 102

⁽¹⁾ The high and low for each portfolio may have occurred on different trading days than the high and low for the components. Therefore the impact from less liquid exposures and the amount of portfolio diversification, which is the difference between the total portfolio and the sum of the individual components, is not relevant.

⁽²⁾ Impact is net of diversification effects between the covered positions and less liquid trading positions portfolios.

n/a = not applicable

The following graph presents the daily covered positions and less liquid trading positions portfolio VaR for the previous five quarters, corresponding to the data in Table 38.



Additional VaR statistics produced within our single VaR model are provided in Table 39 at the same level of detail as in Table 38. Evaluating VaR with additional statistics allows for an increased understanding of the risks in the portfolio, as the historical market data used in the VaR calculation does not necessarily follow a predefined statistical distribution. Table 39 presents average trading VaR statistics at 99 percent and 95 percent confidence levels for the three months ended June 30, 2024, March 31, 2024 and June 30, 2023.

Table 39 Average Market Risk VaR for Trading Activities – 99 percent and 95 percent VaR Statistics

(Dollars in millions)	Three Months Ended					
	June 30, 2024		March 31, 2024		June 30, 2023	
	99 percent	95 percent	99 percent	95 percent	99 percent	95 percent
Foreign exchange	\$ 32	\$ 21	\$ 34	\$ 21	\$ 29	\$ 19
Interest rate	70	36	63	32	50	27
Credit	54	30	46	26	50	29
Equity	20	10	17	7	24	12
Commodities	9	5	10	6	9	5
Portfolio diversification	(104)	(63)	(103)	(57)	(98)	(56)
Total covered positions portfolio	81	39	67	35	64	36
Impact from less liquid exposures	9	6	13	8	12	7
Total covered positions and less liquid trading positions portfolio	90	45	80	43	76	43
Fair value option loans	21	13	14	9	20	13
Fair value option hedges	16	9	9	5	16	10
Fair value option portfolio diversification	(23)	(14)	(11)	(7)	(24)	(15)
Total fair value option portfolio	14	8	12	7	12	8
Portfolio diversification	(8)	(5)	(7)	(4)	(7)	(6)
Total market-based portfolio	\$ 96	\$ 48	\$ 85	\$ 46	\$ 81	\$ 45

Backtesting

The accuracy of the VaR methodology is evaluated by backtesting, which compares the daily VaR results, utilizing a one-day holding period, against a comparable subset of trading revenue. For more information on our backtesting process, see Trading Risk Management – Backtesting in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

During the three and six months ended June 30, 2024, there were no days where this subset of trading revenue had losses that exceeded our total covered portfolio VaR, utilizing a one-day holding period.

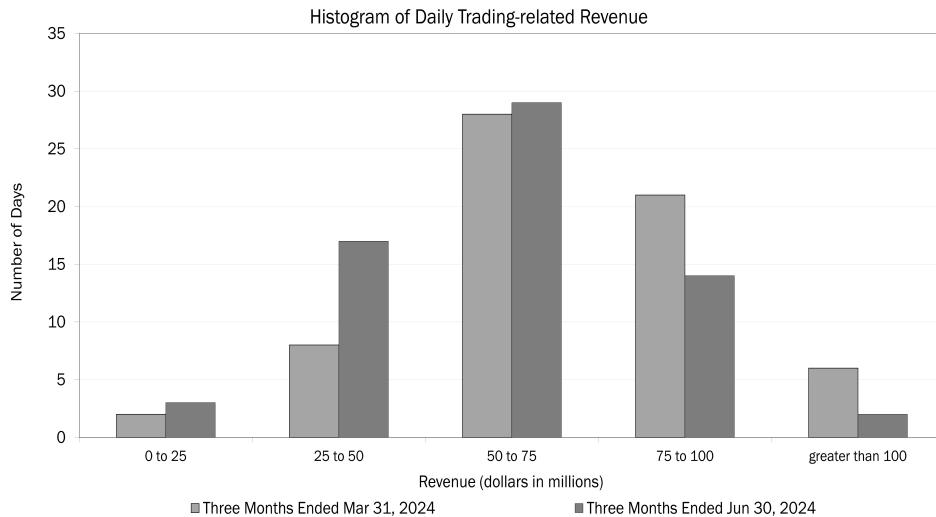
Total Trading-related Revenue

Total trading-related revenue, excluding brokerage fees, and CVA, DVA and funding valuation adjustment gains (losses), represents the total amount earned from trading positions,

including market-based net interest income, which are taken in a diverse range of financial instruments and markets. For more information, see Trading Risk Management – Total Trading-related Revenue in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

The following histogram is a graphic depiction of trading volatility and illustrates the daily level of trading-related revenue for the three months ended June 30, 2024 compared to the three months ended March 31, 2024. During the three months ended June 30, 2024, positive trading-related revenue was recorded for 100 percent of the trading days, of which 95 percent were daily trading gains of over \$25 million. This compares to the three months ended March 31, 2024 where positive trading-related revenue was recorded for 100 percent of the trading days, of which 97 percent were daily trading gains of over \$25 million.

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Trading Portfolio Stress Testing

Because the very nature of a VaR model suggests results can exceed our estimates and it is dependent on a limited historical window, we also stress test our portfolio using scenario analysis. This analysis estimates the change in the value of our trading portfolio that may result from abnormal market movements. For more information, see Trading Risk Management – Trading Portfolio Stress Testing in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Interest Rate Risk Management for the Banking Book

The following discussion presents net interest income for banking book activities. For more information, see Interest Rate Risk Management for the Banking Book in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

Table 40 presents the spot and 12-month forward rates used in our baseline forecasts at June 30, 2024 and December 31, 2023.

Table 40 Forward Rates

	Federal Funds	SOFR	10-Year SOFR
June 30, 2024			
Spot rates	5.50 %	5.33 %	3.98 %
12-month forward rates	4.50	4.42	3.79
December 31, 2023			
Spot rates	5.50 %	5.38 %	3.47 %
12-month forward rates	3.89	3.93	3.32

Table 41 shows the potential pretax impact to net interest income over the next 12 months from June 30, 2024 and December 31, 2023 resulting from instantaneous parallel and non-parallel shocks to the market-based forward curve. Periodically, we evaluate the scenarios presented so that they are meaningful in the context of the current rate environment.

Table 41 Estimated Banking Book Net Interest Income Sensitivity to Curve Changes

(Dollars in billions)	Short Rate (bps)	Long Rate (bps)	Dynamic Deposits ⁽¹⁾		Static Deposits ⁽¹⁾		Static Deposits ⁽¹⁾	
			June 30 2024	June 30 2024	June 30 2024	December 31 2023	December 31 2023	December 31 2023
Parallel Shifts								
+100 bps instantaneous shift	+100	+100	\$ 1.7	\$ 3.3	\$ 3.3	\$ 3.5		
-100 bps instantaneous shift	-100	-100	(2.2)	(3.3)	(3.3)	(3.1)		
+200 bps instantaneous shift	+200	+200	2.7	5.9	5.9	n/a		
-200 bps instantaneous shift	-200	-200	(5.1)	(6.7)	(6.7)	n/a		
Flatteners								
Short-end instantaneous change	+100	–	1.8	3.2	3.2	3.2		
Long-end instantaneous change	–	-100	0.1	(0.2)	(0.2)	(0.3)		
Steepeners								
Short-end instantaneous change	-100	–	(2.1)	(3.0)	(3.0)	(2.8)		
Long-end instantaneous change	–	+100	(0.1)	0.2	0.2	0.3		

⁽¹⁾ Dynamic Deposit sensitivity reflects behavioral customer deposit balance changes that could occur under various scenarios while Static Deposits assumes no deposit balance change.
n/a = not applicable

We continue to be asset sensitive to a parallel upward move in interest rates, with the majority of that impact coming from the short end of the yield curve. Additionally, higher interest rates negatively impact the fair value of our debt securities classified as available for sale and adversely affect accumulated OCI and thus capital levels under the Basel 3 capital rules. Under instantaneous upward parallel shifts, the near-term adverse impact to Basel 3 capital would be reduced over time by offsetting positive impacts to net interest income generated from banking book activities. For more information on Basel 3, see Capital Management – Regulatory Capital on page 21.

As part of our ALM activities, we use securities, certain residential mortgages, and interest rate and foreign exchange derivatives in managing interest rate sensitivity. The sensitivity analysis in Table 41 assumes that we take no action in response to these rate shocks and does not assume any change in other macroeconomic variables normally correlated with changes in interest rates. Beginning in the second quarter of 2024, the sensitivity analysis incorporates potential movements in customer behavior that could result in changes in both total customer deposit balances and deposit balance mix, (e.g., interest bearing versus noninterest bearing), under the various interest rate scenarios. In higher rate scenarios, the analysis assumes that a portion of low-cost or noninterest-bearing deposits are replaced with higher yielding deposits or market-based funding. Conversely, in lower rate scenarios, the analysis assumes that a portion of higher yielding deposits or market-based funding are replaced with low-cost or noninterest-bearing deposits.

For larger interest rate scenarios, the interest rate sensitivity may behave in a non-linear manner as there are numerous estimates and assumptions, which require a high degree of judgment and are often interrelated, that could impact the outcome. Pertaining to the mortgage-backed securities and residential mortgage portfolio, if long-end interest rates were to significantly decrease over the next twelve months, for example over 200 bps, there would generally be an increase in customer prepayment behaviors with an incremental reduction to net interest income, noting that the extent of changes in customer prepayment activity can be impacted by multiple factors and is not necessarily limited to long-end interest rates. Conversely, if long-end interest rates were to significantly increase over the next twelve months, for example, over 200 bps, customer prepayments would likely modestly decrease and result in an incremental increase to net interest income. In addition, deposit pricing is rate sensitive in nature. This sensitivity is assumed to have non-linear impacts to larger short-end rate movements. In decreasing interest rate scenarios, and particularly where interest rates have decreased to small amounts, the ability to further reduce rates paid is reduced as customer rates near zero. In higher short-end rate scenarios, deposit pricing will likely increase at a faster rate, leading to incremental interest expense and reducing asset sensitivity. While the impact related to the above assumptions used in the asset sensitivity analysis can provide directional analysis on how net interest income will be impacted in changing environments, the ultimate impact is dependent upon the interrelationship of the assumptions and factors, which vary in different macroeconomic scenarios.

Economic Value of Equity

In addition to interest rate sensitivity described above, the Corporation's management of its interest rate exposures in the banking book also considers a long-term view of interest rate sensitivity through the measurement of Economic Value of Equity (EVE). EVE captures changes in the net present value of banking book assets and liabilities under various interest rate scenarios and its impact to Tier 1 capital. Similar to net interest income, the Corporation establishes limits for EVE. EVE is largely driven by the Corporation's longer duration fixed-rate products, such as investment securities, residential mortgages and deposits. For assets or liabilities that have no stated maturity, such as deposits, the Corporation estimates the duration for measurement purposes.

Interest Rate and Foreign Exchange Derivative Contracts

We use interest rate and foreign exchange derivative contracts in our ALM activities to manage our interest rate and foreign exchange risks. Specifically, we use those derivatives to manage both the variability in cash flows and changes in fair value of various assets and liabilities arising from those risks. Our interest rate derivative contracts are generally non-leveraged swaps tied to various benchmark interest rates and foreign exchange basis swaps, options, futures and forwards, and our foreign exchange contracts include cross-currency interest rate swaps, foreign currency futures contracts, foreign currency forward contracts and options.

The derivatives used in our ALM activities can be split into two broad categories: designated accounting hedges and other risk management derivatives. Designated accounting hedges are primarily used to manage our exposure to interest rates as described in the Interest Rate Risk Management for the Banking Book section and are included in the sensitivities presented in Table 41. The Corporation also uses foreign currency derivatives in accounting hedges to manage substantially all of the foreign exchange risk of our foreign operations. By hedging the foreign exchange risk of our foreign operations, the Corporation's market risk exposure in this area is not significant.

Risk management derivatives are predominantly used to hedge foreign exchange risks related to various foreign currency-denominated assets and liabilities and eliminate substantially all foreign currency exposures in the cash flows of the Corporation's non-trading foreign currency-denominated financial instruments. These foreign exchange derivatives are sensitive to other market risk exposures such as cross-currency basis spreads and interest rate risk. However, as these features are not a significant component of these foreign exchange derivatives, the market risk related to this exposure is not significant. For more information on the accounting for derivatives, see Note 3 – Derivatives to the Consolidated Financial Statements.

Mortgage Banking Risk Management

We originate, fund and service mortgage loans, which subject us to credit, liquidity and interest rate risks, among others. We determine whether loans will be held for investment or held for sale at the time of commitment and manage credit and liquidity risks by selling or securitizing a portion of the loans we originate.

Changes in interest rates impact the value of interest rate lock commitments (IRLCs) and the related residential first mortgage loans held-for-sale (LHFS), as well as the value of the MSRs. Because the interest rate risks of these hedged items offset, we combine them into one overall hedged item with one combined economic hedge portfolio consisting of derivative contracts and securities. For more information on IRLCs and the related residential mortgage LHFS, see Mortgage Banking Risk Management in the MD&A of the Corporation's 2023 Annual Report on Form 10-K.

There were no significant gains or losses related to the change in fair value of MSRs, IRLCs and LHFS, net of gains and losses on the hedge portfolio, for the three and six months ended June 30, 2024 and 2023. For more information on MSRs, see Note 14 – Fair Value Measurements to the Consolidated Financial Statements.

Climate Risk

Climate Risk Management

Climate risk is the risk that climate change or actions taken to mitigate climate change expose the Corporation to economic, legal/regulatory, operational or reputational harm. Climate-related risks are divided into two major categories, both of which span across the seven key risk types discussed in the Managing Risk section in the MD&A of the Corporation's 2023 Annual Report on Form 10-K: (1) Physical Risk: risks related to the physical impacts of climate change, driven by extreme weather events such as hurricanes and floods, as well as chronic longer-term shifts such as rising average global temperatures and sea levels, and (2) Transition Risk: risks related to the transition to a low-carbon economy, which may entail extensive policy, legal, technology and market changes.

Physical risks of climate change, such as more frequent and severe extreme weather events, can increase the Corporation's risks, including credit risk by diminishing borrowers' repayment capacity or collateral values, and operational risk by negatively impacting the Corporation's facilities, employees, or vendors. Transition risks of climate change may amplify credit risks through the financial impacts of changes in policy, technology or the market on the Corporation or our counterparties. Unanticipated market changes can lead to sudden price adjustments and give rise to heightened market risk.

Reputational risk can arise if we do not meet our climate-related goals and/or targets, or are perceived to be inadequately responsive to climate change or otherwise.

Our approach to managing climate risk is consistent with our risk management governance structure, from senior management to our Board and its committees, including the Enterprise Risk Committee (ERC) and the Corporate Governance, ESG and Sustainability Committee (CGESC) of the Board, which regularly discuss climate-related topics. The ERC oversees climate risk as set forth in our Risk Framework and Risk Appetite Statement. The CGESC is responsible for overseeing the Corporation's environmental and sustainability-related activities and practices, and regularly reviews the Corporation's climate-related policies and practices. Our Climate Risk Council consists of leaders across risk, Front Line Unit and control functions, and meets routinely to discuss our approach to managing climate-related risks.

Our climate risk management efforts are overseen by an officer who reports to the Chief Risk Officer. The Corporation has a Climate and Environmental Risk Management function that is responsible for overseeing climate risk management. They are responsible for establishing the Climate Risk Framework (described below) and governance structure, and providing an independent assessment of enterprise-wide climate risks.

Based on the Corporation's Risk Framework, in 2023 we created our internal Climate Risk Framework, which addresses how the Corporation identifies, measures, monitors and controls climate risk by enhancing existing risk management processes and also includes examples of how climate risk manifests across the seven risk types. The framework details the roles and responsibilities for climate risk management across our three lines of defense (i.e., Front Line Units, Global Risk Management and Corporate Audit).

For more information on our governance framework, see the Managing Risk section in the MD&A of the Corporation's 2023 Annual Report on Form 10-K. For more information on climate risk, see Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K.

Climate-related Goals and Targets

In 2021, the Corporation announced a goal of achieving net zero greenhouse gas emissions before 2050 in our financing activities, operations and supply chain (Net Zero goal). As part of this goal, we have set interim 2030 targets across our financing activities related to certain high-emitting sectors (2030 Financing Activity Emissions Targets), operations and supply chain, all of which are further supported and complemented by our 10-year goal to mobilize and deploy \$1.5 trillion in sustainable finance by 2030 in support of the U.N.

Sustainable Development Goals, of which \$1 trillion is dedicated to supporting the transition to a low-carbon economy, including capital mobilized across clean energy sectors and tailored financial solutions for emerging areas of the low-carbon economy. In particular, we have announced 2030 Financing Activity Emissions Targets for auto manufacturing, aviation, cement, energy, iron and steel, maritime shipping and power generation sectors.

Achieving our climate-related goals and targets, including our Net Zero goal and 2030 Financing Activity Emissions Targets, may require technological advances, clearly defined roadmaps for industry sectors and better emissions data reporting. Required changes may also include new standards and public policies, including those that improve the cost of capital for the transition to a low-carbon economy, as well as strong and active engagement with customers, suppliers, investors, government officials and other stakeholders. Activities related to our climate-related goals and targets have not resulted in a significant effect on our results of operations or financial position in the relevant periods presented herein.

For more information on climate-related matters and the Corporation's climate-related goals and targets, including the Corporation's plans to achieve its Net Zero goal and its 2030 targets, and progress on its sustainable finance goal, see the Corporation's website, including its 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report (2023 TCFD Report) and Addendum to the 2023 TCFD Report (2023 TCFD Addendum). The contents of the Corporation's website, including the 2023 TCFD Report and 2023 TCFD Addendum are not incorporated by reference into this Quarterly Report on Form 10-Q.

The foregoing discussion and the statements on the Corporation's website, including in the 2023 TCFD Report and 2023 TCFD Addendum, regarding the Corporation's climate-related goals and targets, its approach with respect to climate risk management, and the nature and extent of climate-related risks, contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future results or performance and involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict and are often beyond the Corporation's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements.

Complex Accounting Estimates

Our significant accounting principles, are essential in understanding the MD&A. Many of our significant accounting principles require complex judgments to estimate the values of assets and liabilities. We have procedures and processes in place to facilitate making these judgments. For more information, see Complex Accounting Estimates in the MD&A of the Corporation's 2023 Annual Report on Form 10-K and Note 1 - *Summary of Significant Accounting Principles* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Goodwill and Intangible Assets

The nature of and accounting for goodwill and intangible assets are discussed in Note 7 - *Goodwill and Intangible Assets* to the Consolidated Financial Statements herein and Note 1 - *Summary of Significant Accounting Principles* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K. As of June 30, 2024, goodwill recorded on our consolidated balance sheet was as follows.

Table 42 Goodwill by Reporting Segment

(Dollars in millions)	June 30 2024	December 31 2023
Consumer Banking	\$ 30,137	\$ 30,137
Global Wealth and Investment Management	9,677	9,677
Global Banking	24,026	24,026
Global Markets	5,181	5,181
Total	\$ 69,021	\$ 69,021

We completed our annual goodwill impairment test as of June 30, 2024 by using a qualitative assessment. Factors considered in the qualitative assessment include, among others, macroeconomic conditions, industry and market considerations, financial performance of the respective reporting unit and other relevant entity and reporting-unit specific considerations. Based on our assessment, we have concluded that none of our reporting units are at risk of impairment, as each of the reporting units' fair values are substantially in excess of their carrying values.

Non-GAAP Reconciliations

Table 43 provides reconciliations of certain non-GAAP financial measures to the most directly comparable GAAP financial measures.

Table 43 Average and Period-end Supplemental Financial Data and Reconciliations to GAAP Financial Measures⁽¹⁾

(Dollars in millions)	2024 Quarters		2023 Quarters			Six Months Ended June 30	
	Second	First	Fourth	Third	Second	2024	2023
Reconciliation of average shareholders' equity to average tangible shareholders' equity and average tangible common shareholders' equity							
Shareholders' equity	\$ 293,403	\$ 292,511	\$ 288,618	\$ 284,975	\$ 282,425	\$ 292,957	\$ 279,853
Goodwill	(69,021)	(69,021)	(69,021)	(69,021)	(69,022)	(69,021)	(69,022)
Intangible assets (excluding MSRs)	(1,971)	(1,990)	(2,010)	(2,029)	(2,049)	(1,980)	(2,058)
Related deferred tax liabilities	869	874	886	890	895	871	897
Tangible shareholders' equity	\$ 223,280	\$ 222,374	\$ 218,473	\$ 214,815	\$ 212,249	\$ 222,827	\$ 209,670
Preferred stock	(28,113)	(28,397)	(28,397)	(28,397)	(28,397)	(28,255)	(28,397)
Tangible common shareholders' equity	\$ 195,167	\$ 193,977	\$ 190,076	\$ 186,418	\$ 183,852	\$ 194,572	\$ 181,273
Reconciliation of period-end shareholders' equity to period-end tangible shareholders' equity and period-end tangible common shareholders' equity							
Shareholders' equity	\$ 293,892	\$ 293,552	\$ 291,646	\$ 287,064	\$ 283,319		
Goodwill	(69,021)	(69,021)	(69,021)	(69,021)	(69,021)		
Intangible assets (excluding MSRs)	(1,958)	(1,977)	(1,997)	(2,016)	(2,036)		
Related deferred tax liabilities	864	869	874	886	890		
Tangible shareholders' equity	\$ 223,777	\$ 223,423	\$ 221,502	\$ 216,913	\$ 213,152		
Preferred stock	(26,548)	(28,397)	(28,397)	(28,397)	(28,397)		
Tangible common shareholders' equity	\$ 197,229	\$ 195,026	\$ 193,105	\$ 188,516	\$ 184,755		
Reconciliation of period-end assets to period-end tangible assets							
Assets	\$ 3,257,996	\$ 3,273,803	\$ 3,180,151	\$ 3,153,090	\$ 3,123,198		
Goodwill	(69,021)	(69,021)	(69,021)	(69,021)	(69,021)		
Intangible assets (excluding MSRs)	(1,958)	(1,977)	(1,997)	(2,016)	(2,036)		
Related deferred tax liabilities	864	869	874	886	890		
Tangible assets	\$ 3,187,881	\$ 3,203,674	\$ 3,110,007	\$ 3,082,939	\$ 3,053,031		

⁽¹⁾ For more information on non-GAAP financial measures and ratios we use in assessing the results of the Corporation, see Supplemental Financial Data on page 6.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

See Market Risk Management on page 42 in the MD&A and the sections referenced therein for Quantitative and Qualitative Disclosures about Market Risk.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness and design of the Corporation's disclosure controls and procedures (as that term is defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures were effective, as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Corporation's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the three months ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Part I. Financial Information**Item 1. Financial Statements****Bank of America Corporation and Subsidiaries****Consolidated Statement of Income**

(In millions, except per share information)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Net interest income				
Interest income	\$ 36,854	\$ 32,354	\$ 73,139	\$ 61,009
Interest expense	23,152	18,196	45,405	32,403
Net interest income	13,702	14,158	27,734	28,606
Noninterest income				
Fees and commissions	8,969	7,961	17,629	15,855
Market making and similar activities	3,298	3,697	7,186	8,409
Other income (loss)	(592)	(619)	(1,354)	(1,415)
Total noninterest income	11,675	11,039	23,461	22,849
Total revenue, net of interest expense	25,377	25,197	51,195	51,455
Provision for credit losses				
	1,508	1,125	2,827	2,056
Noninterest expense				
Compensation and benefits	9,826	9,401	20,021	19,319
Occupancy and equipment	1,818	1,776	3,629	3,575
Information processing and communications	1,763	1,644	3,563	3,341
Product delivery and transaction related	891	956	1,742	1,846
Professional fees	654	527	1,202	1,064
Marketing	487	513	942	971
Other general operating	870	1,221	2,447	2,160
Total noninterest expense	16,309	16,038	33,546	32,276
Income before income taxes	7,560	8,034	14,822	17,123
Income tax expense	663	626	1,251	1,554
Net income	\$ 6,897	\$ 7,408	\$ 13,571	\$ 15,569
Preferred stock dividends	315	306	847	811
Net income applicable to common shareholders	\$ 6,582	\$ 7,102	\$ 12,724	\$ 14,758
Per common share information				
Earnings	\$ 0.83	\$ 0.88	\$ 1.60	\$ 1.83
Diluted earnings	0.83	0.88	1.59	1.82
Average common shares issued and outstanding	7,897.9	8,040.9	7,933.3	8,053.5
Average diluted common shares issued and outstanding	7,960.9	8,080.7	7,996.2	8,162.6

Consolidated Statement of Comprehensive Income

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Net income				
	\$ 6,897	\$ 7,408	\$ 13,571	\$ 15,569
Other comprehensive income (loss), net-of-tax:				
Net change in debt securities	(305)	168	27	723
Net change in debit valuation adjustments	53	(404)	(135)	(394)
Net change in derivatives	686	(1,993)	270	49
Employee benefit plan adjustments	25	9	48	19
Net change in foreign currency translation adjustments	(31)	5	(51)	17
Other comprehensive income (loss)	428	(2,215)	159	414
Comprehensive income (loss)	\$ 7,325	\$ 5,193	\$ 13,730	\$ 15,983

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries

Consolidated Balance Sheet

(Dollars in millions)	June 30 2024	December 31 2023
Assets		
Cash and due from banks	\$ 25,849	\$ 27,892
Interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks	294,783	305,181
Cash and cash equivalents	320,632	333,073
Time deposits placed and other short-term investments	8,369	8,346
Federal funds sold and securities borrowed or purchased under agreements to resell (includes \$167,835 and \$133,053 measured at fair value)	337,752	280,624
Trading account assets (includes \$151,737 and \$130,815 pledged as collateral)	306,466	277,354
Derivative assets	35,956	39,323
Debt securities:		
Carried at fair value	301,051	276,852
Held-to-maturity, at cost (fair value \$466,636 and \$496,597)	577,366	594,555
Total debt securities	878,417	871,407
Loans and leases (includes \$3,197 and \$3,569 measured at fair value)	1,056,785	1,053,732
Allowance for loan and lease losses	(13,238)	(13,342)
Loans and leases, net of allowance	1,043,547	1,040,390
Premises and equipment, net	11,917	11,855
Goodwill	69,021	69,021
Loans held-for-sale (includes \$1,572 and \$2,059 measured at fair value)	7,043	6,002
Customer and other receivables	80,978	81,881
Other assets (includes \$15,314 and \$11,861 measured at fair value)	157,898	160,875
Total assets	\$ 3,257,996	\$ 3,180,151
Liabilities		
Deposits in U.S. offices:		
Noninterest-bearing	\$ 503,037	\$ 530,619
Interest-bearing (includes \$370 and \$284 measured at fair value)	1,291,853	1,273,904
Deposits in non-U.S. offices:		
Noninterest-bearing	14,573	16,427
Interest-bearing	101,028	102,877
Total deposits	1,910,491	1,923,827
Federal funds purchased and securities loaned or sold under agreements to repurchase (includes \$214,719 and \$178,609 measured at fair value)	368,106	283,887
Trading account liabilities	100,345	95,530
Derivative liabilities	40,508	43,432
Short-term borrowings (includes \$7,200 and \$4,690 measured at fair value)	40,429	32,098
Accrued expenses and other liabilities (includes \$15,064 and \$11,473 measured at fair value and \$1,104 and \$1,209 of reserve for unfunded lending commitments)	213,751	207,527
Long-term debt (includes \$46,875 and \$42,809 measured at fair value)	290,474	302,204
Total liabilities	2,964,104	2,888,505
Commitments and contingencies (Note 6 – Securitizations and Other Variable Interest Entities and Note 10 – Commitments and Contingencies)		
Shareholders' equity		
Preferred stock, \$0.01 par value; authorized – 100,000,000 shares; issued and outstanding – 4,013,928 and 4,088,099 Shares	26,548	28,397
Common stock and additional paid-in capital, \$0.01 par value; authorized – 12,800,000,000 shares; issued and outstanding – 7,774,753,442 and 7,895,457,665 shares	51,376	56,365
Retained earnings	233,597	224,672
Accumulated other comprehensive income (loss)	(17,629)	(17,788)
Total shareholders' equity	293,892	291,646
Total liabilities and shareholders' equity	\$ 3,257,996	\$ 3,180,151
Assets of consolidated variable interest entities included in total assets above (isolated to settle the liabilities of the variable interest entities)		
Trading account assets	\$ 5,647	\$ 6,054
Loans and leases	19,827	18,276
Allowance for loan and lease losses	(917)	(826)
Loans and leases, net of allowance	18,910	17,450
All other assets	281	269
Total assets of consolidated variable interest entities	\$ 24,838	\$ 23,773
Liabilities of consolidated variable interest entities included in total liabilities above		
Short-term borrowings (includes \$0 and \$23 of non-recourse short-term borrowings)	\$ 3,343	\$ 2,957
Long-term debt (includes \$9,137 and \$8,456 of non-recourse debt)	9,137	8,456
All other liabilities (includes \$22 and \$19 of non-recourse liabilities)	22	19

Total liabilities of consolidated variable interest entities\$ **12,502** \$ **11,432**

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries**Consolidated Statement of Changes in Shareholders' Equity**

(In millions)	Preferred Stock	Common Stock and Additional Paid-in Capital		Retained Earnings	\$ (18,057)	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
		Shares	Amount				
Balance, March 31, 2024	\$ 28,397	7,866.9	\$ 54,310	\$ 228,902	\$ 6,897	\$ (18,057)	\$ 293,552
Net income							6,897
Net change in debt securities						(305)	(305)
Net change in debit valuation adjustments						53	53
Net change in derivatives						686	686
Employee benefit plan adjustments						25	25
Net change in foreign currency translation adjustments						(31)	(31)
Dividends declared:							
Common						(1,887)	(1,887)
Preferred						(310)	(310)
Redemption of preferred stock	(1,849)					(5)	(1,854)
Common stock issued under employee plans, net, and other		0.4		601			601
Common stock repurchased		(92.5)		(3,535)			(3,535)
Balance, June 30, 2024	\$ 26,548	7,774.8	\$ 51,376	\$ 233,597	\$ (17,629)	\$ 293,892	
Balance, December 31, 2023	\$ 28,397	7,895.5	\$ 56,365	\$ 224,672	\$ (17,788)	\$ 291,646	
Net income					13,571		13,571
Net change in debt securities						27	27
Net change in debit valuation adjustments						(135)	(135)
Net change in derivatives						270	270
Employee benefit plan adjustments						48	48
Net change in foreign currency translation adjustments						(51)	(51)
Dividends declared:							
Common						(3,797)	(3,797)
Preferred						(842)	(842)
Redemption of preferred stock	(1,849)					(5)	(1,854)
Common stock issued under employee plans, net, and other		44.4		1,046		(2)	1,044
Common stock repurchased		(165.1)		(6,035)			(6,035)
Balance, June 30, 2024	\$ 26,548	7,774.8	\$ 51,376	\$ 233,597	\$ (17,629)	\$ 293,892	
Balance, March 31, 2023	\$ 28,397	7,972.4	\$ 57,264	\$ 213,062	\$ (18,527)	\$ 280,196	
Net income					7,408		7,408
Net change in debt securities						168	168
Net change in debit valuation adjustments						(404)	(404)
Net change in derivatives						(1,993)	(1,993)
Employee benefit plan adjustments						9	9
Net change in foreign currency translation adjustments						5	5
Dividends declared:							
Common						(1,767)	(1,767)
Preferred						(306)	(306)
Common stock issued under employee plans, net, and other		0.4		553			553
Common stock repurchased		(19.2)		(550)			(550)
Balance, June 30, 2023	\$ 28,397	7,953.6	\$ 57,267	\$ 218,397	\$ (20,742)	\$ 283,319	
Balance, December 31, 2022	\$ 28,397	7,996.8	\$ 58,953	\$ 207,003	\$ (21,156)	\$ 273,197	
Cumulative adjustment for adoption of credit loss accounting standard					184		184
Net income					15,569		15,569
Net change in debt securities						723	723
Net change in debit valuation adjustments						(394)	(394)
Net change in derivatives						49	49
Employee benefit plan adjustments						19	19
Net change in foreign currency translation adjustments						17	17
Dividends declared:							
Common						(3,541)	(3,541)
Preferred						(811)	(811)
Common stock issued under employee plans, net, and other		42.8		1,079		(7)	1,072
Common stock repurchased		(86.0)		(2,765)			(2,765)
Balance, June 30, 2023	\$ 28,397	7,953.6	\$ 57,267	\$ 218,397	\$ (20,742)	\$ 283,319	

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries**Consolidated Statement of Cash Flows**

(Dollars in millions)	Six Months Ended June 30	
	2024	2023
Operating activities		
Net income	\$ 13,571	\$ 15,569
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	2,827	2,056
(Gains) losses on sales of debt securities	(14)	404
Depreciation and amortization	1,081	1,013
Net (accretion) amortization of discount/premium on debt securities	(394)	64
Deferred income taxes	(883)	(612)
Stock-based compensation	1,710	1,626
Loans held-for-sale:		
Originations and purchases	(16,956)	(7,345)
Proceeds from sales and paydowns of loans originally classified as held for sale and instruments from related securitization activities	15,663	7,349
Net change in:		
Trading and derivative assets/liabilities	(25,246)	1,289
Other assets	1,335	(6,618)
Accrued expenses and other liabilities	6,183	(18,449)
Other operating activities, net	3,680	4,140
Net cash provided by operating activities	2,557	486
Investing activities		
Net change in:		
Time deposits placed and other short-term investments	(23)	(722)
Federal funds sold and securities borrowed or purchased under agreements to resell	(54,628)	(8,707)
Debt securities carried at fair value:		
Proceeds from sales	24,454	93,947
Proceeds from paydowns and maturities	188,518	35,177
Purchases	(239,755)	(39,260)
Held-to-maturity debt securities:		
Proceeds from paydowns and maturities	16,568	18,078
Purchases	—	(77)
Loans and leases:		
Proceeds from sales of loans originally classified as held for investment and instruments from related securitization activities	4,199	5,129
Purchases	(2,736)	(2,590)
Other changes in loans and leases, net	(7,610)	(9,731)
Other investing activities, net	(1,832)	(2,514)
Net cash provided by (used in) investing activities	(72,845)	88,730
Financing activities		
Net change in:		
Deposits	(13,336)	(53,132)
Federal funds purchased and securities loaned or sold under agreements to repurchase	84,219	92,992
Short-term borrowings	8,331	14,085
Long-term debt:		
Proceeds from issuance	30,373	30,709
Retirement	(36,142)	(22,268)
Preferred stock redemption	(1,854)	—
Common stock repurchased	(6,035)	(2,765)
Cash dividends paid	(4,735)	(4,443)
Other financing activities, net	(463)	(752)
Net cash provided by financing activities	60,358	54,426
Effect of exchange rate changes on cash and cash equivalents	(2,511)	(292)
Net increase (decrease) in cash and cash equivalents	(12,441)	143,350
Cash and cash equivalents at January 1	333,073	230,203
Cash and cash equivalents at June 30	\$ 320,632	\$ 373,553

See accompanying Notes to Consolidated Financial Statements.

Bank of America 52

Bank of America Corporation and Subsidiaries

Notes to Consolidated Financial Statements

NOTE 1 Summary of Significant Accounting Principles

Bank of America Corporation, a bank holding company and a financial holding company, provides a diverse range of financial services and products throughout the U.S. and in certain international markets. The term "the Corporation" as used herein may refer to Bank of America Corporation, individually, Bank of America Corporation and its subsidiaries, or certain of Bank of America Corporation's subsidiaries or affiliates.

Principles of Consolidation and Basis of Presentation

The Consolidated Financial Statements include the accounts of the Corporation and its majority-owned subsidiaries and those variable interest entities (VIEs) where the Corporation is the primary beneficiary. Intercompany accounts and transactions have been eliminated. Results of operations of acquired companies are included from the dates of acquisition, and for VIEs, from the dates that the Corporation became the primary beneficiary. Assets held in an agency or fiduciary capacity are not included in the Consolidated Financial Statements. The Corporation accounts for investments in companies for which it owns a voting interest and for which it has the ability to exercise

significant influence over operating and financing decisions using the equity method of accounting. These investments, which include the Corporation's interests in affordable housing and renewable energy partnerships, are recorded in other assets. Equity method investments are subject to impairment testing, and the Corporation's proportionate share of income or loss is included in other income.

The preparation of the Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could materially differ from those estimates and assumptions.

These unaudited Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements, and related notes thereto, of the Corporation's 2023 Annual Report on Form 10-K.

The nature of the Corporation's business is such that the results of any interim period are not necessarily indicative of results for a full year. In the opinion of management, all adjustments, which consist of normal recurring adjustments necessary for a fair statement of the interim period results, have been made. The Corporation evaluates subsequent events through the date of filing with the Securities and Exchange Commission (SEC).

NOTE 2 Net Interest Income and Noninterest Income

The table below presents the Corporation's net interest income and noninterest income disaggregated by revenue source for the three and six months ended June 30, 2024 and 2023. For more information, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K. For a disaggregation of noninterest income by business segment and All Other, see Note 17 – Business Segment Information.

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Net interest income				
Interest income				
Loans and leases	\$ 15,338	\$ 13,970	\$ 30,578	\$ 27,067
Debt securities	6,325	4,691	12,462	10,151
Federal funds sold and securities borrowed or purchased under agreements to resell	5,159	4,955	10,334	8,667
Trading account assets	2,516	2,076	4,971	4,104
Other interest income ⁽¹⁾	7,516	6,662	14,794	11,020
Total interest income	36,854	32,354	73,139	61,009
Interest expense				
Deposits	9,655	5,785	18,793	10,099
Short-term borrowings	9,070	8,355	17,605	14,535
Trading account liabilities	540	472	1,086	976
Long-term debt	3,887	3,584	7,921	6,793
Total interest expense	23,152	18,196	45,405	32,403
Net interest income	\$ 13,702	\$ 14,158	\$ 27,734	\$ 28,606
Noninterest income				
Fees and commissions				
Card income				
Interchange fees ⁽²⁾	\$ 1,023	\$ 1,023	\$ 1,954	\$ 1,979
Other card income	558	523	1,090	1,036
Total card income	1,581	1,546	3,044	3,015
Service charges				
Deposit-related fees	1,172	1,045	2,294	2,142
Lending-related fees	335	319	655	632
Total service charges	1,507	1,364	2,949	2,774
Investment and brokerage services				
Asset management fees	3,370	2,969	6,640	5,887
Brokerage fees	950	870	1,867	1,804
Total investment and brokerage services	4,320	3,839	8,507	7,691
Investment banking fees				
Underwriting income	869	657	1,770	1,226
Syndication fees	318	180	612	411
Financial advisory services	374	375	747	738
Total investment banking fees	1,561	1,212	3,129	2,375
Total fees and commissions				
Market making and similar activities	3,298	3,697	7,186	8,409
Other income (loss)	(592)	(619)	(1,354)	(1,415)
Total noninterest income	\$ 11,675	\$ 11,039	\$ 23,461	\$ 22,849

⁽¹⁾ Includes interest income on interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks of \$4.5 billion and \$4.3 billion for the three months ended June 30, 2024 and 2023, and \$9.0 billion and \$6.3 billion for the six months ended June 30, 2024 and 2023.

⁽²⁾ Gross interchange fees and merchant income are \$3.5 billion and \$3.4 billion for the three months ended June 30, 2024 and 2023 and both are presented net of \$2.4 billion of expenses for rewards and partner payments as well as certain other card costs for the same periods. Gross interchange fees and merchant income were \$6.7 billion and \$6.6 billion for the six months ended June 30, 2024 and 2023 and are presented net of \$4.7 billion and \$4.6 billion of expenses for rewards and partner payments as well as certain other card costs for the same periods.

NOTE 3 Derivatives

Derivative Balances

Derivatives are entered into on behalf of customers, for trading or to support risk management activities. Derivatives used in risk management activities include derivatives that may or may not be designated in qualifying hedge accounting relationships. Derivatives that are not designated in qualifying hedge accounting relationships are referred to as other risk management derivatives. For more information on the Corporation's derivatives and hedging activities, see Note 1 – Summary of Significant Accounting Principles and Note 3 –

Derivatives to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K. The following tables present derivative instruments included on the Consolidated Balance Sheet in derivative assets and liabilities at June 30, 2024 and December 31, 2023. Balances are presented on a gross basis, prior to the application of counterparty and cash collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of legally enforceable master netting agreements and have been reduced by cash collateral received or paid.

(Dollars in billions)	June 30, 2024							
	Contract/ Notional ⁽¹⁾	Gross Derivative Assets			Gross Derivative Liabilities			Total
		Trading and Other Risk Management Derivatives	Qualifying Accounting Hedges	Total	Trading and Other Risk Management Derivatives	Qualifying Accounting Hedges	Total	
Interest rate contracts								
Swaps	\$ 19,803.9	\$ 74.8	\$ 8.4	\$ 83.2	\$ 61.9	\$ 19.3	\$ 81.2	
Futures and forwards	3,795.0	2.3	—	2.3	2.5	—	2.5	
Written options ⁽²⁾	1,876.4	—	—	—	31.1	—	31.1	
Purchased options ⁽³⁾	1,822.8	32.6	—	32.6	—	—	—	
Foreign exchange contracts								
Swaps	1,964.6	36.2	0.1	36.3	33.8	0.1	33.9	
Spot, futures and forwards	4,893.9	33.9	0.7	34.6	33.9	0.2	34.1	
Written options ⁽²⁾	552.5	—	—	—	7.6	—	7.6	
Purchased options ⁽³⁾	512.7	7.5	—	7.5	—	—	—	
Equity contracts								
Swaps	483.9	11.8	—	11.8	17.0	—	17.0	
Futures and forwards	139.3	2.0	—	2.0	1.6	—	1.6	
Written options ⁽²⁾	966.1	—	—	—	66.8	—	66.8	
Purchased options ⁽³⁾	874.7	56.5	—	56.5	—	—	—	
Commodity contracts								
Swaps	66.0	2.8	—	2.8	3.8	—	3.8	
Futures and forwards	184.3	5.1	—	5.1	4.6	0.1	4.7	
Written options ⁽²⁾	74.8	—	—	—	3.1	—	3.1	
Purchased options ⁽³⁾	80.8	2.9	—	2.9	—	—	—	
Credit derivatives ⁽⁴⁾								
Purchased credit derivatives:								
Credit default swaps	433.2	1.9	—	1.9	2.6	—	2.6	
Total return swaps/options	113.8	0.7	—	0.7	0.8	—	0.8	
Written credit derivatives:								
Credit default swaps	412.7	2.1	—	2.1	1.7	—	1.7	
Total return swaps/options	104.6	1.0	—	1.0	0.4	—	0.4	
Gross derivative assets/liabilities	\$ 274.1	\$ 9.2	\$ 283.3	\$ 273.2	\$ 19.7	\$ 292.9		
Less: Legally enforceable master netting agreements			(219.9)			(219.9)		
Less: Cash collateral received/paid			(27.4)			(32.5)		
Total derivative assets/liabilities	\$ 36.0	\$ 36.0	\$ 36.0	\$ 36.0	\$ 36.0	\$ 36.0	\$ 36.0	\$ 36.0

⁽¹⁾ Represents the total contract/notional amount of derivative assets and liabilities outstanding.

⁽²⁾ Includes certain out-of-the-money purchased options that have a liability amount primarily due to the deferral of option premiums to the end of the contract.

⁽³⁾ Includes certain out-of-the-money written options that have an asset amount primarily due to the deferral of option premiums to the end of the contract.

⁽⁴⁾ The net derivative asset (liability) and notional amount of written credit derivatives for which the Corporation held purchased credit derivatives with identical underlying referenced names were \$280 million and \$382.4 billion at June 30, 2024.

(Dollars in billions)	December 31, 2023										
	Contract/ Notional ⁽¹⁾	Gross Derivative Assets			Gross Derivative Liabilities						
		Trading and Other Risk Management Derivatives	Qualifying Accounting Hedges	Total	Trading and Other Risk Management Derivatives	Qualifying Accounting Hedges	Total				
Interest rate contracts											
Swaps	\$ 15,715.2	\$ 78.4	\$ 7.9	\$ 86.3	\$ 66.6	\$ 18.5	\$ 85.1				
Futures and forwards	2,803.8	5.1	—	5.1	7.0	—	7.0				
Written options ⁽²⁾	1,807.7	—	—	—	31.7	—	31.7				
Purchased options ⁽³⁾	1,714.9	32.9	—	32.9	—	—	—				
Foreign exchange contracts											
Swaps	1,814.7	41.1	0.2	41.3	38.2	0.5	38.7				
Spot, futures and forwards	3,561.7	37.2	6.1	43.3	40.3	6.2	46.5				
Written options ⁽²⁾	462.8	—	—	—	6.8	—	6.8				
Purchased options ⁽³⁾	405.3	6.2	—	6.2	—	—	—				
Equity contracts											
Swaps	427.0	13.3	—	13.3	16.7	—	16.7				
Futures and forwards	136.9	2.1	—	2.1	1.6	—	1.6				
Written options ⁽²⁾	854.9	—	—	—	50.1	—	50.1				
Purchased options ⁽³⁾	716.2	44.1	—	44.1	—	—	—				
Commodity contracts											
Swaps	59.0	3.1	—	3.1	4.5	—	4.5				
Futures and forwards	187.8	3.8	—	3.8	3.1	0.4	3.5				
Written options ⁽²⁾	67.1	—	—	—	3.3	—	3.3				
Purchased options ⁽³⁾	70.9	3.0	—	3.0	—	—	—				
Credit derivatives ⁽⁴⁾											
Purchased credit derivatives:											
Credit default swaps	312.8	1.7	—	1.7	2.5	—	2.5				
Total return swaps/options	69.4	0.8	—	0.8	1.3	—	1.3				
Written credit derivatives:											
Credit default swaps	289.1	2.2	—	2.2	1.6	—	1.6				
Total return swaps/options	68.6	1.1	—	1.1	0.3	—	0.3				
Gross derivative assets/liabilities	\$ 276.1	\$ 14.2	\$ 290.3	\$ 275.6	\$ 25.6	\$ 301.2					
Less: Legally enforceable master netting agreements				(221.6)		(221.6)					
Less: Cash collateral received/paid				(29.4)		(36.2)					
Total derivative assets/liabilities				\$ 39.3		\$ 43.4					

(1) Represents the total contract/notional amount of derivative assets and liabilities outstanding.

(2) Includes certain out-of-the-money purchased options that have a liability amount primarily due to the deferral of option premiums to the end of the contract.

(3) Includes certain out-of-the-money written options that have an asset amount primarily due to the deferral of option premiums to the end of the contract.

(4) The net derivative asset (liability) and notional amount of written credit derivatives for which the Corporation held purchased credit derivatives with identical underlying referenced names were \$520 million and \$266.5 billion at December 31, 2023.

Offsetting of Derivatives

The Corporation enters into International Swaps and Derivatives Association, Inc. (ISDA) master netting agreements or similar agreements with substantially all of the Corporation's derivative counterparties. For more information, see Note 3 – Derivatives to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

The following table presents derivative instruments included in derivative assets and liabilities on the Consolidated Balance Sheet at June 30, 2024 and December 31, 2023 by primary risk (e.g., interest rate risk) and the platform, where applicable,

on which these derivatives are transacted. Balances are presented on a gross basis, prior to the application of counterparty and cash collateral netting. Total gross derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of legally enforceable master netting agreements, which include reducing the balance for counterparty netting and cash collateral received or paid.

For more information on offsetting of securities financing agreements, see Note 9 – Securities Financing Agreements, Collateral and Restricted Cash.

Offsetting of Derivatives ⁽¹⁾

(Dollars in billions)	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	June 30, 2024		December 31, 2023	
Interest rate contracts				
Over-the-counter	\$ 115.2	\$ 110.1	\$ 119.2	\$ 117.7
Exchange-traded	0.1	0.1	0.2	0.2
Over-the-counter cleared	2.3	2.5	4.4	3.3
Foreign exchange contracts				
Over-the-counter	77.1	74.6	89.7	90.4
Over-the-counter cleared	0.2	0.2	0.2	0.2
Equity contracts				
Over-the-counter	24.3	36.1	24.7	32.2
Exchange-traded	44.7	46.8	34.4	33.9
Commodity contracts				
Over-the-counter	7.6	8.6	6.6	8.4
Exchange-traded	2.1	2.1	2.3	2.1
Over-the-counter cleared	0.6	0.7	0.4	0.5
Credit derivatives				
Over-the-counter	5.6	5.3	5.7	5.6
Total gross derivative assets/liabilities, before netting				
Over-the-counter	229.8	234.7	245.9	254.3
Exchange-traded	46.9	49.0	36.9	36.2
Over-the-counter cleared	3.1	3.4	5.0	4.0
Less: Legally enforceable master netting agreements and cash collateral received/paid				
Over-the-counter	(198.5)	(203.7)	(212.1)	(218.9)
Exchange-traded	(45.8)	(45.8)	(35.4)	(35.4)
Over-the-counter cleared	(3.0)	(2.9)	(3.5)	(3.5)
Derivative assets/liabilities, after netting	32.5	34.7	36.8	36.7
Other gross derivative assets/liabilities ⁽²⁾	3.5	5.8	2.5	6.7
Total derivative assets/liabilities	36.0	40.5	39.3	43.4
Less: Financial instruments collateral ⁽³⁾	(16.5)	(14.6)	(15.5)	(13.0)
Total net derivative assets/liabilities	\$ 19.5	\$ 25.9	\$ 23.8	\$ 30.4

⁽¹⁾ Over-the-counter derivatives include bilateral transactions between the Corporation and a particular counterparty. Over-the-counter cleared derivatives include bilateral transactions between the Corporation and a counterparty where the transaction is cleared through a clearinghouse. Exchange-traded derivatives include listed options transacted on an exchange.

⁽²⁾ Consists of derivatives entered into under master netting agreements where the enforceability of these agreements is uncertain under bankruptcy laws in some countries or industries.

⁽³⁾ Amounts are limited to the derivative asset/liability balance and, accordingly, do not include excess collateral received/pledged. Financial instruments collateral includes securities collateral received or pledged and cash securities held and posted at third-party custodians that are not offset on the Consolidated Balance Sheet but shown as a reduction to derive net derivative assets and liabilities.

Derivatives Designated as Accounting Hedges

The Corporation uses various types of interest rate and foreign exchange derivative contracts to protect against changes in the fair value of its assets and liabilities due to fluctuations in interest rates and foreign exchange rates (fair value hedges). The Corporation also uses these types of contracts to protect against changes in the cash flows of its assets and liabilities, and other forecasted transactions (cash flow hedges). The Corporation hedges its net investment in consolidated non-U.S.

operations determined to have functional currencies other than the U.S. dollar using forward exchange contracts and cross-currency basis swaps, and by issuing foreign currency-denominated debt (net investment hedges).

Fair Value Hedges

The following table summarizes information related to fair value hedges for the three and six months ended June 30, 2024 and 2023.

Gains and Losses on Derivatives and Hedged Items Designated in Fair Value Hedges

(Dollars in millions)	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Derivative	Hedged Item		Derivative	Hedged Item	
Interest rate risk on long-term debt ⁽¹⁾	\$ (486)	\$ 481	\$	(3,550)	\$ 3,516	
Interest rate and foreign currency risk ⁽²⁾	279	(285)		107	(104)	
Interest rate risk on available-for-sale securities ⁽³⁾	315	(324)		1,880	(1,884)	
Price risk on commodity inventory ⁽⁴⁾	(166)	166		691	(691)	
Total	\$ (58)	\$ 38	\$	(872)	\$ 837	
Six Months Ended June 30, 2024						
(Dollars in millions)	Derivative	Hedged Item		Derivative	Hedged Item	
	\$ (3,590)	\$ 3,571	\$	(242)	\$ 211	
Interest rate risk on long-term debt ⁽¹⁾	623	(614)		115	(112)	
Interest rate and foreign currency risk ⁽²⁾	2,805	(2,826)		(1,147)	1,132	
Interest rate risk on available-for-sale securities ⁽³⁾	(386)	386		172	(172)	
Total	\$ (548)	\$ 517	\$	(1,102)	\$ 1,059	

⁽¹⁾ Amounts are recorded in interest expense in the Consolidated Statement of Income.

⁽²⁾ Represents cross-currency interest rate swaps related to available-for-sale debt securities and long-term debt. For the three and six months ended June 30, 2024, the derivative amount includes gains (losses) of \$8 million and \$17 million in interest income, \$273 million and \$597 million in market making and similar activities, and \$(2) million and \$9 million in accumulated other comprehensive income (OCI). For the same periods in 2023, the derivative amount includes gains (losses) of \$1 million and \$1 million in interest income, \$(1) million and \$7 million in interest expense, \$103 million and \$105 million in market making and similar activities, and \$4 million and \$2 million in accumulated OCI. Line item totals are in the Consolidated Statement of Income and on the Consolidated Balance Sheet.

⁽³⁾ Amounts are recorded in interest income in the Consolidated Statement of Income.

⁽⁴⁾ Amounts are recorded in market making and similar activities in the Consolidated Statement of Income.

The table below summarizes the carrying value of hedged assets and liabilities that are designated in fair value hedging relationships, along with the cumulative amount of gains and losses on the hedged assets and liabilities that are included in their carrying value. There is no impact to earnings for the cumulative amount of these fair value hedging adjustments as long as the hedging relationships remain open through the hedged period. Instead, the open hedges have the effect of synthetically converting the hedged assets and liabilities into variable-rate instruments. If an open hedge is de-designated prior to the derivative's maturity, any cumulative fair value adjustments at the de-designation date are then amortized or accreted into earnings over the remaining life of the hedged assets or liabilities.

Designated Fair Value Hedged Assets and Liabilities

(Dollars in millions)	June 30, 2024			December 31, 2023	
	Carrying Value	Cumulative Fair Value Adjustments ⁽¹⁾	Carrying Value	Carrying Value	Cumulative Fair Value Adjustments ⁽¹⁾
Long-term debt	\$ 188,684	\$ (9,086)	\$ 203,986	\$ (5,767)	
Available-for-sale debt securities ^(2, 3)	208,693	(4,972)	134,077	(1,793)	
Trading account assets ⁽⁴⁾	3,257	167	7,475	414	

⁽¹⁾ Increase (decrease) to carrying value.

⁽²⁾ These amounts include the amortized cost of the financial assets in closed portfolios used to designate hedging relationships in which the hedged item is a stated layer that is expected to be remaining at the end of the hedging relationship (i.e. portfolio layer hedging relationship). At June 30, 2024 and December 31, 2023, the amortized cost of the closed portfolios used in these hedging relationships was \$37.8 billion and \$39.1 billion, of which \$24.4 billion and \$22.5 billion were designated in a portfolio layer hedging relationship. At June 30, 2024 and December 31, 2023, the cumulative adjustment associated with these hedging relationships was a decrease of \$341 million and an increase of \$48 million.

⁽³⁾ Carrying value represents amortized cost.

⁽⁴⁾ Represents hedging activities related to certain commodities inventory.

At June 30, 2024 and December 31, 2023, the fair value adjustments from de-designated long-term debt hedges decreased the long-term debt carrying value by \$10.2 billion and \$10.5 billion. The fair value adjustments from de-designated AFS debt securities hedges decreased the AFS debt securities carrying value by \$5.0 billion and \$5.6 billion. The fair value adjustments are being amortized or accreted into interest over the contractual lives of the assets or liabilities, along with any premiums or discounts.

Cash Flow and Net Investment Hedges

The following table summarizes certain information related to cash flow hedges and net investment hedges for the three and six months ended June 30, 2024 and 2023. Of the \$7.7 billion

after-tax net loss (\$10.3 billion pretax) on derivatives in accumulated OCI at June 30, 2024, losses of \$3.7 billion after-tax (\$4.9 billion pretax) related to both open and closed cash flow hedges are expected to be reclassified into earnings in the next 12 months. These net losses reclassified into earnings are expected to primarily decrease net interest income related to the respective hedged items. For open cash flow hedges, the maximum length of time over which forecasted transactions are hedged is approximately nine years. For terminated cash flow hedges, the time period over which the forecasted transactions will be recognized in interest income is approximately five years, with the aggregated amount beyond this time period being insignificant.

Gains and Losses on Derivatives Designated as Cash Flow and Net Investment Hedges

	Gains (Losses) Recognized in Accumulated OCI on Derivatives	Gains (Losses) in Income Reclassified from Accumulated OCI	Gains (Losses) Recognized in Accumulated OCI on Derivatives	Gains (Losses) in Income Reclassified from Accumulated OCI				
	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024					
(Dollars in millions, amounts pretax)								
Cash flow hedges								
Interest rate risk on variable-rate portfolios ⁽¹⁾	\$ 35	\$ (882)	\$ (1,055)	\$ (1,396)				
Price risk on forecasted MBS purchases ⁽¹⁾	—	(2)	—	(4)				
Price risk on certain compensation plans ⁽²⁾	5	8	19	17				
Total	\$ 40	\$ (876)	\$ (1,036)	\$ (1,383)				
Net investment hedges								
Foreign exchange risk ⁽³⁾	\$ 595	\$ —	\$ 1,392	\$ —				
Three Months Ended June 30, 2023								
Cash flow hedges								
Interest rate risk on variable-rate portfolios ⁽¹⁾	\$ (2,878)	\$ (189)	\$ (328)	\$ (349)				
Price risk on forecasted MBS purchases ⁽¹⁾	2	—	4	—				
Price risk on certain compensation plans ⁽²⁾	19	6	36	11				
Total	\$ (2,857)	\$ (183)	\$ (288)	\$ (338)				
Net investment hedges								
Foreign exchange risk ⁽³⁾	\$ (91)	\$ 3	\$ (468)	\$ 3				

⁽¹⁾ Amounts reclassified from accumulated OCI are recorded in interest income in the Consolidated Statement of Income.

⁽²⁾ Amounts reclassified from accumulated OCI are recorded in compensation and benefits expense in the Consolidated Statement of Income.

⁽³⁾ Amounts reclassified from accumulated OCI are recorded in other income in the Consolidated Statement of Income. For the three and six months ended June 30, 2024, amounts excluded from effectiveness testing and recognized in market making and similar activities were gains of \$40 million and \$106 million. For the same periods in 2023, amounts excluded from effectiveness testing and recognized in market making and similar activities were gains of \$76 million and \$109 million.

Other Risk Management Derivatives

Other risk management derivatives are used by the Corporation to reduce certain risk exposures by economically hedging various assets and liabilities. The table below presents gains (losses) on these derivatives for the three and six months ended June 30, 2024 and 2023. These gains (losses) are largely offset by the income or expense recorded on the hedged item.

Gains and Losses on Other Risk Management Derivatives

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
(Dollars in millions)				
Interest rate risk on mortgage activities ^(1, 2)	\$ (10)	\$ (23)	\$ (40)	\$ 3
Credit risk on loans ⁽²⁾	4	(12)	(15)	(40)
Interest rate and foreign currency risk on asset and liability management activities ⁽³⁾	82	781	173	659
Price risk on certain compensation plans ⁽⁴⁾	53	188	295	383

⁽¹⁾ Includes hedges of interest rate risk on mortgage servicing rights (MSRs) and interest rate lock commitments (IRLCs) to originate mortgage loans that will be held for sale.

⁽²⁾ Gains (losses) on these derivatives are recorded in other income.

⁽³⁾ Gains (losses) on these derivatives are recorded in market making and similar activities.

⁽⁴⁾ Gains (losses) on these derivatives are recorded in compensation and benefits expense.

Transfers of Financial Assets with Risk Retained through Derivatives

The Corporation enters into certain transactions involving the transfer of financial assets that are accounted for as sales where substantially all of the economic exposure to the transferred financial assets is retained through derivatives (e.g., interest rate and/or credit), but the Corporation does not retain control over the assets transferred. At June 30, 2024 and December 31, 2023, the Corporation had transferred \$4.0 billion and \$4.1 billion of non-U.S. government-guaranteed mortgage-backed securities to a third-party trust and retained economic exposure to the transferred assets through derivative contracts. In connection with these transfers, the Corporation received gross cash proceeds of \$4.1 billion and \$4.2 billion at the transfer dates. At June 30, 2024 and December 31, 2023, the fair value of the transferred securities was \$3.9 billion and \$4.1 billion.

Sales and Trading Revenue

The Corporation enters into trading derivatives to facilitate client transactions and to manage risk exposures arising from trading

account assets and liabilities. It is the Corporation's policy to include these derivative instruments in its trading activities, which include derivatives and non-derivative cash instruments. The resulting risk from these derivatives is managed on a portfolio basis as part of the Corporation's *Global Markets* business segment. For more information on sales and trading revenue, see Note 3 – *Derivatives to the Consolidated Financial Statements* of the Corporation's 2023 Annual Report on Form 10-K.

The following table, which includes both derivatives and non-derivative cash instruments, identifies the amounts in the respective income statement line items attributable to the Corporation's sales and trading revenue in *Global Markets*, categorized by primary risk, for the three and six months ended June 30, 2024 and 2023. This table includes debit valuation adjustment (DVA) and funding valuation adjustment (FVA) gains (losses). *Global Markets* results in Note 17 – *Business Segment Information* are presented on a fully taxable-equivalent (FTE) basis. The following table is not presented on an FTE basis.

Sales and Trading Revenue

(Dollars in millions)	Market making and similar activities				Net Interest Income				Market making and similar activities				Net Interest Income			
				Other ⁽¹⁾	Total				Other ⁽¹⁾	Total				Other ⁽¹⁾	Total	
Three Months Ended June 30, 2024																
Interest rate risk	\$ 559	\$ 245	\$ 108	\$ 912	\$ 1,412	\$ 475	\$ 185	\$ 2,072								
Foreign exchange risk	449	29	16	494	886	63	39	988								
Equity risk	1,837	(339)	450	1,948	3,701	(768)	877	3,810								
Credit risk	271	600	198	1,069	822	1,204	329	2,355								
Other risk ⁽²⁾	101	31	(18)	114	226	60	(31)	255								
Total sales and trading revenue	\$ 3,217	\$ 566	\$ 754	\$ 4,537	\$ 7,047	\$ 1,034	\$ 1,399	\$ 9,480								
Three Months Ended June 30, 2023																
Interest rate risk	\$ 807	\$ 39	\$ 125	\$ 971	\$ 2,052	\$ 138	\$ 211	\$ 2,401								
Foreign exchange risk	506	31	15	552	908	80	39	1,027								
Equity risk	1,659	(511)	459	1,607	3,659	(1,348)	918	3,229								
Credit risk	311	610	94	1,015	791	1,276	209	2,276								
Other risk ⁽²⁾	125	(63)	(7)	55	395	(143)	(8)	244								
Total sales and trading revenue	\$ 3,408	\$ 106	\$ 686	\$ 4,200	\$ 7,805	\$ 3	\$ 1,369	\$ 9,177								

⁽¹⁾ Represents amounts in investment and brokerage services and other income that are recorded in *Global Markets* and included in the definition of sales and trading revenue. Includes investment and brokerage services revenue of \$516 million and \$1.0 billion for the three and six months ended June 30, 2024 compared to \$492 million and \$1.0 billion for the same periods in 2023.

⁽²⁾ Includes commodity risk.

Credit Derivatives

The Corporation enters into credit derivatives primarily to facilitate client transactions and to manage credit risk exposures. Credit derivatives are classified as investment and non-investment grade based on the credit quality of the underlying referenced obligation. The Corporation considers ratings of BBB- or higher as investment grade. Non-investment grade includes non-rated credit derivative instruments. The Corporation discloses internal categorizations of investment

grade and non-investment grade consistent with how risk is managed for these instruments. For more information on credit derivatives, see Note 3 – *Derivatives* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Credit derivative instruments where the Corporation is the seller of credit protection and their expiration at June 30, 2024 and December 31, 2023 are summarized in the following table.

Credit Derivative Instruments

	Less than One Year	One to Three Years	Three to Five Years	Over Five Years	Total
June 30, 2024					
Carrying Value					
(Dollars in millions)					
Credit default swaps:					
Investment grade	\$ —	\$ 11	\$ 26	\$ 20	\$ 57
Non-investment grade	\$ 18	\$ 257	\$ 893	\$ 487	\$ 1,655
Total	\$ 18	\$ 268	\$ 919	\$ 507	\$ 1,712
Total return swaps/options:					
Investment grade	71	—	—	—	71
Non-investment grade	115	78	90	10	293
Total	186	78	90	10	364
Total credit derivatives	\$ 204	\$ 346	\$ 1,009	\$ 517	\$ 2,076
Credit-related notes:					
Investment grade	\$ —	\$ —	\$ 2	\$ 720	\$ 722
Non-investment grade	\$ —	\$ 5	\$ 15	\$ 1,142	\$ 1,162
Total credit-related notes	\$ —	\$ 5	\$ 17	\$ 1,862	\$ 1,884
Maximum Payout/Notional					
Credit default swaps:					
Investment grade	\$ 37,894	\$ 77,291	\$ 169,415	\$ 20,257	\$ 304,857
Non-investment grade	\$ 16,062	\$ 35,059	\$ 51,907	\$ 4,826	\$ 107,854
Total	\$ 53,956	\$ 112,350	\$ 221,322	\$ 25,083	\$ 412,711
Total return swaps/options:					
Investment grade	71,915	1,457	1,369	177	74,918
Non-investment grade	24,337	2,522	2,423	391	29,673
Total	96,252	3,979	3,792	568	104,591
Total credit derivatives	\$ 150,208	\$ 116,329	\$ 225,114	\$ 25,651	\$ 517,302
December 31, 2023					
Carrying Value					
Credit default swaps:					
Investment grade	\$ —	\$ 11	\$ 26	\$ 20	\$ 57
Non-investment grade	\$ 38	\$ 277	\$ 601	\$ 595	\$ 1,511
Total	\$ 38	\$ 288	\$ 627	\$ 615	\$ 1,568
Total return swaps/options:					
Investment grade	59	—	—	—	59
Non-investment grade	149	69	56	5	279
Total	208	69	56	5	338
Total credit derivatives	\$ 246	\$ 357	\$ 683	\$ 620	\$ 1,906
Credit-related notes:					
Investment grade	\$ —	\$ —	\$ —	\$ 859	\$ 859
Non-investment grade	\$ —	\$ 5	\$ 16	\$ 1,103	\$ 1,124
Total credit-related notes	\$ —	\$ 5	\$ 16	\$ 1,962	\$ 1,983
Maximum Payout/Notional					
Credit default swaps:					
Investment grade	\$ 33,750	\$ 65,015	\$ 83,313	\$ 17,023	\$ 199,101
Non-investment grade	\$ 18,061	\$ 32,155	\$ 33,934	\$ 5,827	\$ 89,977
Total	\$ 51,811	\$ 97,170	\$ 117,247	\$ 22,850	\$ 289,078
Total return swaps/options:					
Investment grade	40,515	1,503	1,561	23	43,602
Non-investment grade	20,694	1,414	1,907	988	25,003
Total	61,209	2,917	3,468	1,011	68,605
Total credit derivatives	\$ 113,020	\$ 100,087	\$ 120,715	\$ 23,861	\$ 357,683

The notional amount represents the maximum amount payable by the Corporation for most credit derivatives. However, the Corporation does not monitor its exposure to credit derivatives based solely on the notional amount because this measure does not take into consideration the probability of occurrence. As such, the notional amount is not a reliable indicator of the Corporation's exposure to these contracts. Instead, a risk framework is used to define risk tolerances and establish limits so that certain credit risk-related losses occur within acceptable, predefined limits.

Credit-related notes in the table above include investments in securities issued by collateralized debt obligation (CDO), collateralized loan obligation (CLO) and credit-linked note

vehicles. These instruments are primarily classified as trading securities. The carrying value of these instruments equals the Corporation's maximum exposure to loss. The Corporation is not obligated to make any payments to the entities under the terms of the securities owned.

Credit-related Contingent Features and Collateral

Certain of the Corporation's derivative contracts contain credit risk-related contingent features, primarily in the form of ISDA master netting agreements and credit support documentation that enhance the creditworthiness of these instruments compared to other obligations of the respective counterparty with whom the Corporation has transacted. These contingent features may be for the benefit of the Corporation as well as its

counterparties with respect to changes in the Corporation's creditworthiness and the mark-to-market exposure under the derivative transactions. At June 30, 2024 and December 31, 2023, the Corporation held cash and securities collateral of \$102.5 billion and \$104.1 billion and posted cash and securities collateral of \$89.8 billion and \$93.4 billion in the normal course of business under derivative agreements, excluding cross-product margining agreements where clients are permitted to margin on a net basis for both derivative and secured financing arrangements.

In connection with certain OTC derivative contracts and other trading agreements, the Corporation can be required to provide additional collateral or to terminate transactions with certain counterparties in the event of a downgrade of the senior debt ratings of the Corporation or certain subsidiaries. The amount of additional collateral required depends on the contract and is usually a fixed incremental amount and/or the market value of the exposure. For more information on credit-related contingent features and collateral, see Note 3 – Derivatives to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

At June 30, 2024, the amount of collateral, calculated based on the terms of the contracts, that the Corporation and certain subsidiaries could be required to post to counterparties but had not yet posted to counterparties was \$2.4 billion, including \$1.2 billion for Bank of America, National Association.

Some counterparties are currently able to unilaterally terminate certain contracts, or the Corporation or certain subsidiaries may be required to take other action such as find a suitable replacement or obtain a guarantee. At June 30, 2024 and December 31, 2023, the liability recorded for these derivative contracts was not significant.

The following table presents the amount of additional collateral that would have been contractually required by derivative contracts and other trading agreements at June 30, 2024 if the rating agencies had downgraded their long-term senior debt ratings for the Corporation or certain subsidiaries by one incremental notch and by an additional second incremental notch. The table also presents derivative liabilities that would be subject to unilateral termination by counterparties upon downgrade of the Corporation's or certain subsidiaries' long-term senior debt ratings.

Additional Collateral Required to be Posted and Derivative Liabilities Subject to Unilateral Termination Upon Downgrade at June 30, 2024

(Dollars in millions)	One Incremental Notch	Second Incremental Notch
Additional collateral required to be posted upon downgrade		
Bank of America Corporation	\$ 150	\$ 833
Bank of America, N.A. and subsidiaries ⁽¹⁾	50	695
Derivative liabilities subject to unilateral termination upon downgrade		
Derivative liabilities	\$ 32	\$ 132
Collateral posted	29	105

⁽¹⁾ Included in Bank of America Corporation collateral requirements in this table.

Valuation Adjustments on Derivatives

The table below presents credit valuation adjustment (CVA), DVA and FVA gains (losses) on derivatives (excluding the effect of any related hedge activities), which are recorded in market making and similar activities, for the three and six months ended June 30, 2024 and 2023. For more information on the valuation adjustments on derivatives, see Note 3 – Derivatives to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Valuation Adjustments Gains (Losses) on Derivatives ⁽¹⁾

(Dollars in millions)	Three Months Ended June 30	
	2024	2023
Derivative assets (CVA)	\$ (31)	\$ 109
Derivative assets/liabilities (FVA)	(29)	26
Derivative liabilities (DVA)	27	(86)

(Dollars in millions)	Six Months Ended June 30	
	2024	2023
Derivative assets (CVA)	\$ 31	\$ 121
Derivative assets/liabilities (FVA)	(15)	(17)
Derivative liabilities (DVA)	(42)	(84)

⁽¹⁾ At June 30, 2024 and December 31, 2023, cumulative CVA reduced the derivative assets balance by \$328 million and \$359 million, cumulative FVA reduced the net derivative balance by \$102 million and \$87 million, and cumulative DVA reduced the derivative liabilities balance by \$257 million and \$299 million.

NOTE 4 Securities

The table below presents the amortized cost, gross unrealized gains and losses, and fair value of available-for-sale (AFS) debt securities, other debt securities carried at fair value and held-to-maturity (HTM) debt securities at June 30, 2024 and December 31, 2023.

Debt Securities

(Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value								
Available-for-sale debt securities																
Mortgage-backed securities:																
Agency	\$ 37,022	\$ 4	\$ (1,664)	\$ 35,362	\$ 39,195	\$ 37	\$ (1,420)	\$ 37,812								
Agency-collateralized mortgage obligations	9,652	17	(225)	9,444	2,739	6	(201)	2,544								
Commercial	12,421	69	(469)	12,021	10,909	40	(514)	10,435								
Non-agency residential ⁽¹⁾	303	46	(64)	285	449	3	(70)	382								
Total mortgage-backed securities	59,398	136	(2,422)	57,112	53,292	86	(2,205)	51,173								
U.S. Treasury and government agencies	201,441	22	(1,183)	200,280	179,108	19	(1,461)	177,666								
Non-U.S. securities	21,396	12	(23)	21,385	22,868	27	(20)	22,875								
Other taxable securities	2,246	2	(54)	2,194	4,910	1	(76)	4,835								
Tax-exempt securities	10,542	11	(229)	10,324	10,304	17	(221)	10,100								
Total available-for-sale debt securities	295,023	183	(3,911)	291,295	270,482	150	(3,983)	266,649								
Other debt securities carried at fair value ⁽²⁾	9,789	62	(95)	9,756	10,202	56	(55)	10,203								
Total debt securities carried at fair value	304,812	245	(4,006)	301,051	280,684	206	(4,038)	276,852								
Held-to-maturity debt securities																
Agency mortgage-backed securities	448,483	—	(89,989)	358,494	465,456	—	(78,930)	386,526								
U.S. Treasury and government agencies	121,670	—	(19,651)	102,019	121,645	—	(17,963)	103,682								
Other taxable securities	7,249	—	(1,126)	6,123	7,490	—	(1,101)	6,389								
Total held-to-maturity debt securities	577,402	—	(110,766)	466,636	594,591	—	(97,994)	496,597								
Total debt securities ^(3,4)	\$ 882,214	\$ 245	\$ (114,772)	\$ 767,687	\$ 875,275	\$ 206	\$ (102,032)	\$ 773,449								

⁽¹⁾ At June 30, 2024 and December 31, 2023, the underlying collateral type included approximately 24 percent and 17 percent prime and 76 percent and 83 percent subprime.

⁽²⁾ Primarily includes non-U.S. securities used to satisfy certain international regulatory requirements. Any changes in value are reported in market making and similar activities. For detail on the components, see Note 14 – Fair Value Measurements.

⁽³⁾ Includes securities pledged as collateral of \$219.1 billion and \$204.9 billion at June 30, 2024 and December 31, 2023.

⁽⁴⁾ The Corporation held debt securities from Fannie Mae (FNMA) and Freddie Mac (FHLMC) that each exceeded 10 percent of shareholders' equity, with an amortized cost of \$263.6 billion and \$166.4 billion, and a fair value of \$211.3 billion and \$133.5 billion at June 30, 2024, and an amortized cost of \$272.5 billion and \$171.5 billion, and a fair value of \$226.4 billion and \$142.3 billion at December 31, 2023.

At June 30, 2024, the accumulated net unrealized loss on AFS debt securities, excluding the amount related to debt securities previously transferred to held to maturity, included in accumulated OCI was \$2.8 billion, net of the related income tax benefit of \$931 million. At June 30, 2024 and December 31, 2023, nonperforming AFS debt securities held by the Corporation were not significant.

At June 30, 2024 and December 31, 2023, \$836.3 billion and \$824.9 billion of AFS and HTM debt securities, which were predominantly U.S. agency and U.S. Treasury securities, have a zero credit loss assumption. For the same periods, the expected credit losses on the remaining \$36.1 billion and \$40.2 billion of AFS and HTM debt securities were insignificant. For more information on the zero credit loss assumption, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

At June 30, 2024 and December 31, 2023, the Corporation held equity securities at an aggregate fair value of \$250 million and \$251 million and other equity securities, as valued under the measurement alternative, at a carrying value of \$406 million and \$377 million, both of which are included in other assets. At

both June 30, 2024 and December 31, 2023, the Corporation also held money market investments at a fair value of \$1.2 billion, which are included in time deposits placed and other short-term investments.

The gross realized gains and losses on sales of AFS debt securities for the three and six months ended June 30, 2024 and 2023 are presented in the table below.

Gains and Losses on Sales of AFS Debt Securities

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Gross gains	\$ 4	\$ 8	\$ 15	\$ 104
Gross losses	(1)	(202)	(1)	(508)
Net gains (losses) on sales of AFS debt securities	\$ 3	\$ (194)	\$ 14	\$ (404)
Income tax expense (benefit) attributable to realized net gains (losses) on sales of AFS debt securities	\$ 1	\$ (48)	\$ 4	\$ (101)

The table below presents the fair value and the associated gross unrealized losses on AFS debt securities and whether these securities have had gross unrealized losses for less than 12 months or for 12 months or longer at June 30, 2024 and December 31, 2023.

Total AFS Debt Securities in a Continuous Unrealized Loss Position

	Less than Twelve Months		Twelve Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(Dollars in millions)						
June 30, 2024						
Continuously unrealized loss-positioned AFS debt securities						
Mortgage-backed securities:						
Agency	\$ 14,403	\$ (79)	\$ 19,359	\$ (1,585)	\$ 33,762	\$ (1,664)
Agency-collateralized mortgage obligations	2,903	(9)	1,578	(216)	4,481	(225)
Commercial	1,554	(12)	4,731	(457)	6,285	(469)
Non-agency residential	—	—	155	(64)	155	(64)
Total mortgage-backed securities	18,860	(100)	25,823	(2,322)	44,683	(2,422)
U.S. Treasury and government agencies	91,552	(73)	68,083	(1,110)	159,635	(1,183)
Non-U.S. securities	8,346	(12)	2,593	(11)	10,939	(23)
Other taxable securities	672	(4)	1,394	(50)	2,066	(54)
Tax-exempt securities	813	(7)	2,685	(222)	3,498	(229)
Total AFS debt securities in a continuous unrealized loss position	\$ 120,243	\$ (196)	\$ 100,578	\$ (3,715)	\$ 220,821	\$ (3,911)
December 31, 2023						
Continuously unrealized loss-positioned AFS debt securities						
Mortgage-backed securities:						
Agency	\$ 8,624	\$ (21)	\$ 20,776	\$ (1,399)	\$ 29,400	\$ (1,420)
Agency-collateralized mortgage obligations	—	—	1,701	(201)	1,701	(201)
Commercial	2,363	(27)	4,588	(487)	6,951	(514)
Non-agency residential	—	—	370	(70)	370	(70)
Total mortgage-backed securities	10,987	(48)	27,435	(2,157)	38,422	(2,205)
U.S. Treasury and government agencies	14,907	(12)	69,669	(1,449)	84,576	(1,461)
Non-U.S. securities	7,702	(8)	1,524	(12)	9,226	(20)
Other taxable securities	3,269	(19)	1,437	(57)	4,706	(76)
Tax-exempt securities	466	(5)	2,106	(216)	2,572	(221)
Total AFS debt securities in a continuous unrealized loss position	\$ 37,331	\$ (92)	\$ 102,171	\$ (3,891)	\$ 139,502	\$ (3,983)

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The remaining contractual maturity distribution and yields of the Corporation's debt securities carried at fair value and HTM debt securities at June 30, 2024 are summarized in the table below. Actual duration and yields may differ as prepayments on the loans underlying the mortgage-backed securities (MBS) or other asset-backed securities (ABS) are passed through to the Corporation.

Maturities of Debt Securities Carried at Fair Value and Held-to-maturity Debt Securities

(Dollars in millions)	Due in One Year or Less		Due after One Year through Five Years		Due after Five Years through Ten Years		Due after Ten Years		Total	
	Amount	Yield ⁽¹⁾	Amount	Yield ⁽¹⁾	Amount	Yield ⁽¹⁾	Amount	Yield ⁽¹⁾	Amount	Yield ⁽¹⁾
Amortized cost of debt securities carried at fair value										
Mortgage-backed securities:										
Agency	\$ —	— %	\$ 23	4.43 %	\$ 6	3.50 %	\$ 36,993	4.69 %	\$ 37,022	4.69 %
Agency-collateralized mortgage obligations	—	—	—	—	2	0.50	9,650	5.55	9,652	5.55
Commercial	87	3.93	2,205	3.32	8,373	3.86	1,769	3.24	12,434	3.68
Non-agency residential	—	—	—	—	—	—	569	10.97	569	10.97
Total mortgage-backed securities	87	3.93	2,228	3.33	8,381	3.86	48,981	4.88	59,677	4.67
U.S. Treasury and government agencies	14,582	5.20	173,163	3.94	15,502	2.95	37	3.85	203,284	3.96
Non-U.S. securities	18,334	3.82	5,351	1.72	3,723	5.18	1,655	4.75	29,063	3.66
Other taxable securities	467	6.66	1,467	6.02	237	4.30	75	2.77	2,246	5.86
Tax-exempt securities	1,220	3.62	3,751	4.01	704	2.91	4,867	4.40	10,542	4.07
Total amortized cost of debt securities carried at fair value	\$ 34,690	4.43	\$ 185,960	3.89	\$ 28,547	3.52	\$ 55,615	4.83	\$ 304,812	4.09
Amortized cost of HTM debt securities										
Agency mortgage-backed securities	\$ —	— %	\$ —	— %	\$ 10	2.90 %	\$ 448,473	2.12 %	\$ 448,483	2.12 %
U.S. Treasury and government agencies	244	2.66	13,337	1.91	108,089	1.33	—	—	121,670	1.40
Other taxable securities	80	1.59	1,146	2.55	143	3.28	5,880	2.53	7,249	2.54
Total amortized cost of HTM debt securities	\$ 324	2.40	\$ 14,483	1.96	\$ 108,242	1.33	\$ 454,353	2.12	\$ 577,402	1.97
Debt securities carried at fair value										
Mortgage-backed securities:										
Agency	\$ —	—	\$ 22	—	\$ 6	—	\$ 35,334	—	\$ 35,362	—
Agency-collateralized mortgage obligations	—	—	—	—	2	—	9,442	—	9,444	—
Commercial	86	—	2,156	—	8,233	—	1,557	—	12,032	—
Non-agency residential	—	—	2	—	—	—	539	—	541	—
Total mortgage-backed securities	86	—	2,180	—	8,241	—	46,872	—	57,379	—
U.S. Treasury and government agencies	14,575	—	172,384	—	15,130	—	34	—	202,123	—
Non-U.S. securities	18,306	—	5,345	—	3,723	—	1,654	—	29,028	—
Other taxable securities	465	—	1,450	—	216	—	66	—	2,197	—
Tax-exempt securities	1,213	—	3,719	—	681	—	4,711	—	10,324	—
Total debt securities carried at fair value	\$ 34,645	—	\$ 185,078	—	\$ 27,991	—	\$ 53,337	—	\$ 301,051	—
Fair value of HTM debt securities										
Agency mortgage-backed securities	\$ —	—	\$ —	—	\$ 10	—	\$ 358,484	—	\$ 358,494	—
U.S. Treasury and government agencies	238	—	11,931	—	89,850	—	—	—	102,019	—
Other taxable securities	25	—	1,089	—	115	—	4,894	—	6,123	—
Total fair value of HTM debt securities	\$ 263	—	\$ 13,020	—	\$ 89,975	—	\$ 363,378	—	\$ 466,636	—

⁽¹⁾ The weighted-average yield is computed based on a constant effective yield over the contractual life of each security. The yield considers the contractual coupon and the amortization of premiums and accretion of discounts, excluding the effect of related open hedging derivatives.

NOTE 5 Outstanding Loans and Leases and Allowance for Credit Losses

The following tables present total outstanding loans and leases and an aging analysis for the Consumer Real Estate, Credit Card and Other Consumer, and Commercial portfolio segments, by class of financing receivables, at June 30, 2024 and December 31, 2023.

	30-59 Days Past Due ⁽¹⁾	60-89 Days Past Due ⁽¹⁾	90 Days or More Past Due ⁽¹⁾	Total Past Due 30 Days or More	Total Current or Less Than 30 Days Past Due ⁽¹⁾	Loans Accounted for Under the Fair Value Option	Total Outstandings
(Dollars in millions)							
Consumer real estate							
Residential mortgage	\$ 1,258	\$ 229	\$ 742	\$ 2,229	\$ 225,641		\$ 227,870
Home equity	88	34	134	256	25,186		25,442
Credit card and other consumer							
Credit card	674	484	1,257	2,415	97,035		99,450
Direct/Indirect consumer ⁽²⁾	310	100	86	496	103,338		103,834
Other consumer	—	—	—	—	117		117
Total consumer	2,330	847	2,219	5,396	451,317		456,713
Consumer loans accounted for under the fair value option ⁽³⁾						\$ 231	231
Total consumer loans and leases	2,330	847	2,219	5,396	451,317	231	456,944
Commercial							
U.S. commercial	434	127	215	776	368,363		369,139
Non-U.S. commercial	91	5	4	100	122,083		122,183
Commercial real estate ⁽⁴⁾	286	158	758	1,202	69,082		70,284
Commercial lease financing	19	11	23	53	14,821		14,874
U.S. small business commercial	173	78	190	441	19,954		20,395
Total commercial	1,003	379	1,190	2,572	594,303		596,875
Commercial loans accounted for under the fair value option ⁽³⁾						2,966	2,966
Total commercial loans and leases	1,003	379	1,190	2,572	594,303	2,966	599,841
Total loans and leases ⁽⁵⁾	\$ 3,333	\$ 1,226	\$ 3,409	\$ 7,968	\$ 1,045,620	\$ 3,197	\$ 1,056,785
Percentage of outstandings	0.32 %	0.12 %	0.32 %	0.76 %	98.94 %	0.30 %	100.00 %

⁽¹⁾ Consumer real estate loans 30-59 days past due includes fully-insured loans of \$191 million and nonperforming loans of \$192 million. Consumer real estate loans 60-89 days past due includes fully-insured loans of \$63 million and nonperforming loans of \$89 million. Consumer real estate loans 90 days or more past due includes fully-insured loans of \$211 million and nonperforming loans of \$665 million. Consumer real estate loans current or less than 30 days past due includes \$1.6 billion, and direct/indirect consumer includes \$47 million of nonperforming loans.

⁽²⁾ Total outstandings primarily includes auto and specialty lending loans and leases of \$53.6 billion, U.S. securities-based lending loans of \$46.7 billion and non-U.S. consumer loans of \$2.8 billion.

⁽³⁾ Consumer loans accounted for under the fair value option includes residential mortgage loans of \$63 million and home equity loans of \$168 million. Commercial loans accounted for under the fair value option includes U.S. commercial loans of \$2.0 billion and non-U.S. commercial loans of \$945 million. For more information, see Note 14 – Fair Value Measurements and Note 15 – Fair Value Option.

⁽⁴⁾ Total outstandings includes U.S. commercial real estate loans of \$64.4 billion and non-U.S. commercial real estate loans of \$5.9 billion.

⁽⁵⁾ Total outstandings includes loans and leases pledged as collateral of \$33.9 billion. The Corporation also pledged \$316.6 billion of loans with no related outstanding borrowings to secure potential borrowing capacity with the Federal Reserve Bank and Federal Home Loan Bank.

	30-59 Days Past Due ⁽¹⁾	60-89 Days Past Due ⁽¹⁾	90 Days or More Past Due ⁽¹⁾	Total Past Due 30 Days or More	Total Current or Less Than 30 Days Past Due ⁽¹⁾	Loans Accounted for Under the Fair Value Option	Total Outstandings
(Dollars in millions)	December 31, 2023						
Consumer real estate							
Residential mortgage	\$ 1,177	\$ 302	\$ 829	\$ 2,308	\$ 226,095		\$ 228,403
Home equity	90	38	161	289	25,238		25,527
Credit card and other consumer							
Credit card	680	515	1,224	2,419	99,781		102,200
Direct/Indirect consumer ⁽²⁾	306	99	91	496	102,972		103,468
Other consumer	—	—	—	—	124		124
Total consumer	2,253	954	2,305	5,512	454,210		459,722
Consumer loans accounted for under the fair value option ⁽³⁾					\$ 243		243
Total consumer loans and leases	2,253	954	2,305	5,512	454,210	243	459,965
Commercial							
U.S. commercial	477	96	225	798	358,133		358,931
Non-U.S. commercial	86	21	64	171	124,410		124,581
Commercial real estate ⁽⁴⁾	247	133	505	885	71,993		72,878
Commercial lease financing	44	8	24	76	14,778		14,854
U.S. small business commercial	166	89	184	439	18,758		19,197
Total commercial	1,020	347	1,002	2,369	588,072		590,441
Commercial loans accounted for under the fair value option ⁽³⁾					3,326		3,326
Total commercial loans and leases	1,020	347	1,002	2,369	588,072	3,326	593,767
Total loans and leases ⁽⁵⁾	\$ 3,273	\$ 1,301	\$ 3,307	\$ 7,881	\$ 1,042,282	\$ 3,569	\$ 1,053,732
Percentage of outstandings	0.31 %	0.12 %	0.31 %	0.75 %	98.91 %	0.34 %	100.00 %

⁽¹⁾ Consumer real estate loans 30-59 days past due includes fully-insured loans of \$198 million and nonperforming loans of \$150 million. Consumer real estate loans 60-89 days past due includes fully-insured loans of \$77 million and nonperforming loans of \$102 million. Consumer real estate loans 90 days or more past due includes fully-insured loans of \$252 million and nonperforming loans of \$738 million. Consumer real estate loans current or less than 30 days past due includes \$1.6 billion, and direct/indirect consumer includes \$39 million of nonperforming loans.

⁽²⁾ Total outstandings primarily includes auto and specialty lending loans and leases of \$53.9 billion, U.S. securities-based lending loans of \$46.0 billion and non-U.S. consumer loans of \$2.8 billion.

⁽³⁾ Consumer loans accounted for under the fair value option includes residential mortgage loans of \$66 million and home equity loans of \$177 million. Commercial loans accounted for under the fair value option includes U.S. commercial loans of \$2.2 billion and non-U.S. commercial loans of \$1.2 billion. For more information, see Note 14 – Fair Value Measurements and Note 15 – Fair Value Option.

⁽⁴⁾ Total outstandings includes U.S. commercial real estate loans of \$66.8 billion and non-U.S. commercial real estate loans of \$6.1 billion.

⁽⁵⁾ Total outstandings includes loans and leases pledged as collateral of \$33.7 billion. The Corporation also pledged \$246.0 billion of loans with no related outstanding borrowings to secure potential borrowing capacity with the Federal Reserve Bank and Federal Home Loan Bank.

The Corporation has entered into long-term credit protection agreements with FNMA and FHLMC on loans totaling \$8.4 billion and \$8.7 billion at June 30, 2024 and December 31, 2023, providing full credit protection on residential mortgage loans that become severely delinquent. All of these loans are individually insured, and therefore the Corporation does not record an allowance for credit losses related to these loans.

Nonperforming Loans and Leases

Nonperforming loans were \$5.5 billion at both June 30, 2024 and December 31, 2023. Commercial nonperforming loans were \$2.8 billion at both June 30, 2024 and December 31, 2023 primarily driven by the commercial real estate office property

type. Consumer nonperforming loans were \$2.7 billion at both June 30, 2024 and December 31, 2023, driven primarily by residential mortgage.

The following table presents the Corporation's nonperforming loans and leases and loans accruing past due 90 days or more at June 30, 2024 and December 31, 2023. Nonperforming loans held-for-sale (LHFS) are excluded from nonperforming loans and leases as they are recorded at either fair value or the lower of cost or fair value. For more information on the criteria for classification as nonperforming, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Credit Quality

	Nonperforming Loans and Leases		Accruing Past Due 90 Days or More	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023
(Dollars in millions)				
Residential mortgage ⁽¹⁾	\$ 2,097	\$ 2,114	\$ 211	\$ 252
With no related allowance ⁽²⁾	1,952	1,974	—	—
Home equity ⁽¹⁾	422	450	—	—
With no related allowance ⁽²⁾	352	375	—	—
Credit Card	n/a	n/a	1,257	1,224
Direct/indirect consumer	152	148	6	2
Total consumer	2,671	2,712	1,474	1,478
U.S. commercial	700	636	68	51
Non-U.S. commercial	90	175	3	4
Commercial real estate	1,971	1,927	59	32
Commercial lease financing	19	19	7	7
U.S. small business commercial	22	16	189	184
Total commercial	2,802	2,773	326	278
Total nonperforming loans	\$ 5,473	\$ 5,485	\$ 1,800	\$ 1,756
Percentage of outstanding loans and leases	0.52 %	0.52 %	0.17 %	0.17 %

⁽¹⁾ Residential mortgage loans accruing past due 90 days or more are fully-insured loans. At June 30, 2024 and December 31, 2023 residential mortgage included \$125 million and \$156 million of loans on which interest had been curtailed by the Federal Housing Administration (FHA), and therefore were no longer accruing interest, although principal was still insured, and \$86 million and \$96 million of loans on which interest was still accruing.

⁽²⁾ Primarily relates to loans for which the estimated fair value of the underlying collateral less any costs to sell is greater than the amortized cost of the loans as of the reporting date.

n/a = not applicable

Credit Quality Indicators

The Corporation monitors credit quality within its Consumer Real Estate, Credit Card and Other Consumer, and Commercial portfolio segments based on primary credit quality indicators. For more information on the portfolio segments, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K. Within the Consumer Real Estate portfolio segment, the primary credit quality indicators are refreshed loan-to-value (LTV) and refreshed Fair Isaac Corporation (FICO) score. Refreshed LTV measures the carrying value of the loan as a percentage of the value of the property securing the loan, refreshed quarterly. Home equity loans are evaluated using combined loan-to-value (CLTV), which measures the carrying value of the Corporation's loan and available line of credit combined with any outstanding senior liens against the property as a percentage of the value of the property securing the loan, refreshed quarterly. FICO score measures the creditworthiness of the borrower based on the financial obligations of the borrower and the borrower's credit history. FICO scores are typically refreshed quarterly or more frequently. Certain borrowers (e.g., borrowers that have had debts discharged in a

bankruptcy proceeding) may not have their FICO scores updated. FICO scores are also a primary credit quality indicator for the Credit Card and Other Consumer portfolio segment and the business card portfolio within U.S. small business commercial. Within the Commercial portfolio segment, loans are evaluated using the internal classifications of pass rated or reservable criticized as the primary credit quality indicators. The term reservable criticized refers to those commercial loans that are internally classified or listed by the Corporation as Special Mention, Substandard or Doubtful, which are asset quality categories defined by regulatory authorities. These assets have an elevated level of risk and may have a high probability of default or total loss. Pass rated refers to all loans not considered reservable criticized. In addition to these primary credit quality indicators, the Corporation uses other credit quality indicators for certain types of loans.

The following tables present certain credit quality indicators and gross charge-offs for the Corporation's Consumer Real Estate, Credit Card and Other Consumer, and Commercial portfolio segments by year of origination, except for revolving loans and revolving loans that were modified into term loans, which are shown on an aggregate basis at June 30, 2024.

Residential Mortgage – Credit Quality Indicators By Vintage

(Dollars in millions)	Total as of June 30, 2024	Term Loans by Origination Year						
		2024	2023	2022	2021	2020	Prior	
Residential Mortgage								
Refreshed LTV								
Less than or equal to 90 percent	\$ 214,338	\$ 8,287	\$ 14,200	\$ 37,386	\$ 74,005	\$ 33,814	\$ 46,646	
Greater than 90 percent but less than or equal to 100 percent	2,118	337	620	786	258	45	72	
Greater than 100 percent	920	200	272	302	82	23	41	
Fully-insured loans	10,494	335	240	320	3,287	2,703	3,609	
Total Residential Mortgage	\$ 227,870	\$ 9,159	\$ 15,332	\$ 38,794	\$ 77,632	\$ 36,585	\$ 50,368	
Residential Mortgage								
Refreshed FICO score								
Less than 620	\$ 2,449	\$ 75	\$ 139	\$ 479	\$ 626	\$ 406	\$ 724	
Greater than or equal to 620 and less than 680	4,588	127	359	888	1,181	716	1,317	
Greater than or equal to 680 and less than 740	22,503	847	1,827	4,165	6,511	3,541	5,612	
Greater than or equal to 740	187,836	7,775	12,767	32,942	66,027	29,219	39,106	
Fully-insured loans	10,494	335	240	320	3,287	2,703	3,609	
Total Residential Mortgage	\$ 227,870	\$ 9,159	\$ 15,332	\$ 38,794	\$ 77,632	\$ 36,585	\$ 50,368	
Gross charge-offs for the six months ended June 30, 2024	\$ 13	\$ —	\$ 1	\$ 2	\$ 2	\$ 1	\$ 7	

Home Equity - Credit Quality Indicators

(Dollars in millions)		Total	Home Equity Loans and Reverse Mortgages ⁽¹⁾		Revolving Loans Converted to Term Loans									
			June 30, 2024											
Home Equity														
Refreshed LTV														
Less than or equal to 90 percent	\$	25,290	\$ 959	\$ 20,708	\$ 3,623									
Greater than 90 percent but less than or equal to 100 percent		78	20	51	7									
Greater than 100 percent		74	27	34	13									
Total Home Equity	\$	25,442	\$ 1,006	\$ 20,793	\$ 3,643									
Home Equity														
Refreshed FICO score														
Less than 620	\$	645	\$ 97	\$ 282	\$ 266									
Greater than or equal to 620 and less than 680		1,087	111	620	356									
Greater than or equal to 680 and less than 740		4,293	211	3,226	856									
Greater than or equal to 740		19,417	587	16,665	2,165									
Total Home Equity	\$	25,442	\$ 1,006	\$ 20,793	\$ 3,643									
Gross charge-offs for the six months ended June 30, 2024	\$	6	\$ —	\$ 3	\$ 3	\$ 3								

⁽¹⁾ Includes reverse mortgages of \$694 million and home equity loans of \$312 million, which are no longer originated.

Credit Card and Direct/Indirect Consumer – Credit Quality Indicators By Vintage

(Dollars in millions)	Direct/Indirect									Credit Card			
	Term Loans by Origination Year									Total Credit Card as of June 30, 2024	Revolving Loans	Revolving Loans Converted to Term Loans ⁽¹⁾	
	Total Direct/Indirect as of June 30, 2024	Revolving Loans	2024	2023	2022	2021	2020	Prior					
Refreshed FICO score													
Less than 620	\$ 1,354	\$ 11	\$ 93	\$ 394	\$ 441	\$ 287	\$ 66	\$ 62	\$ 5,450	\$ 5,102	\$ 348		
Greater than or equal to 620 and less than 680	2,382	10	346	829	645	371	91	90	11,260	10,947	313		
Greater than or equal to 680 and less than 740	8,022	43	1,465	2,719	2,028	1,160	326	281	33,696	33,424	272		
Greater than or equal to 740	42,000	68	9,183	13,722	9,753	5,576	1,948	1,750	49,044	48,984	60		
Other internal credit metrics ^(2,3)	50,076	49,487	70	55	159	68	37	200	—	—	—		
Total credit card and other consumer	\$ 103,834	\$ 49,619	\$ 11,157	\$ 17,719	\$ 13,026	\$ 7,462	\$ 2,468	\$ 2,383	\$ 99,450	\$ 98,457	\$ 993		
Gross charge-offs for the six months ended June 30, 2024	\$ 191	\$ 3	\$ 5	\$ 70	\$ 59	\$ 29	\$ 7	\$ 18	\$ 2,151	\$ 2,063	\$ 88		

⁽¹⁾ Represents loans that were modified into term loans.⁽²⁾ Other internal credit metrics may include delinquency status, geography or other factors.⁽³⁾ Direct/indirect consumer includes \$49.5 billion of securities-based lending, which is typically supported by highly liquid collateral with market value greater than or equal to the outstanding loan balance and therefore has minimal credit risk at June 30, 2024.**69 Bank of America**

Commercial – Credit Quality Indicators By Vintage ⁽¹⁾

(Dollars in millions)	Total as of June 30, 2024	Term Loans							Revolving Loans	
		Amortized Cost Basis by Origination Year								
		2024	2023	2022	2021	2020	Prior			
U.S. Commercial										
Risk ratings										
Pass rated	\$ 356,198	\$ 19,304	\$ 37,676	\$ 37,500	\$ 23,372	\$ 11,968	\$ 37,546	\$ 188,832		
Reservable criticized	12,941	23	664	1,222	949	413	1,628	8,042		
Total U.S. Commercial	\$ 369,139	\$ 19,327	\$ 38,340	\$ 38,722	\$ 24,321	\$ 12,381	\$ 39,174	\$ 196,874		
Gross charge-offs for the six months ended June 30, 2024										
	\$ 174	\$ 1	\$ 12	\$ 51	\$ 6	\$ 3	\$ 6	\$ 95		
Non-U.S. Commercial										
Risk ratings										
Pass rated	\$ 120,532	\$ 8,476	\$ 15,338	\$ 13,013	\$ 13,995	\$ 1,337	\$ 7,228	\$ 61,145		
Reservable criticized	1,651	–	91	97	222	18	134	1,089		
Total Non-U.S. Commercial	\$ 122,183	\$ 8,476	\$ 15,429	\$ 13,110	\$ 14,217	\$ 1,355	\$ 7,362	\$ 62,234		
Gross charge-offs for the six months ended June 30, 2024										
	\$ 1	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1		
Commercial Real Estate										
Risk ratings										
Pass rated	\$ 61,996	\$ 2,810	\$ 4,905	\$ 14,187	\$ 11,244	\$ 3,327	\$ 14,965	\$ 10,558		
Reservable criticized	8,288	–	174	1,261	1,806	572	4,039	436		
Total Commercial Real Estate	\$ 70,284	\$ 2,810	\$ 5,079	\$ 15,448	\$ 13,050	\$ 3,899	\$ 19,004	\$ 10,994		
Gross charge-offs for the six months ended June 30, 2024										
	\$ 582	\$ –	\$ –	\$ 57	\$ 7	\$ 62	\$ 435	\$ 21		
Commercial Lease Financing										
Risk ratings										
Pass rated	\$ 14,663	\$ 1,699	\$ 3,912	\$ 2,706	\$ 2,116	\$ 1,293	\$ 2,937	\$ –		
Reservable criticized	211	1	39	44	32	25	70	–		
Total Commercial Lease Financing	\$ 14,874	\$ 1,700	\$ 3,951	\$ 2,750	\$ 2,148	\$ 1,318	\$ 3,007	\$ –		
Gross charge-offs for the six months ended June 30, 2024										
	\$ 1	\$ –	\$ –	\$ 1	\$ –	\$ –	\$ –	\$ –		
U.S. Small Business Commercial ⁽²⁾										
Risk ratings										
Pass rated	\$ 9,380	\$ 909	\$ 1,911	\$ 1,745	\$ 1,410	\$ 719	\$ 2,248	\$ 438		
Reservable criticized	423	3	36	97	122	27	134	4		
Total U.S. Small Business Commercial	\$ 9,803	\$ 912	\$ 1,947	\$ 1,842	\$ 1,532	\$ 746	\$ 2,382	\$ 442		
Gross charge-offs for the six months ended June 30, 2024										
	\$ 14	\$ –	\$ –	\$ –	\$ –	\$ 4	\$ 4	\$ 6		
Total	\$ 586,283	\$ 33,225	\$ 64,746	\$ 71,872	\$ 55,268	\$ 19,699	\$ 70,929	\$ 270,544		
Gross charge-offs for the six months ended June 30, 2024										
	\$ 772	\$ 1	\$ 12	\$ 108	\$ 14	\$ 69	\$ 445	\$ 123		

⁽¹⁾ Excludes \$3.0 billion of loans accounted for under the fair value option at June 30, 2024.⁽²⁾ Excludes U.S. Small Business Card loans of \$10.6 billion. Refreshed FICO scores for this portfolio are \$619 million for less than 620; \$1.1 billion for greater than or equal to 620 and less than 680; \$2.9 billion for greater than or equal to 680 and less than 740; and \$5.9 billion greater than or equal to 740. Excludes U.S. Small Business Card loans gross charge-offs of \$234 million.

The following tables present certain credit quality indicators for the Corporation's Consumer Real Estate, Credit Card and Other Consumer, and Commercial portfolio segments by year of origination, except for revolving loans and revolving loans that were modified into term loans, which are shown on an aggregate basis at December 31, 2023.

Residential Mortgage – Credit Quality Indicators By Vintage

(Dollars in millions)	Total as of December 31, 2023	Term Loans by Origination Year						
		2023	2022	2021	2020	2019	Prior	
Residential Mortgage								
Refreshed LTV								
Less than or equal to 90 percent	\$ 214,661	\$ 15,224	\$ 38,225	\$ 76,229	\$ 35,072	\$ 17,432	\$ 32,479	
Greater than 90 percent but less than or equal to 100 percent	1,994	698	911	286	53	25	21	
Greater than 100 percent	785	264	342	100	31	14	34	
Fully-insured loans	10,963	540	350	3,415	2,834	847	2,977	
Total Residential Mortgage	\$ 228,403	\$ 16,726	\$ 39,828	\$ 80,030	\$ 37,990	\$ 18,318	\$ 35,511	
Residential Mortgage								
Refreshed FICO score								
Less than 620	\$ 2,335	\$ 115	\$ 471	\$ 589	\$ 402	\$ 136	\$ 622	
Greater than or equal to 620 and less than 680	4,671	359	919	1,235	777	296	1,085	
Greater than or equal to 680 and less than 740	23,357	1,934	4,652	6,988	3,742	1,836	4,205	
Greater than or equal to 740	187,077	13,778	33,436	67,803	30,235	15,203	26,622	
Fully-insured loans	10,963	540	350	3,415	2,834	847	2,977	
Total Residential Mortgage	\$ 228,403	\$ 16,726	\$ 39,828	\$ 80,030	\$ 37,990	\$ 18,318	\$ 35,511	
Gross charge-offs for the year ended December 31, 2023	\$ 67	\$ —	\$ 7	\$ 12	\$ 6	\$ 2	\$ 40	

Home Equity - Credit Quality Indicators

(Dollars in millions)	Total	Home Equity Loans and Reverse Mortgages ⁽¹⁾	Revolving Loans		Revolving Loans Converted to Term Loans			
			December 31, 2023	Revolving Loans				
Home Equity								
Refreshed LTV								
Less than or equal to 90 percent	\$ 25,378	\$ 1,051	\$ 20,380	\$ 20,380	\$ 3,947			
Greater than 90 percent but less than or equal to 100 percent	61	17	35	35	9			
Greater than 100 percent	88	35	36	36	17			
Total Home Equity	\$ 25,527	\$ 1,103	\$ 20,451	\$ 20,451	\$ 3,973			
Home Equity								
Refreshed FICO score								
Less than 620	\$ 654	\$ 123	\$ 253	\$ 253	\$ 278			
Greater than or equal to 620 and less than 680	1,107	118	589	589	400			
Greater than or equal to 680 and less than 740	4,340	240	3,156	3,156	944			
Greater than or equal to 740	19,426	622	16,453	16,453	2,351			
Total Home Equity	\$ 25,527	\$ 1,103	\$ 20,451	\$ 20,451	\$ 3,973			
Gross charge-offs for the year ended December 31, 2023	\$ 36	\$ 4	\$ 21	\$ 21	\$ 11			

⁽¹⁾ Includes reverse mortgages of \$763 million and home equity loans of \$340 million, which are no longer originated.

Credit Card and Direct/Indirect Consumer – Credit Quality Indicators By Vintage

(Dollars in millions)	Total Direct/Indirect as of December 31, 2023	Direct/Indirect									Credit Card			
		Term Loans by Origination Year									Total Credit Card as of December 31, 2023	Revolving Loans	Converted to Term Loans ⁽¹⁾	
		Revolving Loans	2023	2022	2021	2020	2019	Prior						
Refreshed FICO score														
Less than 620	\$ 1,246	\$ 11	\$ 292	\$ 428	\$ 336	\$ 85	\$ 55	\$ 39	\$ 5,338	\$ 5,030	\$ 308			
Greater than or equal to 620 and less than 680	2,506	11	937	799	501	121	73	64	11,623	11,345	278			
Greater than or equal to 680 and less than 740	8,629	48	3,451	2,582	1,641	462	244	201	34,777	34,538	239			
Greater than or equal to 740	41,656	74	16,761	11,802	7,643	2,707	1,417	1,252	50,462	50,410	52			
Other internal credit metrics ^(2,3)	49,431	48,764	106	183	110	53	57	158	–	–	–			
Total credit card and other consumer	\$ 103,468	\$ 48,908	\$ 21,547	\$ 15,794	\$ 10,231	\$ 3,428	\$ 1,846	\$ 1,714	\$ 102,200	\$ 101,323	\$ 877			
Gross charge-offs for the year ended December 31, 2023	\$ 233	\$ 5	\$ 32	\$ 95	\$ 53	\$ 15	\$ 10	\$ 23	\$ 3,133	\$ 3,013	\$ 120			

⁽¹⁾ Represents loans that were modified into term loans.

⁽²⁾ Other internal credit metrics may include delinquency status, geography or other factors.

⁽³⁾ Direct/indirect consumer includes \$48.8 billion of securities-based lending, which is typically supported by highly liquid collateral with market value greater than or equal to the outstanding loan balance and therefore has minimal credit risk at December 31, 2023.

Commercial – Credit Quality Indicators By Vintage⁽¹⁾

(Dollars in millions)	Total as of December 31, 2023	Term Loans							Revolving Loans	
		Amortized Cost Basis by Origination Year								
		2023	2022	2021	2020	2019	Prior			
U.S. Commercial										
Risk ratings										
Pass rated	\$ 347,563	\$ 41,842	\$ 43,290	\$ 27,738	\$ 13,495	\$ 11,772	\$ 29,923	\$ 179,503		
Reservable criticized	11,368	278	1,316	708	363	537	1,342	6,824		
Total U.S. Commercial	\$ 358,931	\$ 42,120	\$ 44,606	\$ 28,446	\$ 13,858	\$ 12,309	\$ 31,265	\$ 186,327		
Gross charge-offs for the year ended December 31, 2023										
	\$ 191	\$ 5	\$ 38	\$ 29	\$ 4	\$ 2	\$ 27	\$ 86		
Non-U.S. Commercial										
Risk ratings										
Pass rated	\$ 122,931	\$ 17,053	\$ 15,810	\$ 15,256	\$ 2,405	\$ 2,950	\$ 5,485	\$ 63,972		
Reservable criticized	1,650	50	184	294	90	158	74	800		
Total Non-U.S. Commercial	\$ 124,581	\$ 17,103	\$ 15,994	\$ 15,550	\$ 2,495	\$ 3,108	\$ 5,559	\$ 64,772		
Gross charge-offs for the year ended December 31, 2023										
	\$ 37	\$ –	\$ –	\$ 8	\$ 7	\$ 1	\$ –	\$ 21		
Commercial Real Estate										
Risk ratings										
Pass rated	\$ 64,150	\$ 4,877	\$ 16,147	\$ 11,810	\$ 4,026	\$ 7,286	\$ 10,127	\$ 9,877		
Reservable criticized	8,728	134	749	1,728	782	2,132	2,794	409		
Total Commercial Real Estate	\$ 72,878	\$ 5,011	\$ 16,896	\$ 13,538	\$ 4,808	\$ 9,418	\$ 12,921	\$ 10,286		
Gross charge-offs for the year ended December 31, 2023										
	\$ 254	\$ 2	\$ –	\$ 4	\$ –	\$ 59	\$ 189	\$ –		
Commercial Lease Financing										
Risk ratings										
Pass rated	\$ 14,688	\$ 4,188	\$ 3,077	\$ 2,373	\$ 1,349	\$ 1,174	\$ 2,527	\$ –		
Reservable criticized	166	9	22	46	16	32	41	–		
Total Commercial Lease Financing	\$ 14,854	\$ 4,197	\$ 3,099	\$ 2,419	\$ 1,365	\$ 1,206	\$ 2,568	\$ –		
Gross charge-offs for the year ended December 31, 2023										
	\$ 2	\$ –	\$ –	\$ 1	\$ 1	\$ –	\$ –	\$ –		
U.S. Small Business Commercial⁽²⁾										
Risk ratings										
Pass rated	\$ 9,031	\$ 1,886	\$ 1,830	\$ 1,550	\$ 836	\$ 721	\$ 1,780	\$ 428		
Reservable criticized	384	6	64	95	40	63	113	3		
Total U.S. Small Business Commercial	\$ 9,415	\$ 1,892	\$ 1,894	\$ 1,645	\$ 876	\$ 784	\$ 1,893	\$ 431		
Gross charge-offs for the year ended December 31, 2023										
	\$ 43	\$ 1	\$ 2	\$ 2	\$ 19	\$ 3	\$ 4	\$ 12		
Total	\$ 580,659	\$ 70,323	\$ 82,489	\$ 61,598	\$ 23,402	\$ 26,825	\$ 54,206	\$ 261,816		
Gross charge-offs for the year ended December 31, 2023										
	\$ 527	\$ 8	\$ 40	\$ 44	\$ 31	\$ 65	\$ 220	\$ 119		

⁽¹⁾ Excludes \$3.3 billion of loans accounted for under the fair value option at December 31, 2023.⁽²⁾ Excludes U.S. Small Business Card loans of \$9.8 billion. Refreshed FICO scores for this portfolio are \$530 million for less than 620; \$1.1 billion for greater than or equal to 620 and less than 680; \$2.7 billion for greater than or equal to 680 and less than 740; and \$5.5 billion greater than or equal to 740. Excludes U.S. Small Business Card loans gross charge-offs of \$317 million.

During the six months ended June 30, 2024, commercial reservable criticized utilized exposure increased to \$24.8 billion at June 30, 2024 from \$23.3 billion (to 3.94 percent from 3.74 percent of total commercial reservable utilized exposure) at December 31, 2023, primarily driven by U.S. commercial.

Loan Modifications to Borrowers in Financial Difficulty

As part of its credit risk management, the Corporation may modify a loan agreement with a borrower experiencing financial difficulties through a refinancing or restructuring of the borrower's loan agreement (modification programs). Effective January 1, 2023, the Corporation adopted the new accounting standard on loan modifications. Accordingly, June 30, 2024 balances presented in payment status tables represent loans that were modified over the last 12 months, and June 30, 2023 balances presented in payment status tables represent loans that were modified during the first half of 2023.

Consumer Real Estate

The following modification programs are offered for consumer real estate loans to borrowers experiencing financial difficulties. Residential mortgage modifications represented 0.04 percent and 0.07 percent of outstanding residential mortgage loans for the three and six months ended June 30, 2024 compared to 0.14 percent and 0.19 percent for the same periods in 2023. Home equity modifications represented 0.04 percent and 0.07 percent of outstanding home equity loans for the three and six months ended June 30, 2024 compared to 0.19 percent and 0.28 percent for the same periods in 2023.

Forbearance and Other Payment Plans: Forbearance plans generally consist of the Corporation suspending the borrower's

payments for a defined period with those payments then due over a defined period of time or at the conclusion of the forbearance period. The aging status of a loan is generally frozen when it enters into a forbearance plan. If a borrower is unable to fulfill their obligations under the forbearance plans, they may be offered a trial offer or permanent modification.

Trial Offer and Permanent Modifications: Trial offer for modification plans generally consist of the Corporation offering a borrower modified loan terms that reduce their contractual payments temporarily over a three-to-four-month trial period. If the customer successfully makes the modified payments during the trial period and formally accepts the modified terms, the modified loan terms become permanent. Some borrowers may enter into permanent modifications without a trial period. In a permanent modification, the borrower's payment terms are typically modified in more than one manner but generally include a term extension and an interest rate reduction. At times, the permanent modification may also include principal forgiveness and/or a deferral of past due principal and interest amounts to the end of the loan term. The combinations utilized are based on modifying the terms that give the borrower an improved ability to meet the contractual obligations. The term extensions granted for residential mortgage and home equity permanent modifications vary widely and can be up to 30 years, but are mostly in the range of 1 to 20 years. Principal forgiveness and payment deferrals were insignificant during the three and six months ended June 30, 2024 and 2023.

The table below provides the ending amortized cost of the Corporation's modified consumer real estate loans for the three and six months ended June 30, 2024 and 2023.

Consumer Real Estate - Modifications to Borrowers in Financial Difficulty

	Forbearance and Other Payment Plans			Permanent Modification			Forbearance and Other Payment Plans			Permanent Modification			Total
	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024			Three Months Ended June 30, 2023			Six Months Ended June 30, 2023			
(Dollars in millions)	\$	22	\$	73	\$	95	\$	38	\$	126	\$	164	
Residential Loans	\$	—		10		10		—		18		18	
Home Equity													
Total	\$	22	\$	83	\$	105	\$	38	\$	144	\$	182	
	Three Months Ended June 30, 2023						Six Months Ended June 30, 2023						
Residential Loans	\$	276	\$	44	\$	320	\$	348	\$	88	\$	436	
Home Equity				41		9		53		18		71	
Total	\$	317	\$	53	\$	370	\$	401	\$	106	\$	507	

The table below presents the financial effect of modified consumer real estate loans.

Financial Effect of Modified Consumer Real Estate Loans

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Forbearance and Other Payment Plans				
Weighted-average duration				
Residential Mortgage	5 months	6 months	7 months	8 months
Home Equity	n/a	6 months	n/a	9 months
Permanent Modifications				
Weighted-average Term Extension				
Residential Mortgage	9.2 years	10.2 years	9.1 years	8.6 years
Home Equity	18.4 years	16.9 years	17.4 years	15.2 years
Weighted-average Interest Rate Reduction				
Residential Mortgage	1.34 %	1.62 %	1.32 %	1.57 %
Home Equity	2.42 %	2.96 %	2.60 %	2.69 %

n/a = not applicable

For consumer real estate borrowers in financial difficulty that received a forbearance, trial or permanent modification, there were no commitments to lend additional funds at June 30, 2024 and 2023.

The Corporation tracks the performance of modified loans to assess effectiveness of modification programs. During the three and six months ended June 30, 2024 and 2023, modified

residential and home equity loans that defaulted were insignificant. The table below provides aging information as of June 30, 2024 for consumer real estate loans that were modified over the last 12 months and as of June 30, 2023 for consumer real estate loans that were modified during the first half of 2023.

Consumer Real Estate - Payment Status of Modifications to Borrowers in Financial Difficulty

	Current	30–89 Days Past Due		90+ Days Past Due		Total		
		June 30, 2024						
(Dollars in millions)								
Residential mortgage	\$ 251	\$ 71	\$ 66	\$ 388				
Home equity	\$ 45	\$ 3	\$ 9	\$ 57				
Total	\$ 296	\$ 74	\$ 75	\$ 445				
June 30, 2023								
Residential mortgage	\$ 248	\$ 105	\$ 83	\$ 436				
Home equity	\$ 42	\$ 12	\$ 17	\$ 71				
Total	\$ 290	\$ 117	\$ 100	\$ 507				

Consumer real estate foreclosed properties totaled \$92 million and \$83 million at June 30, 2024 and December 31, 2023. The carrying value of consumer real estate loans, including fully-insured loans, for which formal foreclosure proceedings were in process at June 30, 2024 and December 31, 2023, was \$588 million and \$633 million. During the six months ended June 30, 2024 and 2023, the Corporation reclassified \$56 million and \$68 million of consumer real estate loans to foreclosed properties or, for properties acquired upon foreclosure of certain government-guaranteed loans (principally FHA-insured loans), to other assets. The reclassifications represent non-cash investing activities and, accordingly, are not reflected in the Consolidated Statement of Cash Flows.

Credit Card and Other Consumer

Credit card and other consumer loans are primarily modified by placing the customer on a fixed payment plan with a significantly reduced fixed interest rate, with terms ranging from 6 months to 72 months, most of which had a 60-month term at June 30, 2024. In certain circumstances, the Corporation will forgive a portion of the outstanding balance if the borrower makes payments up to a set amount. The Corporation makes modifications directly with borrowers for loans held by the Corporation (internal programs) as well as through third-party renegotiation agencies that provide solutions to customers'

entire unsecured debt structures (external programs). The June 30, 2024 amortized cost of credit card and other consumer loans that were modified through these programs during the three and six months ended June 30, 2024 was \$200 million and \$401 million compared to \$168 million and \$303 million for the same periods in 2023. These modifications represented 0.10 percent and 0.20 percent of outstanding credit card and other consumer loans for the three and six months ended June 30, 2024 compared to 0.08 percent and 0.15 percent for the same periods in 2023. During the three and six months ended June 30, 2024, the financial effect of modifications resulted in a weighted-average interest rate reduction of 19.59 percent and 19.66 percent compared to 19.02 percent and 18.82 percent for the same periods in 2023, and principal forgiveness of \$29 million and \$57 million, compared to \$14 million and \$25 million for the same periods in 2023.

The Corporation tracks the performance of modified loans to assess effectiveness of modification programs. As of June 30, 2024, defaults of modified credit card and other consumer loans over the last 12 months were insignificant. Defaults of modified credit card and other consumer loans since January 1, 2023 were insignificant during the first half of 2023. At June 30, 2024, modified credit card and other consumer loans to borrowers experiencing financial difficulty over the last 12 months totaled \$674 million, of which \$566 million were

current, \$58 million were 30-89 days past due, and \$50 million were greater than 90 days past due. At June 30, 2023, modified credit card and other consumer loans to borrowers experiencing financial difficulty totaled \$303 million, of which \$237 million were current, \$35 million were 30-89 days past due, and \$31 million were greater than 90 days past due.

Commercial Loans

Modifications of loans to commercial borrowers experiencing financial difficulty are designed to reduce the Corporation's loss exposure while providing borrowers with an opportunity to work through financial difficulties, often to avoid foreclosure or bankruptcy. Each modification is unique, reflects the borrower's

individual circumstances and is designed to benefit the borrower while mitigating the Corporation's risk exposure. Commercial modifications are primarily term extensions and payment forbearances. Payment forbearances involve the Bank forbearing its contractual right to collect certain payments or payment in full (maturity forbearance) for a defined period of time. Reductions in interest rates and principal forgiveness occur infrequently for commercial borrowers. Principal forgiveness may occur in connection with foreclosure, short sales or other settlement agreements, leading to termination or sale of the loan. The table below provides the ending amortized cost of commercial loans modified during the three and six months ended June 30, 2024 and 2023.

Commercial Loans - Modifications to Borrowers in Financial Difficulty

(Dollars in millions)	Term Extension	Forbearances	Interest Rate Reduction			Total	Term Extension	Forbearances	Interest Rate Reduction			Total
			Three Months Ended June 30, 2024						Six Months Ended June 30, 2024			
			\$	3	\$	—	\$	473	\$	875	\$	884
U.S. commercial	\$ 470	\$ 3				—	\$	473	\$ 29	29	\$	29
Non-U.S. commercial	29	—				—			29	—		—
Commercial real estate	176	271				—	\$	447	665	552		36
Total	\$ 675	\$ 274	\$	—	\$	949	\$	1,569	\$ 561	\$ 36	\$	2,166
<hr/>												
Three Months Ended June 30, 2023												
U.S. commercial	\$ 325	\$ 5				—	\$	330	\$ 503	64	\$	567
Non-U.S. commercial	121	—				—		121	132	—		132
Commercial real estate	266	96				—	\$	362	519	96		615
Total	\$ 712	\$ 101	\$	—	\$	813	\$	1,154	\$ 160	\$ 36	\$	1,314

Term extensions granted increased the weighted-average life of the impacted loans by 1.3 years for the three and six months ended June 30, 2024 compared to 1.6 years for the same periods in 2023. The weighted-average duration of loan payments deferred under the Corporation's commercial loan forbearance program was 8 months and 12 months for the three and six months ended June 30, 2024 compared to 11 months for the same periods in 2023. The deferral period for loan payments can vary, but are mostly in the range of 8 months to 24 months. Modifications of loans to troubled borrowers for Commercial Lease Financing and U.S. Small Business Commercial were not significant during the three and six months ended June 30, 2024 and 2023.

The Corporation tracks the performance of modified loans to assess effectiveness of modification programs. As of June 30, 2024, defaults of commercial loans modified during the last 12 months were insignificant. As of June 30, 2023, defaults of commercial loans modified during the six months ended June 30, 2023 were insignificant. The table below provides aging information as of June 30, 2024 for commercial loans that were modified over the last 12 months and as of June 30, 2023 for commercial loans that were modified during the six months ended June 30, 2023.

Commercial - Payment Status of Modified Loans to Borrowers in Financial Difficulty

(Dollars in millions)	Current	30-89 Days Past Due	90+ Days Past Due	Total	% of Total Class of Financing Receivable	
					Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
U.S. Commercial	\$ 1,191	\$ 10	\$ 12	\$ 1,213	0.13 %	0.24 %
Non-U.S. Commercial	177	—	—	177	0.02	0.02
Commercial Real Estate	1,322	91	268	1,681	0.64	1.78
Total	\$ 2,690	\$ 101	\$ 280	\$ 3,071	0.17	0.39
<hr/>						
June 30, 2023						
U.S. Commercial	\$ 497	\$ 41	\$ 29	\$ 567	0.09 %	0.16 %
Non-U.S. Commercial	132	—	—	132	0.10	0.11
Commercial Real Estate	567	—	48	615	0.49	0.83
Total	\$ 1,196	\$ 41	\$ 77	\$ 1,314	0.15	0.24

For the six months ended June 30, 2024 and 2023, the Corporation had commitments to lend \$916 million and \$687 million to commercial borrowers experiencing financial difficulty whose loans were modified during the period.

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Loans Held-for-sale

The Corporation had LHFS of \$7.0 billion and \$6.0 billion at June 30, 2024 and December 31, 2023. Cash and non-cash proceeds from sales and paydowns of loans originally classified as LHFS were \$15.7 billion and \$7.4 billion for the six months ended June 30, 2024 and 2023. Cash used for originations and purchases of LHFS totaled \$17.0 billion and \$7.3 billion for the six months ended June 30, 2024 and 2023. Also included were non-cash net transfers into LHFS of \$0 and \$457 million during the six months ended June 30, 2024 and 2023.

Accrued Interest Receivable

Accrued interest receivable for loans and leases and loans held-for-sale was \$4.5 billion at both June 30, 2024 and December 31, 2023 and is reported in customer and other receivables on the Consolidated Balance Sheet.

Outstanding credit card loan balances include unpaid principal, interest and fees. Credit card loans are not classified as nonperforming but are charged off no later than the end of the month in which the account becomes 180 days past due, within 60 days after receipt of notification of death or bankruptcy, or upon confirmation of fraud. During the three and six months ended June 30, 2024, the Corporation reversed \$215 million and \$420 million of interest and fee income against the income statement line item in which it was originally recorded upon charge-off of the principal balance of the loan compared to \$138 million and \$256 million for the same periods in 2023.

For the outstanding residential mortgage, home equity, direct/indirect consumer and commercial loan balances classified as nonperforming during the three and six months ended June 30, 2024 and 2023, interest and fee income reversed at the time the loans were classified as nonperforming was not significant. For more information on the Corporation's nonperforming loan policies, see Note 1 - *Summary of Significant Accounting Principles* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Allowance for Credit Losses

The allowance for credit losses is estimated using quantitative and qualitative methods that consider a variety of factors, such as historical loss experience, the current credit quality of the portfolio and an economic outlook over the life of the loan. Qualitative reserves cover losses that are expected but, in the Corporation's assessment, may not be adequately reflected in the quantitative methods or the economic assumptions. The Corporation incorporates forward-looking information through the use of several macroeconomic scenarios in determining the weighted economic outlook over the forecasted life of the assets. These scenarios include key macroeconomic variables such as gross domestic product, unemployment rate, real estate prices and corporate bond spreads. The scenarios that are chosen each quarter and the weighting given to each scenario depend on a variety of factors including recent

economic events, leading economic indicators, internal and third-party economist views, and industry trends. For more information on the Corporation's credit loss accounting policies including the allowance for credit losses, see Note 1 - *Summary of Significant Accounting Principles* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

The June 30, 2024 estimate for allowance for credit losses was based on various economic scenarios, including a baseline scenario derived from consensus estimates, an adverse scenario reflecting an extended moderate recession, a downside scenario reflecting continued inflation and interest rates with minimal rate cuts, a tail risk scenario similar to the severely adverse scenario used in stress testing and an upside scenario that considers the potential for improvement above the baseline scenario. The overall weighted economic outlook of the above scenarios has improved compared to the weighted economic outlook estimated as of December 31, 2023. The weighted economic outlook assumes that the U.S. average unemployment rate will be four and a half percent by the fourth quarter of 2024 and will increase to just below five percent by the fourth quarter of 2025. The weighted economic outlook assumes sluggish growth with U.S. real gross domestic product forecasted to grow at 1.0 percent and 1.5 percent year-over-year in the fourth quarters of 2024 and 2025.

The allowance for credit losses decreased \$209 million from December 31, 2023 to \$14.3 billion at June 30, 2024, which included a \$33 million reserve decrease related to the consumer portfolio and a \$176 million reserve decrease related to the commercial portfolio. The reserve decrease was primarily driven by commercial due to an improved macroeconomic outlook. The change in the allowance for credit losses was comprised of a net decrease of \$104 million in the allowance for loan and lease losses and a decrease of \$105 million in the reserve for unfunded lending commitments. The decline in the allowance for credit losses was attributed to decreases in the commercial portfolio of \$176 million and the consumer real estate portfolio of \$66 million, partially offset by an increase in the credit card and other consumer portfolios of \$33 million. The provision for credit losses increased \$383 million to \$1.5 billion, and \$771 million to \$2.8 billion for the three and six months ended June 30, 2024 compared to the same periods in 2023. The provision for credit losses for the current-year periods was primarily driven by credit card loans and the commercial real estate office portfolio.

Outstanding loans and leases excluding loans accounted for under the fair value option increased \$3.4 billion during the six months ended June 30, 2024 primarily driven by commercial, which increased \$6.4 billion due to broad-based growth. Consumer loans decreased \$3.0 billion driven by credit card loans.

The changes in the allowance for credit losses, including net charge-offs and provision for loan and lease losses, are detailed in the following table.

	Consumer Real Estate	Credit Card and Other Consumer	Commercial	Total
	Three Months Ended June 30, 2024			
(Dollars in millions)				
Allowance for loan and lease losses, April 1	\$ 355	\$ 8,121	\$ 4,737	\$ 13,213
Loans and leases charged off	(8)	(1,267)	(504)	(1,779)
Recoveries of loans and leases previously charged off	22	194	30	246
Net charge-offs	14	(1,073)	(474)	(1,533)
Provision for loan and lease losses	(22)	1,118	466	1,562
Other	—	1	(5)	(4)
Allowance for loan and lease losses, June 30	347	8,167	4,724	13,238
Reserve for unfunded lending commitments, April 1	57	—	1,101	1,158
Provision for unfunded lending commitments	(2)	—	(52)	(54)
Reserve for unfunded lending commitments, June 30	55	—	1,049	1,104
Allowance for credit losses, June 30	\$ 402	\$ 8,167	\$ 5,773	\$ 14,342
Three Months Ended June 30, 2023				
Allowance for loan and lease losses, April 1	403	6,958	5,153	12,514
Loans and leases charged off	(15)	(924)	(186)	(1,125)
Recoveries of loans and leases previously charged off	29	190	37	256
Net charge-offs	14	(734)	(149)	(869)
Provision for loan and lease losses	8	1,099	202	1,309
Other	2	—	(6)	(4)
Allowance for loan and lease losses, June 30	427	7,323	5,200	12,950
Reserve for unfunded lending commitments, April 1	93	—	1,344	1,437
Provision for unfunded lending commitments	(7)	—	(43)	(50)
Other	—	—	1	1
Reserve for unfunded lending commitments, June 30	86	—	1,302	1,388
Allowance for credit losses, June 30	\$ 513	\$ 7,323	\$ 6,502	\$ 14,338
(Dollars in millions)				
	Six Months Ended June 30, 2024			
Allowance for loan and lease losses, January 1	\$ 386	\$ 8,134	\$ 4,822	\$ 13,342
Loans and leases charged off	(19)	(2,492)	(1,006)	(3,517)
Recoveries of loans and leases previously charged off	43	381	62	486
Net charge-offs	24	(2,111)	(944)	(3,031)
Provision for loan and lease losses	(64)	2,144	852	2,932
Other	1	—	(6)	(5)
Allowance for loan and lease losses, June 30	347	8,167	4,724	13,238
Reserve for unfunded lending commitments, January 1	82	—	1,127	1,209
Provision for unfunded lending commitments	(27)	—	(78)	(105)
Reserve for unfunded lending commitments, June 30	55	—	1,049	1,104
Allowance for credit losses, June 30	\$ 402	\$ 8,167	\$ 5,773	\$ 14,342
Six Months Ended June 30, 2023				
Allowance for loan and lease losses, December 31	\$ 420	\$ 6,817	\$ 5,445	\$ 12,682
January 1, 2023 adoption of credit loss standard	(67)	(109)	(67)	(243)
Allowance for loan and lease losses, January 1	353	6,708	5,378	12,439
Loans and leases charged off	(29)	(1,785)	(366)	(2,180)
Recoveries of loans and leases previously charged off	54	387	63	504
Net charge-offs	25	(1,398)	(303)	(1,676)
Provision for loan and lease losses	42	2,012	155	2,209
Other	7	1	(30)	(22)
Allowance for loan and lease losses, June 30	427	7,323	5,200	12,950
Reserve for unfunded lending commitments, January 1	94	—	1,446	1,540
Provision for unfunded lending commitments	(8)	—	(145)	(153)
Other	—	—	1	1
Reserve for unfunded lending commitments, June 30	86	—	1,302	1,388
Allowance for credit losses, June 30	\$ 513	\$ 7,323	\$ 6,502	\$ 14,338

NOTE 6 Securizations and Other Variable Interest Entities

The Corporation utilizes VIEs in the ordinary course of business to support its own and its customers' financing and investing needs. The Corporation routinely securitizes loans and debt securities using VIEs as a source of funding for the Corporation and as a means of transferring the economic risk of the loans or debt securities to third parties. The assets are transferred into a trust or other securitization vehicle such that the assets are legally isolated from the creditors of the Corporation and are not available to satisfy its obligations. These assets can only be

used to settle obligations of the trust or other securitization vehicle. The Corporation also administers, structures or invests in other VIEs including CDOs, investment vehicles and other entities. For more information on the Corporation's use of VIEs, see Note 1 – *Summary of Significant Accounting Principles* and Note 6 – *Securizations and Other Variable Interest Entities* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

The tables in this Note present the assets and liabilities of consolidated and unconsolidated VIEs at June 30, 2024 and December 31, 2023 in situations where the Corporation has a loan or security interest and involvement with transferred assets

or if the Corporation otherwise has an additional interest in the VIE. The tables also present the Corporation's maximum loss exposure at June 30, 2024 and December 31, 2023 resulting from its involvement with consolidated VIEs and unconsolidated VIEs. The Corporation's maximum loss exposure is based on the unlikely event that all of the assets in the VIEs become worthless and incorporates not only potential losses associated with assets recorded on the Consolidated Balance Sheet but also potential losses associated with off-balance sheet commitments, such as unfunded liquidity commitments and other contractual arrangements. The Corporation's maximum loss exposure does not include losses previously recognized through write-downs of assets.

The Corporation invests in ABS, CLOs and other similar investments issued by third-party VIEs with which it has no other form of involvement other than a loan or debt security issued by the VIE. In addition, the Corporation also enters into certain commercial lending arrangements that may utilize VIEs for activities secondary to the lending arrangement, for example to hold collateral. The Corporation's maximum loss exposure to these VIEs is the investment balances. These securities and loans are included in Note 4 - *Securities or Note 5 - Outstanding Loans and Leases and Allowance for Credit Losses* and are not included in the following tables.

The Corporation did not provide financial support to consolidated or unconsolidated VIEs during the three and six months ended June 30, 2024 or the year ended December 31, 2023 that it was not previously contractually required to provide, nor does it intend to do so.

The Corporation had liquidity commitments, including written put options and collateral value guarantees, with certain unconsolidated VIEs of \$957 million and \$989 million at June 30, 2024 and December 31, 2023.

First-lien Mortgage Securitzations

As part of its mortgage banking activities, the Corporation securitizes a portion of the first-lien residential mortgage loans it originates or purchases from third parties, generally in the form of residential mortgage-backed securities (RMBS) guaranteed by government-sponsored enterprises, FNMA and FHLMC (collectively the GSEs), or the Government National Mortgage Association (GNMA) primarily in the case of FHA-insured and U.S. Department of Veterans Affairs (VA)-guaranteed mortgage loans. Securitization usually occurs in conjunction with or shortly after origination or purchase, and the Corporation may also securitize loans held in its residential mortgage portfolio. In addition, the Corporation may, from time to time, securitize commercial mortgages it originates or purchases from other entities. The Corporation typically services the loans it securitizes. Further, the Corporation may retain beneficial interests in the securitization trusts including senior and subordinate securities and equity tranches issued by the trusts. Except as described in Note 10 - *Commitments and Contingencies*, the Corporation does not provide guarantees or recourse to the securitization trusts other than standard representations and warranties.

The table below summarizes select information related to first-lien mortgage securitzations for the three and six months ended June 30, 2024 and 2023.

First-lien Mortgage Securitzations

(Dollars in millions)	Residential Mortgage - Agency				Commercial Mortgage			
	Three Months Ended June 30		Six Months Ended June 30		Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023	2024	2023	2024	2023
Proceeds from loan sales ⁽¹⁾	\$ 964	\$ 908	\$ 2,173	\$ 2,255	\$ 5,723	\$ 455	\$ 7,032	\$ 597
Gains (losses) on securitzations ⁽²⁾	(2)	1	(2)	(4)	69	(1)	88	2
Repurchases from securitzation trusts ⁽³⁾	8	5	16	14	—	—	—	—

⁽¹⁾ The Corporation transfers residential mortgage loans to securitzations sponsored primarily by the GSEs or GNMA in the normal course of business and primarily receives residential mortgage-backed securities in exchange. Substantially all of these securities are classified as Level 2 within the fair value hierarchy and are typically sold shortly after receipt.

⁽²⁾ A majority of the first-lien residential mortgage loans securitized are initially classified as LHFS and accounted for under the fair value option. Gains recognized on these LHFS prior to securitzation, which totaled \$8 million and \$13 million, net of hedges, during the three and six months ended June 30, 2024 compared to \$7 million and \$17 million for the same periods in 2023, are not included in the table above.

⁽³⁾ The Corporation may have the option to repurchase delinquent loans out of securitzation trusts, which reduces the amount of servicing advances it is required to make. The Corporation may also repurchase loans from securitzation trusts to perform modifications. Repurchased loans include FHA-insured mortgages collateralizing GNMA securities.

The Corporation recognizes consumer MSRs from the sale or securitzation of consumer real estate loans. The unpaid principal balance of loans serviced for investors, including residential mortgage and home equity loans, totaled \$88.2 billion and \$95.9 billion at June 30, 2024 and 2023. Servicing fee and ancillary fee income on serviced loans was \$58 million and \$120 million during the three and six months ended June 30, 2024 compared to \$63 million and \$132 million for the same periods in 2023. Servicing advances on serviced loans, including loans serviced for others and loans held for investment, were \$1.1 billion and \$1.3 billion at June 30, 2024 and December 31, 2023. For more information on MSRs, see Note 14 - *Fair Value Measurements*.

Home Equity Loans

The Corporation retains interests, primarily senior securities, in home equity securitzation trusts to which it transferred home equity loans. In addition, the Corporation may be obligated to

provide subordinate funding to the trusts during a rapid amortization event. This obligation is included in the maximum loss exposure in the preceding table. The charges that will ultimately be recorded as a result of the rapid amortization events depend on the undrawn portion of the home equity lines of credit, performance of the loans, the amount of subsequent draws and the timing of related cash flows.

Mortgage and Home Equity Securitzations

During the three and six months ended June 30, 2024, the Corporation deconsolidated agency residential mortgage securitzation trusts with total assets of \$32 million and \$825 million compared to \$296 million and \$624 million for the same periods in 2023.

The following table summarizes select information related to mortgage and home equity securitzation trusts in which the Corporation held a variable interest and had continuing involvement at June 30, 2024 and December 31, 2023.

Mortgage and Home Equity Securitizations

(Dollars in millions)	Residential Mortgage											
	Agency		Prime and Alt-A		Subprime		Home Equity ⁽³⁾		Commercial Mortgage			
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023
Unconsolidated VIEs												
Maximum loss exposure⁽¹⁾	\$ 7,836	\$ 8,190	\$ 86	\$ 92	\$ 602	\$ 657	\$ —	\$ —	\$ 1,622	\$ 1,558	\$ 1,532	\$ 1,436
On-balance sheet assets												
Senior securities:												
Trading account assets	\$ 275	\$ 235	\$ 10	\$ 13	\$ 20	\$ 20	\$ —	\$ —	\$ 238	\$ 70	\$ —	\$ —
Debt securities carried at fair value	2,345	2,541	—	—	290	341	—	—	—	—	—	—
Held-to-maturity securities	5,216	5,414	—	—	—	—	—	—	1,262	1,287	32	79
All other assets	—	—	2	4	22	23	—	—	—	—	—	—
Total retained positions	\$ 7,836	\$ 8,190	\$ 12	\$ 17	\$ 332	\$ 384	\$ —	\$ —	\$ 1,532	\$ 1,436	\$ 88,813	\$ 80,078
Principal balance outstanding⁽²⁾	\$ 72,470	\$ 76,134	\$ 13,336	\$ 13,963	\$ 4,454	\$ 4,508	\$ 208	\$ 252	\$ 88,813	\$ 80,078		
Consolidated VIEs												
Maximum loss exposure⁽¹⁾	\$ 1,115	\$ 1,164	\$ —	\$ —	\$ —	\$ —	\$ 11	\$ 12	\$ —	\$ —	\$ —	\$ —
On-balance sheet assets												
Trading account assets	\$ 1,115	\$ 1,171	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Loans and leases	—	—	—	—	—	—	27	31	—	—	—	—
Allowance for loan and lease losses	—	—	—	—	—	—	6	7	—	—	—	—
All other assets	—	—	—	—	—	—	1	1	—	—	—	—
Total assets	\$ 1,115	\$ 1,171	\$ —	\$ —	\$ —	\$ —	\$ 34	\$ 39	\$ —	\$ —	\$ —	\$ —
Total liabilities	\$ —	\$ 7	\$ —	\$ —	\$ —	\$ —	\$ 23	\$ 27	\$ —	\$ —	\$ —	\$ —

⁽¹⁾ Maximum loss exposure includes obligations under loss-sharing reinsurance and other arrangements for non-agency residential mortgage and commercial mortgage securitizations, but excludes the reserve for representations and warranties obligations and corporate guarantees and also excludes servicing advances and other servicing rights and obligations. For more information, see Note 10 – Commitments and Contingencies and Note 14 – Fair Value Measurements.

⁽²⁾ Principal balance outstanding includes loans where the Corporation was the transferor to securitization VIEs with which it has continuing involvement, which may include servicing the loans.

⁽³⁾ For unconsolidated home equity loan VIEs, the maximum loss exposure includes outstanding trust certificates issued by trusts in rapid amortization, net of recorded reserves. For both consolidated and unconsolidated home equity loan VIEs, the maximum loss exposure excludes the reserve for representations and warranties obligations and corporate guarantees. For more information, see Note 10 – Commitments and Contingencies.

Other Asset-backed Securitizations

The following paragraphs summarize select information related to other asset-backed VIEs in which the Corporation had a variable interest at June 30, 2024 and December 31, 2023.

Credit Card and Automobile Loan Securitizations

The Corporation securitizes originated and purchased credit card and automobile loans as a source of financing. The loans are sold on a non-recourse basis to consolidated trusts. The securitizations are ongoing, whereas additional receivables will be funded into the trusts by either loan repayments or proceeds from securities issued to third parties, depending on the securitization structure. The Corporation's continuing involvement with the securitization trusts includes servicing the receivables and holding various subordinated interests, including an undivided seller's interest in the credit card receivables and owning certain retained interests.

At June 30, 2024 and December 31, 2023, the carrying values of the receivables in the trusts totaled \$18.7 billion and \$16.6 billion, which are included in loans and leases, and the carrying values of senior debt securities that were issued to third-party investors from the trusts totaled \$8.6 billion and \$7.8 billion, which are included in long-term debt.

Resecuritization Trusts

The Corporation transfers securities, typically MBS, into resecuritization VIEs generally at the request of customers seeking securities with specific characteristics. Generally, there are no significant ongoing activities performed in a resecuritization trust, and no single investor has the unilateral ability to liquidate the trust.

The Corporation resecuritized \$3.8 billion and \$6.6 billion of securities during the three and six months ended June 30, 2024 compared to \$4.1 billion and \$5.8 billion for the same

periods in 2023. Securities transferred into resecuritization VIEs were measured at fair value with changes in fair value recorded in market making and similar activities prior to the resecuritization and, accordingly, no gain or loss on sale was recorded. During the three and six months ended June 30, 2024, resecuritization proceeds included securities with an initial fair value of \$795 million and \$883 million, compared to \$478 million and \$1.1 billion for the same periods in 2023, of which substantially all of the securities were classified as trading account assets for both periods. Substantially all of the trading account securities carried at fair value were categorized as Level 2 within the fair value hierarchy.

Customer VIEs

Customer VIEs include credit-linked, equity-linked and commodity-linked note VIEs, repackaging VIEs and asset acquisition VIEs, which are typically created on behalf of customers who wish to obtain market or credit exposure to a specific company, index, commodity or financial instrument.

The Corporation's involvement in the VIE is limited to its loss exposure. The Corporation's maximum loss exposure to consolidated and unconsolidated customer VIEs totaled \$1.0 billion and \$952 million at June 30, 2024 and December 31, 2023, including the notional amount of derivatives to which the Corporation is a counterparty, net of losses previously recorded, and the Corporation's investment, if any, in securities issued by the VIEs.

Municipal Bond Trusts

The Corporation administers municipal bond trusts that hold highly-rated, long-term, fixed-rate municipal bonds. The trusts obtain financing by issuing floating-rate trust certificates that reprice on a weekly or other short-term basis to third-party investors.

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The Corporation's liquidity commitments to unconsolidated municipal bond trusts, including those for which the Corporation was transferor, totaled \$1.8 billion and \$1.7 billion at June 30, 2024 and December 31, 2023. The weighted-average remaining life of bonds held in the trusts at June 30, 2024 was 11.8 years. There were no significant write-downs or downgrades of assets or issuers during the six months ended June 30, 2024 and 2023.

Collateralized Debt Obligation VIEs

The Corporation receives fees for structuring CDO VIEs, which hold diversified pools of fixed-income securities, typically corporate debt or ABS, which the CDO VIEs fund by issuing multiple tranches of debt and equity securities. CDOs are generally managed by third-party portfolio managers. The Corporation typically transfers assets to these CDOs, holds securities issued by the CDOs and may be a derivative counterparty to the CDOs. The Corporation's maximum loss exposure to consolidated and unconsolidated CDOs totaled \$80 million at both June 30, 2024 and December 31, 2023.

Investment VIEs

The Corporation sponsors, invests in or provides financing, which may be in connection with the sale of assets, to a variety of investment VIEs that hold loans, real estate, debt securities or other financial instruments and are designed to provide the

desired investment profile to investors or the Corporation. At June 30, 2024 and December 31, 2023, the Corporation's consolidated investment VIEs had total assets of \$3 million and \$472 million. The Corporation also held investments in unconsolidated VIEs with total assets of \$20.7 billion and \$18.4 billion at June 30, 2024 and December 31, 2023. The Corporation's maximum loss exposure associated with both consolidated and unconsolidated investment VIEs totaled \$2.2 billion and \$2.6 billion at June 30, 2024 and December 31, 2023 comprised primarily of on-balance sheet assets less non-recourse liabilities.

Leveraged Lease Trusts

The Corporation's net investment in consolidated leveraged lease trusts totaled \$1.1 billion at both June 30, 2024 and December 31, 2023. The trusts hold long-lived equipment such as rail cars, power generation and distribution equipment, and commercial aircraft. The Corporation structures the trusts and holds a significant residual interest. The net investment represents the Corporation's maximum loss exposure to the trusts in the unlikely event that the leveraged lease investments become worthless. Debt issued by the leveraged lease trusts is non-recourse to the Corporation.

The table below summarizes the maximum loss exposure and assets held by the Corporation that related to other asset-backed VIEs at June 30, 2024 and December 31, 2023.

Other Asset-backed VIEs

	Credit Card and Automobile ⁽¹⁾		Resecuritization Trusts and Customer VIEs		Municipal Bond Trusts and CDOs		Investment VIEs and Leveraged Lease Trusts	
	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023	June 30 2024	December 31 2023
(Dollars in millions)								
Unconsolidated VIEs								
Maximum loss exposure	\$ —	\$ —	\$ 5,037	\$ 4,494	\$ 1,874	\$ 1,787	\$ 2,160	\$ 2,197
On-balance sheet assets								
Securities ⁽²⁾ :								
Trading account assets	\$ —	\$ —	\$ 1,301	\$ 626	\$ 25	\$ 23	\$ 298	\$ 469
Debt securities carried at fair value	—	—	852	920	—	—	4	4
Held-to-maturity securities	—	—	2,110	2,237	—	—	—	—
Loans and leases	—	—	—	—	—	—	68	90
Allowance for loan and lease losses	—	—	—	—	—	—	(4)	(12)
All other assets	—	—	774	711	6	7	1,299	1,168
Total retained positions	\$ —	\$ —	\$ 5,037	\$ 4,494	\$ 31	\$ 30	\$ 1,665	\$ 1,719
Total assets of VIEs	\$ —	\$ —	\$ 16,727	\$ 15,862	\$ 7,531	\$ 9,279	\$ 20,708	\$ 18,398
Consolidated VIEs								
Maximum loss exposure	\$ 9,433	\$ 8,127	\$ 497	\$ 1,240	\$ 3,539	\$ 3,136	\$ 1,084	\$ 1,596
On-balance sheet assets								
Trading account assets	\$ —	\$ —	\$ 1,018	\$ 1,798	\$ 3,512	\$ 3,084	\$ 2	\$ 1
Debt securities carried at fair value	—	—	—	—	27	52	—	—
Loans and leases	18,729	16,640	—	—	—	—	1,071	1,605
Allowance for loan and lease losses	(922)	(832)	—	—	—	—	(1)	(1)
All other assets	200	163	39	38	—	—	14	15
Total assets	\$ 18,007	\$ 15,971	\$ 1,057	\$ 1,836	\$ 3,539	\$ 3,136	\$ 1,086	\$ 1,620
On-balance sheet liabilities								
Short-term borrowings	\$ —	\$ —	\$ —	\$ —	\$ 3,343	\$ 2,934	\$ —	\$ 23
Long-term debt	8,552	7,825	560	596	—	—	2	1
All other liabilities	22	19	—	—	—	—	—	—
Total liabilities	\$ 8,574	\$ 7,844	\$ 560	\$ 596	\$ 3,343	\$ 2,934	\$ 2	\$ 24

⁽¹⁾ At June 30, 2024 and December 31, 2023 loans and leases in the consolidated credit card trust included \$4.4 billion and \$3.2 billion of seller's interest.

⁽²⁾ The retained senior securities were valued using quoted market prices or observable market inputs (Level 2 of the fair value hierarchy).

Tax Credit VIEs

The Corporation holds equity investments in unconsolidated limited partnerships and similar entities that construct, own and operate affordable housing, renewable energy and certain other projects. The total assets of these unconsolidated tax credit VIEs were \$83.3 billion and \$84.1 billion as of June 30, 2024 and December 31, 2023. An unrelated third party is typically the general partner or managing member and has control over the significant activities of the VIE. As an investor, tax credits

associated with the investments in these entities are allocated to the Corporation, as provided by the U.S. Internal Revenue Code and related regulations, and are recognized as income tax benefits in the Corporation's Consolidated Statement of Income in the year they are earned, which varies based on the type of investments. Tax credits from investments in affordable housing are recognized ratably over a term of up to 10 years, and tax credits from renewable energy investments are recognized either at inception for transactions electing Investment Tax Credits

(ITCs) or as energy is produced for transactions electing Production Tax Credits (PTCs), which is generally up to a 10-year time period. The volume and types of investments held by the Corporation will influence the amount of tax credits recognized each period.

The Corporation's equity investments in affordable housing and other projects totaled \$16.2 billion and \$15.8 billion at June 30, 2024 and December 31, 2023, which included unfunded capital contributions of \$7.4 billion and \$7.2 billion that are probable to be paid over the next five years. The Corporation may be asked to invest additional amounts to support a troubled affordable housing project. Such additional investments have not been and are not expected to be significant. During the three and six months ended June 30, 2024, the Corporation recognized tax credits and other tax benefits related to affordable housing equity investments of \$562 million and \$1.1 billion compared to \$517 million and \$1.0 billion for the same periods in 2023, and reported pretax losses in other income of \$409 million and \$822 million compared to \$383 million and \$756 million for the same periods in 2023. The Corporation's equity investments in renewable energy totaled \$13.4 billion and \$14.2 billion at June 30, 2024 and December 31, 2023. In addition, the Corporation had unfunded capital contributions for renewable energy investments of \$5.5 billion and \$6.2 billion at June 30, 2024 and December 31, 2023, which are contingent on various conditions precedent to funding over the next two years. The Corporation's risk of loss is generally mitigated by policies requiring the project to qualify for the expected tax credits prior to making its investment. During the three and six months ended June 30, 2024, the Corporation recognized tax credits and other tax benefits related to renewable energy equity investments of \$894 million and \$1.9 billion compared to \$1.1 billion and \$2.1 billion for the same periods in 2023 and reported pretax losses in other income of \$591 million and \$1.3 billion compared to \$567 million and \$1.1 billion for the same periods in 2023. The Corporation may also enter into power purchase agreements with renewable energy tax credit entities.

The following table summarizes select information related to unconsolidated tax credit VIEs in which the Corporation held a variable interest at June 30, 2024 and December 31, 2023.

Unconsolidated Tax Credit VIEs

(Dollars in millions)	June 30 2024	December 31 2023
Maximum loss exposure	\$ 29,594	\$ 30,040
On-balance sheet assets		
All other assets	\$ 29,594	\$ 30,040
Total	\$ 29,594	\$ 30,040
On-balance sheet liabilities		
All other liabilities	\$ 7,396	\$ 7,254
Total	\$ 7,396	\$ 7,254
Total assets of VIEs	\$ 83,334	\$ 84,148

NOTE 7 Goodwill and Intangible Assets

Goodwill

The table below presents goodwill balances by business segment at June 30, 2024 and December 31, 2023. The reporting units utilized for goodwill impairment testing are the operating segments or one level below. The Corporation completed its annual goodwill impairment test as of June 30, 2024 by using a qualitative assessment. Based on the assessment, the Corporation has concluded that none of its reporting units are at risk of impairment, as each of the reporting units' fair values are substantially in excess of their carrying values. For more information regarding the nature of and accounting for the Corporation's annual goodwill impairment testing, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Goodwill

(Dollars in millions)	June 30 2024	December 31 2023
Consumer Banking	\$ 30,137	\$ 30,137
Global Wealth & Investment Management	9,677	9,677
Global Banking	24,026	24,026
Global Markets	5,181	5,181
Total goodwill	\$ 69,021	\$ 69,021

Intangible Assets

At both June 30, 2024 and December 31, 2023, the net carrying value of intangible assets was \$2.0 billion. At both June 30, 2024 and December 31, 2023, intangible assets included \$1.6 billion of intangible assets associated with trade names, substantially all of which had an indefinite life and, accordingly, are not being amortized. Amortization of intangibles expense was \$20 million for both the three months ended June 30, 2024 and 2023, and \$39 million for both the six months ended June 30, 2024 and 2023.

NOTE 8 Leases

The Corporation enters into both lessor and lessee arrangements. For more information on lease accounting, see Note 1 – *Summary of Significant Accounting Principles* and Note 8 – *Leases* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K. For more information on lease financing receivables, see Note 5 – *Outstanding Loans and Leases and Allowance for Credit Losses*.

Lessor Arrangements

The Corporation's lessor arrangements primarily consist of operating, sales-type and direct financing leases for equipment. Lease agreements may include options to renew and for the lessee to purchase the leased equipment at the end of the lease term.

The table below presents the net investment in sales-type and direct financing leases at June 30, 2024 and December 31, 2023.

Net Investment ⁽¹⁾

(Dollars in millions)	June 30 2024		December 31 2023	
	\$ 17,068	\$ 16,565	2,430	2,485
Total net investment in sales-type and direct financing leases	\$ 19,498	\$ 19,050		

⁽¹⁾ In certain cases, the Corporation obtains third-party residual value insurance to reduce its residual asset risk. The carrying value of residual assets with third-party residual value insurance for at least a portion of the asset value was \$7.3 billion and \$6.8 billion at June 30, 2024 and December 31, 2023.

The table below presents lease income for the three and six months ended June 30, 2024 and 2023.

Lease Income

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Sales-type and direct financing leases	\$ 262	\$ 181	\$ 512	\$ 353
Operating leases	227	234	454	472
Total lease income	\$ 489	\$ 415	\$ 966	\$ 825

Lessee Arrangements

The Corporation's lessee arrangements predominantly consist of operating leases for premises and equipment; the Corporation's financing leases are not significant.

The table below provides information on the right-of-use assets and lease liabilities at June 30, 2024 and December 31, 2023.

Lessee Arrangements

(Dollars in millions)	June 30 2024	December 31 2023
Right-of-use assets	\$ 8,707	\$ 9,150
Lease liabilities	9,310	9,782

NOTE 9 Securities Financing Agreements, Collateral and Restricted Cash

The Corporation enters into securities financing agreements which include securities borrowed or purchased under agreements to resell and securities loaned or sold under agreements to repurchase. These financing agreements (also referred to as "matched-book transactions") are to accommodate customers, obtain securities to cover short positions and finance inventory positions. The Corporation elects to account for certain securities financing agreements under the fair value option. For more information on the fair value option, see Note 15 – *Fair Value Option*.

Offsetting of Securities Financing Agreements

The Securities Financing Agreements table presents securities financing agreements included on the Consolidated Balance Sheet in federal funds sold and securities borrowed or purchased under agreements to resell, and in federal funds purchased and securities loaned or sold under agreements to repurchase at June 30, 2024 and December 31, 2023. Balances are presented on a gross basis, prior to the application of counterparty netting. Gross assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of legally enforceable master netting agreements. For more information on the offsetting of derivatives, see Note 3 – *Derivatives*. For more information on the securities financing agreements and the offsetting of securities financing transactions, see Note 10 – *Securities Financing Agreements, Short-term Borrowings, Collateral and Restricted Cash* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Securities Financing Agreements

(Dollars in millions)	Gross Assets/Liabilities ⁽¹⁾	Amounts Offset	Net Balance Sheet Amount		Financial Instruments ⁽²⁾	Net Assets/Liabilities
			June 30, 2024	December 31, 2023		
Securities borrowed or purchased under agreements to resell ⁽³⁾	\$ 755,382	\$ (417,630)	\$ 337,752	\$ (209,130)	\$ 28,622	
Securities loaned or sold under agreements to repurchase	\$ 785,736	\$ (417,630)	\$ 368,106	\$ (346,566)	\$ 21,540	
Other ⁽⁴⁾	12,773	—	12,773	(12,773)	—	—
Total	\$ 798,509	\$ (417,630)	\$ 380,879	\$ (359,339)	\$ 21,540	

⁽¹⁾ Includes activity where uncertainty exists as to the enforceability of certain master netting agreements under bankruptcy laws in some countries or industries.

⁽²⁾ Includes securities collateral received or pledged under repurchase or securities lending agreements where there is a legally enforceable master netting agreement. These amounts are not offset on the Consolidated Balance Sheet, but are shown as a reduction to derive a net asset or liability. Securities collateral received or pledged where the legal enforceability of the master netting agreements is uncertain is excluded from the table.

⁽³⁾ Excludes repurchase activity of \$12.6 billion and \$8.7 billion reported in loans and leases on the Consolidated Balance Sheet for June 30, 2024 and December 31, 2023.

⁽⁴⁾ Balance is reported in accrued expenses and other liabilities on the Consolidated Balance Sheet and relates to transactions where the Corporation acts as the lender in a securities lending agreement and receives securities that can be pledged as collateral or sold. In these transactions, the Corporation recognizes an asset at fair value, representing the securities received, and a liability, representing the obligation to return those securities.

Repurchase Agreements and Securities Loaned Transactions Accounted for as Secured Borrowings

The following tables present securities sold under agreements to repurchase and securities loaned by remaining contractual term to maturity and class of collateral pledged. Included in "Other" are transactions where the Corporation acts as the lender in a securities lending agreement and receives securities that can be pledged as collateral or sold. Certain agreements contain a right to substitute collateral and/or terminate the

agreement prior to maturity at the option of the Corporation or the counterparty. Such agreements are included in the table below based on the remaining contractual term to maturity. For more information on collateral requirements, see Note 10 – *Securities Financing Agreements, Short-term Borrowings, Collateral and Restricted Cash* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Remaining Contractual Maturity

(Dollars in millions)	Overnight and Continuous	30 Days or Less	After 30 Days Through 90 Days		Greater than 90 Days ⁽¹⁾	Total
			June 30, 2024	December 31, 2023		
Securities sold under agreements to repurchase	\$ 259,817	\$ 232,017	\$ 95,737	\$ 109,075	\$ 696,646	
Securities loaned	79,861	284	1,005	7,940	89,090	
Other	12,773	—	—	—	12,773	
Total	\$ 352,451	\$ 232,301	\$ 96,742	\$ 117,015	\$ 798,509	

	December 31, 2023					
Securities sold under agreements to repurchase	\$ 234,974	\$ 228,627	\$ 85,176	\$ 75,020	\$ 623,797	
Securities loaned	76,580	139	618	5,770	83,107	
Other	10,066	—	—	—	10,066	
Total	\$ 321,620	\$ 228,766	\$ 85,794	\$ 80,790	\$ 716,970	

⁽¹⁾ No agreements have maturities greater than four years.

Class of Collateral Pledged

(Dollars in millions)	Securities Sold Under Agreements to Repurchase	Securities Loaned	Other	Total
June 30, 2024				
U.S. government and agency securities	\$ 380,642	\$ 138	\$ 23	\$ 380,803
Corporate securities, trading loans and other	32,720	1,889	865	35,474
Equity securities	25,946	87,031	11,885	124,862
Non-U.S. sovereign debt	251,899	32	—	251,931
Mortgage trading loans and ABS	5,439	—	—	5,439
Total	\$ 696,646	\$ 89,090	\$ 12,773	\$ 798,509
December 31, 2023				
U.S. government and agency securities	\$ 352,950	\$ 34	\$ 38	\$ 353,022
Corporate securities, trading loans and other	23,242	1,805	661	25,708
Equity securities	11,517	81,266	9,367	102,150
Non-U.S. sovereign debt	231,140	2	—	231,142
Mortgage trading loans and ABS	4,948	—	—	4,948
Total	\$ 623,797	\$ 83,107	\$ 10,066	\$ 716,970

Collateral

The Corporation accepts securities and loans as collateral that it is permitted by contract or practice to sell or repledge. At June 30, 2024 and December 31, 2023, the fair value of this collateral was \$975.8 billion and \$911.3 billion, of which \$934.1 billion and \$870.9 billion were sold or repledged. The primary source of this collateral is securities borrowed or purchased under agreements to resell. For more information on collateral, see Note 10 – *Securities Financing Agreements, Short-term Borrowings, Collateral and Restricted Cash* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Restricted Cash

At June 30, 2024 and December 31, 2023, the Corporation held restricted cash included within cash and cash equivalents on the Consolidated Balance Sheet of \$5.4 billion and \$5.6 billion, predominantly related to cash segregated in compliance with securities regulations and cash held on deposit with central banks to meet reserve requirements.

NOTE 10 Commitments and Contingencies

In the normal course of business, the Corporation enters into a number of off-balance sheet commitments. These commitments expose the Corporation to varying degrees of credit and market risk and are subject to the same credit and market risk limitation reviews as those instruments recorded on the Consolidated Balance Sheet. For more information on commitments and contingencies, see Note 12 – *Commitments and Contingencies* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Credit Extension Commitments

The Corporation enters into commitments to extend credit such as loan commitments, standby letters of credit (SBLCs) and commercial letters of credit to meet the financing needs of its customers. The following table includes the notional amount of unfunded legally binding lending commitments net of amounts distributed (i.e., syndicated or participated) to other financial institutions. The distributed amounts were \$10.3 billion at both June 30, 2024 and December 31, 2023. The carrying value of the Corporation's credit extension commitments at June 30, 2024 and December 31, 2023, excluding commitments accounted for under the fair value option, was \$1.1 billion and \$1.2 billion, which predominantly related to the reserve for unfunded lending commitments. The carrying value of these commitments is classified in accrued expenses and other liabilities on the Consolidated Balance Sheet.

Legally binding commitments to extend credit generally have specified rates and maturities. Certain of these commitments have adverse change clauses that help to protect the Corporation against deterioration in the borrower's ability to pay.

The following table includes the notional amount of commitments of \$3.2 billion and \$2.6 billion at June 30, 2024 and December 31, 2023 that are accounted for under the fair value option. However, the table excludes the cumulative net fair value for these commitments of \$73 million and \$67 million at June 30, 2024 and December 31, 2023, which is classified in accrued expenses and other liabilities. For more information regarding the Corporation's loan commitments accounted for under the fair value option, see Note 15 – *Fair Value Option*.

Credit Extension Commitments

	Expire in One Year or Less	Expire After One Year Through Three Years	Expire After Three Years Through Five Years	Expire After Five Years	Total
(Dollars in millions)					
Notional amount of credit extension commitments					
Loan commitments ⁽¹⁾	\$ 122,111	\$ 214,908	\$ 184,093	\$ 17,930	\$ 539,042
Home equity lines of credit	3,407	10,109	9,910	21,849	45,275
Standby letters of credit and financial guarantees ⁽²⁾	21,830	8,871	2,779	586	34,066
Letters of credit	776	141	63	59	1,039
Other commitments ⁽³⁾	13	33	103	1,036	1,185
Legally binding commitments	148,137	234,062	196,948	41,460	620,607
Credit card lines ⁽⁴⁾	452,638	—	—	—	452,638
Total credit extension commitments	\$ 600,775	\$ 234,062	\$ 196,948	\$ 41,460	\$ 1,073,245
December 31, 2023					
Notional amount of credit extension commitments					
Loan commitments ⁽¹⁾	\$ 124,298	\$ 198,818	\$ 193,878	\$ 15,386	\$ 532,380
Home equity lines of credit	2,775	9,182	11,195	21,975	45,127
Standby letters of credit and financial guarantees ⁽²⁾	21,067	9,633	2,693	652	34,045
Letters of credit	873	207	66	29	1,175
Other commitments ⁽³⁾	17	50	108	1,035	1,210
Legally binding commitments	149,030	217,890	207,940	39,077	613,937
Credit card lines ⁽⁴⁾	440,328	—	—	—	440,328
Total credit extension commitments	\$ 589,358	\$ 217,890	\$ 207,940	\$ 39,077	\$ 1,054,265

⁽¹⁾ At June 30, 2024 and December 31, 2023, \$4.6 billion and \$3.1 billion of these loan commitments were held in the form of a security.

⁽²⁾ The notional amounts of SBLCs and financial guarantees classified as investment grade and non-investment grade based on the credit quality of the underlying reference name within the instrument were \$23.4 billion and \$9.8 billion at June 30, 2024, and \$23.6 billion and \$9.7 billion at December 31, 2023. Amounts in the table include consumer SBLCs of \$864 million and \$744 million at June 30, 2024 and December 31, 2023.

⁽³⁾ Primarily includes second-loss positions on lease-end residual value guarantees.

⁽⁴⁾ Includes business card unused lines of credit.

Other Commitments

At June 30, 2024 and December 31, 2023, the Corporation had commitments to purchase loans (e.g., residential mortgage and commercial real estate) of \$540 million and \$822 million, which upon settlement will be included in trading account assets, loans or LHFS, and commitments to purchase commercial loans of \$1.3 billion and \$420 million, which upon settlement will be included in trading account assets.

At June 30, 2024 and December 31, 2023, the Corporation had commitments to enter into resale and forward-dated resale and securities borrowing agreements of \$126.3 billion and \$117.0 billion, and commitments to enter into forward-dated repurchase and securities lending agreements of \$94.3 billion and \$63.0 billion. A significant portion of these commitments will expire within the next 12 months.

At both June 30, 2024 and December 31, 2023, the Corporation had a commitment to originate or purchase up to \$4.0 billion on a rolling 12-month basis, of auto loans and leases from a strategic partner. This commitment extends through November 2026 and can be terminated with 12 months prior notice.

At June 30, 2024 and December 31, 2023, the Corporation had unfunded equity investment commitments of \$478 million and \$477 million.

As a Federal Reserve member bank, the Corporation is required to subscribe to a certain amount of shares issued by its Federal Reserve district bank, which pays cumulative dividends at a prescribed rate. At both June 30, 2024 and December 31, 2023, the Corporation had paid \$5.4 billion for half of its subscribed shares, with the remaining half subject to call by the Federal Reserve district bank board, which the Corporation believes is remote.

Other Guarantees

Bank-owned Life Insurance Book Value Protection

The Corporation sells products that offer book value protection to insurance carriers who offer group life insurance policies to corporations, primarily banks. At June 30, 2024 and December 31, 2023, the notional amount of these guarantees totaled \$3.3 billion and \$3.8 billion. At June 30, 2024 and December 31, 2023, the Corporation's maximum exposure related to these guarantees totaled \$508 million and \$577 million, with estimated maturity dates between 2034 and 2037.

Merchant Services

The Corporation in its role as merchant acquirer or as a sponsor of other merchant acquirers may be held liable for any reversed charges that cannot be collected from the merchants due to, among other things, merchant fraud or insolvency. If charges are properly reversed after a purchase and cannot be collected from either the merchants or merchant acquirers, the Corporation may be held liable for these reversed charges. The ability to reverse a charge is primarily governed by the applicable payment network rules and regulations, which include, but are not limited to, the type of charge, type of payment used and time limits. The total amount of transactions subject to reversal under payment network rules and regulations processed for the preceding six-month period, which was approximately \$225 billion, is an estimate of the Corporation's maximum potential exposure as of June 30, 2024. The Corporation's risk in this area primarily relates to circumstances where a cardholder has purchased goods or services for future delivery. The Corporation mitigates this risk by requiring cash deposits, guarantees, letters of credit or other types of collateral from certain merchants. The Corporation's reserves for contingent losses, and the losses incurred related to the merchant processing activity were not significant.

Representations and Warranties Obligations and Corporate Guarantees

For more information on representations and warranties obligations and corporate guarantees, see Note 12 – *Commitments and Contingencies* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

The reserve for representations and warranties obligations and corporate guarantees was \$265 million and \$604 million at June 30, 2024 and December 31, 2023 and is included in accrued expenses and other liabilities on the Consolidated Balance Sheet, and the related provision is included in other income in the Consolidated Statement of Income. The representations and warranties reserve represents the Corporation's best estimate of incurred losses, is based on its experience in previous negotiations, and is subject to judgment, a variety of assumptions and known or unknown uncertainties. Future representations and warranties losses may occur in excess of the amounts recorded for these exposures; however, the Corporation does not expect such amounts to be material to the Corporation's financial condition and liquidity. See Litigation and Regulatory Matters below for the Corporation's combined range of possible loss in excess of the reserve for representations and warranties and the accrued liability for litigation.

Fixed Income Clearing Corporation Sponsored Member Repo Program

The Corporation acts as a sponsoring member in a repo program whereby the Corporation clears certain eligible resale and repurchase agreements through the Government Securities Division of the Fixed Income Clearing Corporation on behalf of clients that are sponsored members in accordance with the Fixed Income Clearing Corporation's rules. As part of this program, the Corporation guarantees the payment and performance of its sponsored members to the Fixed Income Clearing Corporation. The Corporation's guarantee obligation is secured by a security interest in cash or high-quality securities collateral placed by clients with the clearinghouse and therefore, the potential for the Corporation to incur significant losses under this arrangement is remote. The Corporation's maximum potential exposure, without taking into consideration the related collateral, was \$131.7 billion and \$132.5 billion at June 30, 2024 and December 31, 2023.

Other Guarantees

In the normal course of business, the Corporation periodically guarantees the obligations of its affiliates in a variety of transactions including ISDA-related transactions and non-ISDA related transactions such as commodities trading, repurchase agreements, prime brokerage agreements and other transactions.

Guarantees of Certain Long-term Debt

The Corporation, as the parent company, fully and unconditionally guarantees the securities issued by BofA Finance LLC, a consolidated finance subsidiary of the Corporation, and effectively provides for the full and unconditional guarantee of trust securities and capital securities issued by certain statutory trust companies that are 100 percent owned finance subsidiaries of the Corporation.

Other Contingencies

In 2023, the Federal Deposit Insurance Corporation (FDIC) issued a final rule to impose a special assessment to recover

certain estimated losses to the Deposit Insurance Fund (DIF) arising from the closures of Silicon Valley Bank and Signature Bank. The estimated losses will be recovered through quarterly special assessments collected from certain insured depository institutions, including the Corporation, and collection began during the three months ended June 30, 2024. As of June 30, 2024 and December 31, 2023, the Corporation's accrual for its estimated share of the FDIC special assessment was \$2.5 billion and \$2.1 billion. The Corporation continues to monitor the FDIC's estimated loss to the DIF, which could affect the amount of its accrued liability.

Litigation and Regulatory Matters

The following disclosures supplement the disclosure in Note 12 – *Commitments and Contingencies* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K (the prior commitments and contingencies disclosure).

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to many pending and threatened legal, regulatory and governmental actions and proceedings. In view of the inherent difficulty of predicting the outcome of such matters, particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, the Corporation generally cannot predict the eventual outcome of the pending matters, timing of the ultimate resolution of these matters, or eventual loss, fines or penalties related to each pending matter.

As a matter develops, the Corporation, in conjunction with any outside counsel handling the matter, evaluates whether such matter presents a loss contingency that is probable and estimable, and, for the matters disclosed in the prior commitments and contingencies disclosure and updated below, whether a loss in excess of any accrued liability is reasonably possible in future periods. Once the loss contingency is deemed to be both probable and estimable, the Corporation will establish an accrued liability and record a corresponding amount of litigation-related expense. The Corporation continues to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established. Excluding expenses of internal and external legal service providers, litigation and regulatory investigation-related expense of \$53 million and \$151 million was recognized for the three and six months ended June 30, 2024 compared to \$276 million and \$365 million for the same periods in 2023.

For any matter disclosed in the prior commitments and contingencies disclosure for which a loss in future periods is reasonably possible and estimable (whether in excess of an accrued liability or where there is no accrued liability) and for representations and warranties exposures, the Corporation's estimated range of possible loss is \$0 to \$0.8 billion in excess of the accrued liability, if any, as of June 30, 2024.

The accrued liability and estimated range of possible loss are based upon currently available information and subject to significant judgment, a variety of assumptions and known and unknown uncertainties. The matters underlying the accrued liability and estimated range of possible loss are unpredictable and may change from time to time, and actual losses may vary significantly from the current estimate and accrual. The estimated range of possible loss does not represent the Corporation's maximum loss exposure.

Information is provided below and in the prior commitments and contingencies disclosure regarding the nature of the litigation and, where specified, associated claimed damages. Based on current knowledge, and taking into account accrued

liabilities, management does not believe that loss contingencies arising from pending matters, including the matters described in the prior commitments and contingencies disclosure and updated below, will have a material adverse effect on the consolidated financial condition or liquidity of the Corporation. However, in light of the significant judgment, variety of assumptions and uncertainties involved in those matters, some of which are beyond the Corporation's control, and the very large or indeterminate damages sought in some of those matters, an adverse outcome in one or more of those matters could be material to the Corporation's business or results of operations for any particular reporting period, or cause significant reputational harm.

Deposit Insurance Assessment

On July 1, 2024, the district court judge vacated the magistrate judge's April 2023 report and recommendation for resolving the parties' cross-motions for summary judgment, and asked the parties to file new motions, in light of a recent Supreme Court decision, by the end of October 2024.

NOTE 11 Shareholders' Equity

Common Stock

Declared Quarterly Cash Dividends on Common Stock ⁽¹⁾

Declaration Date	Record Date	Payment Date	Dividend Per Share
July 24, 2024	September 6, 2024	September 27, 2024	\$ 0.26
April 25, 2024	June 7, 2024	June 28, 2024	0.24
January 31, 2024	March 1, 2024	March 29, 2024	0.24

⁽¹⁾ In 2024, and through July 30, 2024.

NOTE 12 Accumulated Other Comprehensive Income (Loss)

The table below presents the changes in accumulated OCI after-tax for the six months ended June 30, 2024 and 2023.

(Dollars in millions)	Debt Securities	Debit Valuation Adjustments	Derivatives	Employee Benefit Plans	Foreign Currency	Total
Balance, December 31, 2022	\$ (2,983)	\$ (881)	\$ (11,935)	\$ (4,309)	\$ (1,048)	\$ (21,156)
Net change	723	(394)	49	19	17	414
Balance, June 30, 2023	\$ (2,260)	\$ (1,275)	\$ (11,886)	\$ (4,290)	\$ (1,031)	\$ (20,742)
Balance, December 31, 2023	\$ (2,410)	\$ (1,567)	\$ (8,016)	\$ (4,748)	\$ (1,047)	\$ (17,788)
Net change	27	(135)	270	48	(51)	159
Balance, June 30, 2024	\$ (2,383)	\$ (1,702)	\$ (7,746)	\$ (4,700)	\$ (1,098)	\$ (17,629)

The following table presents the net change in fair value recorded in accumulated OCI, net realized gains and losses reclassified into earnings and other changes for each component of OCI pre- and after-tax for the six months ended June 30, 2024 and 2023.

	Pretax	Tax effect	After-tax	Pretax	Tax effect	After-tax
	Six Months Ended June 30					
(Dollars in millions)	2024			2023		
Debt securities:						
Net increase (decrease) in fair value	\$ 54	\$ (17)	\$ 37	\$ 557	\$ (137)	\$ 420
Net realized (gains) losses reclassified into earnings ⁽¹⁾	(14)	4	(10)	404	(101)	303
Net change	40	(13)	27	961	(238)	723
Debit valuation adjustments:						
Net increase (decrease) in fair value	(188)	47	(141)	(526)	129	(397)
Net realized (gains) losses reclassified into earnings ⁽¹⁾	9	(3)	6	4	(1)	3
Net change	(179)	44	(135)	(522)	128	(394)
Derivatives:						
Net increase (decrease) in fair value	(1,027)	259	(768)	(280)	73	(207)
Reclassifications into earnings:						
Net interest income	1,342	(336)	1,006	352	(88)	264
Market making and similar activities	59	(14)	45	—	—	—
Compensation and benefits expense	(17)	4	(13)	(11)	3	(8)
Net realized (gains) losses reclassified into earnings	1,384	(346)	1,038	341	(85)	256
Net change	357	(87)	270	61	(12)	49
Employee benefit plans:						
Net actuarial losses and other reclassified into earnings ⁽²⁾	61	(13)	48	27	(8)	19
Net change	61	(13)	48	27	(8)	19
Foreign currency:						
Net increase (decrease) in fair value	276	(327)	(51)	(97)	114	17
Net realized (gains) losses reclassified into earnings ⁽¹⁾	—	—	—	(1)	1	—
Net change	276	(327)	(51)	(98)	115	17
Total other comprehensive income (loss)	\$ 555	\$ (396)	\$ 159	\$ 429	\$ (15)	\$ 414

⁽¹⁾ Reclassifications of pretax debt securities, DVA and foreign currency (gains) losses are recorded in other income in the Consolidated Statement of Income.

⁽²⁾ Reclassifications of pretax employee benefit plan costs are recorded in other general operating expense in the Consolidated Statement of Income.

NOTE 13 Earnings Per Common Share

The calculation of earnings per common share (EPS) and diluted EPS for the three and six months ended June 30, 2024 and 2023 is presented below. For more information on the calculation of EPS, see Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

(In millions, except per share information)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Earnings per common share				
Net income	\$ 6,897	\$ 7,408	\$ 13,571	\$ 15,569
Preferred stock dividends	(315)	(306)	(847)	(811)
Net income applicable to common shareholders	\$ 6,582	\$ 7,102	\$ 12,724	\$ 14,758
Average common shares issued and outstanding	7,897.9	8,040.9	7,933.3	8,053.5
Earnings per common share	\$ 0.83	\$ 0.88	\$ 1.60	\$ 1.83
Diluted earnings per common share				
Net income applicable to common shareholders	\$ 6,582	\$ 7,102	\$ 12,724	\$ 14,758
Add preferred stock dividends due to assumed conversions	—	—	—	111
Net income allocated to common shareholders	\$ 6,582	\$ 7,102	\$ 12,724	\$ 14,869
Average common shares issued and outstanding	7,897.9	8,040.9	7,933.3	8,053.5
Dilutive potential common shares ⁽¹⁾	63.0	39.8	62.9	109.1
Total diluted average common shares issued and outstanding	7,960.9	8,080.7	7,996.2	8,162.6
Diluted earnings per common share	\$ 0.83	\$ 0.88	\$ 1.59	\$ 1.82

⁽¹⁾ Includes incremental dilutive shares from preferred stock, restricted stock units, restricted stock and warrants.

For the three and six months ended June 30, 2024 and the three months ended June 30, 2023, 62 million average dilutive potential common shares associated with the Series L preferred stock were antidilutive, whereas they were included in the diluted share count under the "if-converted" method for the six months ended June 30, 2023.

NOTE 14 Fair Value Measurements

Under applicable accounting standards, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Corporation determines the fair values of its financial

instruments under applicable accounting standards and conducts a review of fair value hierarchy classifications on a quarterly basis. Transfers into or out of fair value hierarchy classifications are made if the significant inputs used in the financial models measuring the fair values of the assets and liabilities become unobservable or observable in the current marketplace. During the six months ended June 30, 2024, there were no changes to valuation approaches or techniques that had, or are expected to have, a material impact on the Corporation's consolidated financial position or results of operations.

For more information regarding the fair value hierarchy, how the Corporation measures fair value and valuation techniques, see Note 1 – *Summary of Significant Accounting Principles* and

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Note 20 – Fair Value Measurements to the Consolidated Financial Statements of the Corporation’s 2023 Annual Report on Form 10-K. The Corporation accounts for certain financial instruments under the fair value option. For more information, see Note 15 – Fair Value Option.

Recurring Fair Value

Assets and liabilities carried at fair value on a recurring basis at June 30, 2024 and December 31, 2023, including financial instruments that the Corporation accounts for under the fair value option, are summarized in the following tables.

(Dollars in millions)	June 30, 2024						Assets/Liabilities at Fair Value	
	Fair Value Measurements							
	Level 1	Level 2	Level 3	–	–	–		
Assets								
Time deposits placed and other short-term investments	\$ 1,204	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,204	
Federal funds sold and securities borrowed or purchased under agreements to resell	—	474,966	—	—	(307,131)	—	167,835	
Trading account assets:								
U.S. Treasury and government agencies	53,509	456	—	—	—	—	53,965	
Corporate securities, trading loans and other	—	47,917	1,816	—	—	—	49,733	
Equity securities	65,030	33,433	231	—	—	—	98,694	
Non-U.S. sovereign debt	14,892	33,788	323	—	—	—	49,003	
Mortgage trading loans, MBS and ABS:								
U.S. government-sponsored agency guaranteed	—	45,030	9	—	—	—	45,039	
Mortgage trading loans, ABS and other MBS	—	9,068	964	—	—	—	10,032	
Total trading account assets ⁽²⁾	133,431	169,692	3,343	—	—	—	306,466	
Derivative assets	17,747	261,640	3,916	(247,347)	—	—	35,956	
AFS debt securities:								
U.S. Treasury and government agencies	199,372	908	—	—	—	—	200,280	
Mortgage-backed securities:								
Agency	—	35,362	—	—	—	—	35,362	
Agency-collateralized mortgage obligations	—	9,444	—	—	—	—	9,444	
Non-agency residential	—	152	133	—	—	—	285	
Commercial	—	11,851	170	—	—	—	12,021	
Non-U.S. securities	661	20,646	78	—	—	—	21,385	
Other taxable securities	—	2,194	—	—	—	—	2,194	
Tax-exempt securities	—	10,324	—	—	—	—	10,324	
Total AFS debt securities	200,033	90,881	381	—	—	—	291,295	
Other debt securities carried at fair value:								
U.S. Treasury and government agencies	1,843	—	—	—	—	—	1,843	
Non-agency residential MBS	—	203	53	—	—	—	256	
Non-U.S. and other securities	905	6,752	—	—	—	—	7,657	
Total other debt securities carried at fair value	2,748	6,955	53	—	—	—	9,756	
Loans and leases	—	3,108	89	—	—	—	3,197	
Loans held-for-sale	—	1,439	133	—	—	—	1,572	
Other assets ⁽³⁾	10,309	3,305	1,700	—	—	—	15,314	
Total assets ⁽⁴⁾	\$ 365,472	\$ 1,011,986	\$ 9,615	\$ (554,478)	\$ 832,595			
Liabilities								
Interest-bearing deposits in U.S. offices	\$ —	\$ 370	\$ —	\$ —	\$ —	\$ 370		
Federal funds purchased and securities loaned or sold under agreements to repurchase	—	521,850	—	(307,131)	—	—	214,719	
Trading account liabilities:								
U.S. Treasury and government agencies	12,477	—	—	—	—	—	12,477	
Equity securities	43,110	6,193	11	—	—	—	49,314	
Non-U.S. sovereign debt	17,213	9,414	—	—	—	—	26,627	
Corporate securities and other	—	11,851	72	—	—	—	11,923	
Mortgage trading loans and ABS	—	4	—	—	—	—	4	
Total trading account liabilities	72,800	27,462	83	—	—	—	100,345	
Derivative liabilities	21,969	264,696	6,282	(252,439)	—	—	40,508	
Short-term borrowings	—	7,192	8	—	—	—	7,200	
Accrued expenses and other liabilities	11,515	3,541	8	—	—	—	15,064	
Long-term debt	—	46,287	588	—	—	—	46,875	
Total liabilities ⁽⁴⁾	\$ 106,284	\$ 871,398	\$ 6,969	\$ (559,570)	\$ 425,081			

⁽¹⁾ Amounts represent the impact of legally enforceable master netting agreements and also cash collateral held or placed with the same counterparties.

⁽²⁾ Includes securities with a fair value of \$12.8 billion that were segregated in compliance with securities regulations or deposited with clearing organizations. This amount is included in the parenthetical disclosure on the Consolidated Balance Sheet. Trading account assets also includes certain commodities inventory of \$313 million that is accounted for at the lower of cost or net realizable value, which is the current selling price less any costs to sell.

⁽³⁾ Includes MSRs, which are classified as Level 3 assets, of \$989 million.

⁽⁴⁾ Total recurring Level 3 assets were 0.30 percent of total consolidated assets, and total recurring Level 3 liabilities were 0.24 percent of total consolidated liabilities.

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(Dollars in millions)	December 31, 2023							
	Fair Value Measurements							
	Level 1	Level 2	Level 3	Netting Adjustments ⁽¹⁾	Assets/Liabilities at Fair Value			
Assets								
Time deposits placed and other short-term investments	\$ 1,181	\$ —	\$ —	\$ —	—	\$ 1,181		
Federal funds sold and securities borrowed or purchased under agreements to resell	—	436,340	—	(303,287)		133,053		
Trading account assets:								
U.S. Treasury and government agencies	65,160	1,963	—	—		67,123		
Corporate securities, trading loans and other	—	41,462	1,689	—		43,151		
Equity securities	47,431	41,380	187	—		88,998		
Non-U.S. sovereign debt	5,517	21,195	396	—		27,108		
Mortgage trading loans, MBS and ABS:								
U.S. government-sponsored agency guaranteed	—	38,802	2	—		38,804		
Mortgage trading loans, ABS and other MBS	—	10,955	1,215	—		12,170		
Total trading account assets ⁽²⁾	118,108	155,757	3,489	—		277,354		
Derivative assets	14,676	272,244	3,422	(251,019)		39,323		
AFS debt securities:								
U.S. Treasury and government agencies	176,764	902	—	—		177,666		
Mortgage-backed securities:								
Agency	—	37,812	—	—		37,812		
Agency-collateralized mortgage obligations	—	2,544	—	—		2,544		
Non-agency residential	—	109	273	—		382		
Commercial	—	10,435	—	—		10,435		
Non-U.S. securities	1,093	21,679	103	—		22,875		
Other taxable securities	—	4,835	—	—		4,835		
Tax-exempt securities	—	10,100	—	—		10,100		
Total AFS debt securities	177,857	88,416	376	—		266,649		
Other debt securities carried at fair value:								
U.S. Treasury and government agencies	1,690	—	—	—		1,690		
Non-agency residential MBS	—	211	69	—		280		
Non-U.S. and other securities	1,786	6,447	—	—		8,233		
Total other debt securities carried at fair value	3,476	6,658	69	—		10,203		
Loans and leases	—	3,476	93	—		3,569		
Loans held-for-sale	—	1,895	164	—		2,059		
Other assets ⁽³⁾	8,052	2,152	1,657	—		11,861		
Total assets ⁽⁴⁾	\$ 323,350	\$ 966,938	\$ 9,270	\$ (554,306)	\$ 745,252			
Liabilities								
Interest-bearing deposits in U.S. offices	\$ —	\$ 284	\$ —	\$ —		\$ 284		
Federal funds purchased and securities loaned or sold under agreements to repurchase	—	481,896	—	(303,287)		178,609		
Trading account liabilities:								
U.S. Treasury and government agencies	14,908	65	—	—		14,973		
Equity securities	51,772	4,710	12	—		56,494		
Non-U.S. sovereign debt	9,390	6,997	—	—		16,387		
Corporate securities and other	—	7,637	39	—		7,676		
Total trading account liabilities	76,070	19,409	51	—		95,530		
Derivative liabilities	14,375	280,908	5,916	(257,767)		43,432		
Short-term borrowings	—	4,680	10	—		4,690		
Accrued expenses and other liabilities	8,969	2,483	21	—		11,473		
Long-term debt	—	42,195	614	—		42,809		
Total liabilities ⁽⁴⁾	\$ 99,414	\$ 831,855	\$ 6,612	\$ (561,054)	\$ 376,827			

⁽¹⁾ Amounts represent the impact of legally enforceable master netting agreements and also cash collateral held or placed with the same counterparties.

⁽²⁾ Includes securities with a fair value of \$18.0 billion that were segregated in compliance with securities regulations or deposited with clearing organizations. This amount is included in the parenthetical disclosure on the Consolidated Balance Sheet. Trading account assets also includes certain commodities inventory of \$42 million that is accounted for at the lower of cost or net realizable value, which is the current selling price less any costs to sell.

⁽³⁾ Includes MSRs, which are classified as Level 3 assets, of \$970 million.

⁽⁴⁾ Total recurring Level 3 assets were 0.29 percent of total consolidated assets, and total recurring Level 3 liabilities were 0.23 percent of total consolidated liabilities.

The following tables present a reconciliation of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three and six months ended June 30, 2024 and 2023, including net realized and unrealized gains (losses) included in earnings and accumulated OCI. Transfers into Level 3 occur primarily due to

decreased price observability, and transfers out of Level 3 occur primarily due to increased price observability. Transfers occur on a regular basis for long-term debt instruments due to changes in the impact of unobservable inputs on the value of the embedded derivative in relation to the instrument as a whole.

Level 3 – Fair Value Measurements ⁽¹⁾

(Dollars in millions)	Balance April 1	Total Realized/Unrealized Gains (Losses) in Net Income ⁽²⁾	Gains (Losses) in OCI ⁽³⁾	Gross				Gross Transfers into Level 3	Gross Transfers out of Level 3	Balance June 30	Change in Unrealized Gains (Losses) in Net Income Related to Financial Instruments Still Held ⁽²⁾	
				Purchases	Sales	Issuances	Settlements					
Three Months Ended June 30, 2024												
Trading account assets:												
Corporate securities, trading loans and other	\$ 1,582	\$ 17	\$ (2)	\$ 185	\$ (71)	\$ 20	\$ (142)	\$ 317	\$ (90)	\$ 1,816	\$ (18)	
Equity securities	214	2	—	48	(15)	—	(1)	—	(17)	231	7	
Non-U.S. sovereign debt	394	(9)	(25)	15	(4)	—	(48)	—	—	323	(9)	
Mortgage trading loans, MBS and ABS	1,058	(23)	—	101	(187)	—	(16)	92	(52)	973	(20)	
Total trading account assets	3,248	(13)	(27)	349	(277)	20	(207)	409	(159)	3,343	(40)	
Net derivative assets (liabilities) ⁽⁴⁾	(2,668)	477	—	309	(243)	—	(287)	(158)	204	(2,366)	460	
AFS debt securities:												
Non-agency residential MBS	251	1	—	—	—	—	(2)	—	(117)	133	1	
Commercial MBS	—	(6)	1	175	—	—	—	—	—	170	(6)	
Non-U.S. and other taxable securities	91	(8)	—	—	—	—	(2)	1	(4)	78	(2)	
Total AFS debt securities	342	(13)	1	175	—	—	(4)	1	(121)	381	(7)	
Other debt securities carried at fair value – Non-agency residential MBS	71	(2)	—	—	—	—	—	—	(16)	53	(2)	
Loans and leases ^(5,6)	90	1	—	—	—	—	(2)	—	—	89	—	
Loans held-for-sale ⁽⁵⁾	149	—	(3)	—	—	—	(13)	—	—	133	(3)	
Other assets ^(6,7)	1,668	85	(15)	18	—	27	(83)	—	—	1,700	57	
Trading account liabilities – Equity securities	(28)	2	—	—	—	—	6	—	9	(11)	—	
Trading account liabilities – Corporate securities and other	(43)	(15)	—	(1)	(13)	(1)	1	—	—	(72)	(16)	
Short-term borrowings ⁽⁵⁾	(9)	1	—	—	—	(9)	9	—	—	(8)	1	
Accrued expenses and other liabilities ⁽⁵⁾	(19)	(11)	—	22	—	—	—	—	—	(8)	(11)	
Long-term debt ⁽⁵⁾	(611)	18	(2)	—	—	—	7	—	—	(588)	18	
Three Months Ended June 30, 2023												
Federal funds sold and securities borrowed or purchased under agreements to resell	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7	\$ —	\$ 7	\$ —	
Trading account assets:												
Corporate securities, trading loans and other	2,322	34	1	98	(35)	—	(308)	46	(58)	2,100	13	
Equity securities	212	(2)	—	10	(32)	—	(12)	6	(23)	159	(17)	
Non-U.S. sovereign debt	541	12	20	33	—	—	(38)	—	—	568	12	
Mortgage trading loans, MBS and ABS	1,300	(19)	—	30	(52)	—	(105)	155	(76)	1,233	(28)	
Total trading account assets	4,375	25	21	171	(119)	—	(463)	207	(157)	4,060	(20)	
Net derivative assets (liabilities) ⁽⁴⁾	(2,779)	(1,630)	(140)	280	(331)	—	(480)	(160)	243	(4,997)	(1,690)	
AFS debt securities:												
Non-agency residential MBS	293	—	(2)	—	—	—	(3)	—	—	288	—	
Non-U.S. and other taxable securities	187	4	4	—	—	—	(7)	—	(4)	184	2	
Tax-exempt securities	51	—	—	—	—	—	—	—	—	51	—	
Total AFS debt securities	531	4	2	—	—	—	(10)	—	(4)	523	2	
Other debt securities carried at fair value – Non-agency residential MBS	94	1	—	—	—	—	(2)	—	(5)	88	2	
Loans and leases ^(5,6)	243	(13)	—	—	(50)	—	(33)	—	—	147	(17)	
Loans held-for-sale ⁽⁵⁾	206	10	2	—	(5)	—	(25)	—	—	188	2	
Other assets ^(6,7)	1,769	98	6	—	1	17	(82)	—	—	1,809	65	
Trading account liabilities – Corporate securities and other	(64)	(4)	—	(1)	—	—	2	(2)	20	(49)	—	
Short-term borrowings ⁽⁵⁾	(9)	3	—	—	(10)	(1)	6	—	—	(11)	3	
Accrued expenses and other liabilities ⁽⁵⁾	(20)	6	—	—	—	—	—	—	—	(14)	6	
Long-term debt ⁽⁵⁾	(772)	64	(15)	—	53	—	6	—	—	(664)	69	

(1) Assets (liabilities). For assets, increase (decrease) to Level 3 and for liabilities, (increase) decrease to Level 3.

(2) Includes gains (losses) reported in earnings in the following income statement line items: Trading account assets/liabilities - market making and similar activities and other income; Net derivative assets (liabilities) - market making and similar activities and other income; AFS debt securities - other income; Other debt securities carried at fair value - other income; Loans and leases - other income; Loans held-for-sale - other income; Other assets - market making and similar activities and other income related to MSRs; Short-term borrowings - market making and similar activities; Accrued expenses and other liabilities - other income; Long-term debt - market making and similar activities.

(3) Includes unrealized gains (losses) in OCI on AFS debt securities, foreign currency translation adjustments, derivatives designated in cash flow hedges and the impact of changes in the Corporation's credit spreads on long-term debt accounted for under the fair value option. Amounts include net unrealized losses of \$44 million and \$124 million related to financial instruments still held at June 30, 2024 and 2023.

(4) Net derivative assets (liabilities) include derivative assets of \$3.9 billion and \$4.4 billion and derivative liabilities of \$6.3 billion and \$9.4 billion at June 30, 2024 and 2023.

(5) Amounts represent instruments that are accounted for under the fair value option.

(6) Issuances represent loan originations and MSRs recognized following securitizations or whole-loan sales.

(7) Settlements primarily represent the net change in fair value of the MSR asset due to the recognition of modeled cash flows and the passage of time.

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Level 3 – Fair Value Measurements⁽¹⁾

(Dollars in millions)	Balance January 1	Total		Gross				Gross Transfers into Level 3	Gross Transfers out of Level 3	Balance June 30	Change in Unrealized Gains (Losses) in Net Income Related to Financial Instruments Still Held ⁽²⁾
		Realized/Unrealized Gains (Losses) in Net Income ⁽²⁾	Gains (Losses) in OCI ⁽³⁾	Purchases	Sales	Issuances	Settlements				
Six Months Ended June 30, 2024											
Trading account assets:											
Corporate securities, trading loans and other	\$ 1,689	\$ 24	\$ (3)	\$ 291	\$ (128)	\$ 23	\$ (466)	\$ 515	\$ (129)	\$ 1,816	\$ (40)
Equity securities	187	6	–	86	(37)	–	(4)	11	(18)	231	9
Non-U.S. sovereign debt	396	5	(34)	26	(5)	–	(65)	–	–	323	5
Mortgage trading loans, MBS and ABS	1,217	(23)	–	237	(471)	–	(43)	164	(108)	973	(43)
Total trading account assets	3,489	12	(37)	640	(641)	23	(578)	690	(255)	3,343	(69)
Net derivative assets (liabilities) ⁽⁴⁾	(2,494)	506	–	494	(579)	–	(535)	(299)	541	(2,366)	(616)
AFS debt securities:											
Non-agency residential MBS	273	9	47	–	–	–	(141)	62	(117)	133	10
Commercial MBS	–	(6)	1	175	–	–	–	–	–	170	(6)
Non-U.S. and other taxable securities	103	(7)	–	–	–	–	(14)	1	(5)	78	(2)
Total AFS debt securities	376	(4)	48	175	–	–	(155)	63	(122)	381	2
Other debt securities carried at fair value – Non-agency residential MBS	69	3	–	–	–	–	(20)	17	(16)	53	3
Loans and leases ^(5,6)	93	1	–	–	–	1	(6)	–	–	89	1
Loans held-for-sale ^(5,6)	164	(2)	(4)	–	–	–	(25)	–	–	133	(6)
Other assets ^(6,7)	1,657	140	(26)	20	–	73	(165)	1	–	1,700	93
Trading account liabilities – Equity securities	(12)	2	–	–	(4)	–	6	(14)	11	(11)	–
Trading account liabilities – Corporate securities and other	(39)	(18)	–	(3)	(13)	(2)	9	(6)	–	(72)	(20)
Short-term borrowings ⁽⁵⁾	(10)	–	–	–	–	(9)	11	–	–	(8)	–
Accrued expenses and other liabilities ⁽⁵⁾	(21)	(9)	–	22	–	–	–	–	–	(8)	(8)
Long-term debt ⁽⁵⁾	(614)	31	(17)	–	–	–	13	(1)	–	(588)	32
Six Months Ended June 30, 2023											
Federal funds sold and securities borrowed or purchased under agreements to resell	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7	\$ –	\$ 7	\$ –
Trading account assets:											
Corporate securities, trading loans and other	2,384	61	2	224	(155)	14	(452)	194	(172)	2,100	29
Equity securities	145	(6)	–	16	(44)	–	(12)	83	(23)	159	(17)
Non-U.S. sovereign debt	518	38	36	36	(6)	–	(54)	–	–	568	96
Mortgage trading loans, MBS and ABS	1,552	(28)	–	104	(202)	–	(221)	242	(214)	1,233	(39)
Total trading account assets	4,599	65	38	380	(407)	14	(739)	519	(409)	4,060	69
Net derivative assets (liabilities) ⁽⁴⁾	(2,893)	(1,561)	(140)	529	(599)	–	(795)	161	301	(4,997)	(2,077)
AFS debt securities:											
Non-agency residential MBS	258	3	32	–	–	–	(5)	–	–	288	4
Non-U.S. and other taxable securities	195	4	7	–	–	–	(15)	–	(7)	184	(1)
Tax-exempt securities	51	–	–	–	–	–	–	–	–	51	–
Total AFS debt securities	504	7	39	–	–	–	(20)	–	(7)	523	3
Other debt securities carried at fair value – Non-agency residential MBS	119	(1)	–	–	(19)	–	(4)	–	(7)	88	1
Loans and leases ^(5,6)	253	(11)	–	9	(50)	–	(70)	16	–	147	(17)
Loans held-for-sale ^(5,6)	232	22	4	–	(21)	–	(49)	–	–	188	20
Other assets ^(6,7)	1,799	108	7	6	1	44	(158)	2	–	1,809	48
Trading account liabilities – Corporate securities and other	(58)	(4)	–	(1)	(2)	(1)	2	(6)	21	(49)	(1)
Short-term borrowings ⁽⁵⁾	(14)	3	–	–	(13)	(2)	15	–	–	(11)	2
Accrued expenses and other liabilities ⁽⁵⁾	(32)	30	–	(12)	–	–	–	–	–	(14)	11
Long-term debt ⁽⁵⁾	(862)	151	(21)	(9)	53	–	17	–	7	(664)	139

⁽¹⁾ Assets (liabilities). For assets, increase (decrease) to Level 3 and for liabilities, (increase) decrease to Level 3.⁽²⁾ Includes gains (losses) reported in earnings in the following income statement line items: Trading account assets/liabilities - market making and similar activities and other income; Net derivative assets (liabilities) - market making and similar activities and other income; AFS debt securities - other income; Other debt securities carried at fair value - other income; Loans and leases - market making and similar activities and other income; Loans held-for-sale - market making and similar activities and other income; Other assets - market making and similar activities and other income primarily related to MSRs; Short-term borrowings - market making and similar activities; Accrued expenses and other liabilities - other income; Long-term debt - market making and similar activities.⁽³⁾ Includes unrealized gains (losses) in OCI on AFS debt securities, foreign currency translation adjustments, derivatives designated in cash flow hedges and the impact of changes in the Corporation's credit spreads on long-term debt accounted for under the fair value option. Amounts include net unrealized losses of \$33 million and \$74 million related to financial instruments still held at June 30, 2024 and 2023.⁽⁴⁾ Net derivative assets (liabilities) include derivative assets of \$3.9 billion and \$4.4 billion and derivative liabilities of \$6.3 billion and \$9.4 billion at June 30, 2024 and 2023.⁽⁵⁾ Amounts represent instruments that are accounted for under the fair value option.⁽⁶⁾ Issuances represent loan originations and MSRs recognized following securitizations or whole-loan sales.

(7) Settlements primarily represent the net change in fair value of the MSR asset due to the recognition of modeled cash flows and the passage of time.

The following tables present information about significant unobservable inputs related to the Corporation's material categories of Level 3 financial assets and liabilities at June 30, 2024 and December 31, 2023.

Quantitative Information about Level 3 Fair Value Measurements at June 30, 2024

(Dollars in millions)

Financial Instrument	Fair Value	Valuation Technique	Inputs		
			Significant Unobservable Inputs	Ranges of Inputs	Weighted Average ⁽¹⁾
Loans and Securities ⁽²⁾					
Instruments backed by residential real estate assets	\$ 418		Yield	0% to 18%	9 %
Trading account assets – Mortgage trading loans, MBS and ABS	149		Prepayment speed	0% to 45% CPR	9% CPR
Loans and leases	83	Discounted cash flow, Market comparables	Default rate	0% to 5% CDR	5% CDR
AFS debt securities – Non-agency residential	133		Price	\$0 to \$115	\$63
Other debt securities carried at fair value – Non-agency residential	53		Loss severity	0% to 74%	26 %
Instruments backed by commercial real estate assets	\$ 507		Yield	0% to 25%	11 %
Trading account assets – Corporate securities, trading loans and other	281		Price	\$0 to \$101	\$81
Trading account assets – Mortgage trading loans, MBS and ABS	56	Discounted cash flow			
AFS debt securities – Commercial	170				
Commercial loans, debt securities and other	\$ 2,843		Yield	5% to 41%	16 %
Trading account assets – Corporate securities, trading loans and other	1,535		Prepayment speed	10% to 20%	15 %
Trading account assets – Non-U.S. sovereign debt	323		Default rate	3% to 4%	4 %
Trading account assets – Mortgage trading loans, MBS and ABS	768	Discounted cash flow, Market comparables	Loss severity	35% to 40%	37 %
AFS debt securities – Non-U.S. and other taxable securities	78		Price	\$0 to \$157	\$70
Loans and leases	6				
Loans held-for-sale	133				
Other assets, primarily auction rate securities	\$ 711		Price	\$10 to \$95	\$86
		Discounted cash flow, Market comparables	Discount rate	11 %	n/a
MSRs	\$ 989		Weighted-average life, fixed rate ⁽⁵⁾	0 to 12 years	6 years
		Discounted cash flow	Weighted-average life, variable rate ⁽⁵⁾	0 to 11 years	3 years
			Option-adjusted spread, fixed rate	7% to 14%	9 %
			Option-adjusted spread, variable rate	9% to 15%	11 %
Structured liabilities					
Long-term debt	\$ (588)	Discounted cash flow, Market comparables, Industry standard derivative pricing ⁽³⁾	Yield	18% to 30%	22 %
			Price	\$33 to \$100	\$90
			Natural gas forward price	\$1/MMBtu to \$8/MMBtu	\$4 /MMBtu
Net derivative assets (liabilities)					
Credit derivatives	\$ 26	Discounted cash flow, Stochastic recovery correlation model	Credit spreads	8 to 76 bps	53 bps
			Prepayment speed	15% CPR	n/a
			Default rate	2% CDR	n/a
			Credit correlation	23% to 64%	58 %
			Price	\$0 to \$94	\$87
Equity derivatives	\$ (1,278)	Industry standard derivative pricing ⁽³⁾	Equity correlation	0% to 100%	60 %
			Long-dated equity volatilities	1% to 101%	32 %
Commodity derivatives	\$ (691)	Discounted cash flow, Industry standard derivative pricing ⁽³⁾	Natural gas forward price	\$1/MMBtu to \$8/MMBtu	\$4 /MMBtu
			Power forward price	\$22 to \$119	\$49
Interest rate derivatives	\$ (423)	Industry standard derivative pricing ⁽⁴⁾	Correlation (IR/IR)	(35)% to 70%	50 %
			Correlation (FX/IR)	(25)% to 58%	28 %
			Long-dated inflation rates	(1)% to 12%	0 %
			Long-dated inflation volatilities	0% to 5%	2 %
			Interest rate volatilities	(1)% to 2%	0 %
Total net derivative assets (liabilities)	\$ (2,366)				

⁽¹⁾ For loans and securities, structured liabilities and net derivative assets (liabilities), the weighted average is calculated based upon the absolute fair value of the instruments.

⁽²⁾ The categories are aggregated based upon product type, which differs from financial statement classification. The following is a reconciliation to the line items in the table on page 89: Trading account assets – Corporate securities, trading loans and other of \$1.8 billion, Trading account assets – Non-U.S. sovereign debt of \$323 million, Trading account assets – Mortgage trading loans, MBS and ABS of \$973 million, AFS debt securities of \$381 million, Other debt securities carried at fair value - Non-agency residential of \$53 million, Other assets, including MSRs, of \$1.7 billion, Loans and leases of \$89 million and LHFS of \$133 million.

⁽³⁾ Includes models such as Monte Carlo simulation and Black-Scholes.

⁽⁴⁾ Includes models such as Monte Carlo simulation, Black-Scholes and other methods that model the joint dynamics of interest, inflation and foreign exchange rates.

⁽⁵⁾ The weighted-average life is a product of changes in market rates of interest, prepayment rates and other model and cash flow assumptions.

CPR = Constant Prepayment Rate

CDR = Constant Default Rate

MMBtu = Million British thermal units

IR = Interest Rate

FX = Foreign Exchange

n/a = not applicable

Quantitative Information about Level 3 Fair Value Measurements at December 31, 2023

(Dollars in millions)

Financial Instrument	Fair Value	Valuation Technique	Inputs		
			Significant Unobservable Inputs	Ranges of Inputs	Weighted Average ⁽¹⁾
Loans and Securities ⁽²⁾					
Instruments backed by residential real estate assets	\$ 538		Yield	0% to 22%	9 %
Trading account assets – Mortgage trading loans, MBS and ABS	109	Discounted cash flow, Market comparables	Prepayment speed	1% to 42% CPR	10% CPR
Loans and leases	87		Default rate	0% to 3% CDR	1% CDR
AFS debt securities - Non-agency residential	273		Price	\$0 to \$115	\$70
Other debt securities carried at fair value - Non-agency residential	69		Loss severity	0% to 100%	27 %
Instruments backed by commercial real estate assets	\$ 363		Yield	0% to 25%	12 %
Trading account assets – Corporate securities, trading loans and other	301	Discounted cash flow	Price	\$0 to \$100	\$75
Trading account assets – Mortgage trading loans, MBS and ABS	62				
Commercial loans, debt securities and other	\$ 3,103		Yield	5% to 59%	13 %
Trading account assets – Corporate securities, trading loans and other	1,388		Prepayment speed	10% to 20%	16 %
Trading account assets – Non-U.S. sovereign debt	396		Default rate	3% to 4%	4 %
Trading account assets – Mortgage trading loans, MBS and ABS	1,046	Discounted cash flow, Market comparables	Loss severity	35% to 40%	37 %
AFS debt securities – Non-U.S. and other taxable securities	103		Price	\$0 to \$157	\$70
Loans and leases	6				
Loans held-for-sale	164				
Other assets, primarily auction rate securities	\$ 687		Price	\$10 to \$95	\$85
		Discounted cash flow, Market comparables	Discount rate	10%	n/a
MSRs	\$ 970		Weighted-average life, fixed rate ⁽⁵⁾	0 to 14 years	6 years
		Discounted cash flow	Weighted-average life, variable rate ⁽⁵⁾	0 to 11 years	3 years
			Option-adjusted spread, fixed rate	7% to 14%	9 %
			Option-adjusted spread, variable rate	9% to 15%	12 %
Structured liabilities					
Long-term debt	\$ (614)		Yield	58%	n/a
		Discounted cash flow, Market comparables, Industry standard derivative pricing ⁽³⁾	Equity correlation	5% to 97%	25 %
			Price	\$0 to \$100	\$90
			Natural gas forward price	\$1/MMBtu to \$7/MMBtu	\$4/MMBtu
Net derivative assets (liabilities)					
Credit derivatives	\$ 9		Credit spreads	2 to 79 bps	59 bps
		Discounted cash flow, Stochastic recovery correlation model	Prepayment speed	15% CPR	n/a
			Default rate	2% CDR	n/a
			Credit correlation	22% to 62%	58 %
			Price	\$0 to \$94	\$87
Equity derivatives	\$ (1,386)		Equity correlation	0% to 99%	67 %
		Industry standard derivative pricing ⁽³⁾	Long-dated equity volatilities	4% to 102%	34 %
Commodity derivatives	\$ (633)		Natural gas forward price	\$1/MMBtu to \$7/MMBtu	\$4/MMBtu
		Discounted cash flow, Industry standard derivative pricing ⁽³⁾	Power forward price	\$21 to \$91	\$42
Interest rate derivatives	\$ (484)		Correlation (IR/IR)	(35)% to 89%	65 %
		Industry standard derivative pricing ⁽⁴⁾	Correlation (FX/IR)	(25)% to 58%	35 %
			Long-dated inflation rates	(1)% to 11%	0 %
			Long-dated inflation volatilities	0% to 5%	2 %
			Interest rates volatilities	0% to 2%	1 %
Total net derivative assets (liabilities)	\$ (2,494)				

⁽¹⁾ For loans and securities, structured liabilities and net derivative assets (liabilities), the weighted average is calculated based upon the absolute fair value of the instruments.

⁽²⁾ The categories are aggregated based upon product type, which differs from financial statement classification. The following is a reconciliation to the line items in the table on page 90: Trading account assets – Corporate securities, trading loans and other of \$1.7 billion, Trading account assets – Non-U.S. sovereign debt of \$396 million, Trading account assets – Mortgage trading loans, MBS and ABS of \$1.2 billion, AFS debt securities of \$376 million, Other debt securities carried at fair value - Non-agency residential of \$69 million, Other assets, including MSRs, of \$1.7 billion, Loans and leases of \$93 million and LHFS of \$164 million.

⁽³⁾ Includes models such as Monte Carlo simulation and Black-Scholes.

⁽⁴⁾ Includes models such as Monte Carlo simulation, Black-Scholes and other methods that model the joint dynamics of interest, inflation and foreign exchange rates.

⁽⁵⁾ The weighted-average life is a product of changes in market rates of interest, prepayment rates and other model and cash flow assumptions.

CPR = Constant Prepayment Rate

CDR = Constant Default Rate

MMBtu = Million British thermal units

IR = Interest Rate

FX = Foreign Exchange

n/a = not applicable

Uncertainty of Fair Value Measurements from Unobservable Inputs

For information on the types of instruments, valuation approaches and the impact of changes in unobservable inputs used in Level 3 measurements, see Note 20 – Fair Value Measurements to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Nonrecurring Fair Value

The Corporation holds certain assets that are measured at fair value only in certain situations (e.g., the impairment of an asset), and these measurements are referred to herein as nonrecurring. The amounts below represent assets still held as of the reporting date for which a nonrecurring fair value adjustment was recorded during the three and six months ended June 30, 2024 and 2023.

Assets Measured at Fair Value on a Nonrecurring Basis

	June 30, 2024			Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
	Level 2		Level 3		Gains (Losses)		
(Dollars in millions)							
Assets							
Loans held-for-sale	\$ 14	\$ 2,686	\$	(49)	\$	(105)	
Loans and leases ⁽¹⁾	—	71		(10)		(17)	
Foreclosed properties ^(2, 3)	—	46		(2)		(1)	
Other assets ⁽⁴⁾	1	296		(27)		(40)	
Assets	June 30, 2023			Three Months Ended June 30, 2023		Six Months Ended June 30, 2023	
Loans held-for-sale	\$ 109	\$ 3,671	\$	(18)	\$	(67)	
Loans and leases ⁽¹⁾	—	95		(13)		(23)	
Foreclosed properties ^(2, 3)	—	6		(4)		(4)	
Other assets	4	30		(1)		(7)	

⁽¹⁾ Includes \$2 million and \$4 million of losses on loans that were written down to a collateral value of zero during the three and six months ended June 30, 2024 compared to losses of \$3 million and \$5 million for the same periods in 2023.

⁽²⁾ Amounts are included in other assets on the Consolidated Balance Sheet and represent the carrying value of foreclosed properties that were written down subsequent to their initial classification as foreclosed properties. Losses on foreclosed properties include losses recorded during the first 90 days after transfer of a loan to foreclosed properties.

⁽³⁾ Excludes \$21 million and \$46 million of properties acquired upon foreclosure of certain government-guaranteed loans (principally FHA-insured loans) at June 30, 2024 and 2023.

⁽⁴⁾ Represents the fair value of certain impaired renewable energy investments.

The table below presents information about significant unobservable inputs utilized in the Corporation's nonrecurring Level 3 fair value measurements during the six months ended June 30, 2024 and the year ended December 31, 2023.

Quantitative Information about Nonrecurring Level 3 Fair Value Measurements

Financial Instrument	Fair Value	Valuation Technique	Inputs		
			Significant Unobservable Inputs	Ranges of Inputs	Weighted Average ⁽¹⁾
(Dollars in millions)					
Loans held-for-sale	\$ 2,686	Pricing model	Implied yield	14% to 23%	n/a
Loans and leases ⁽²⁾	71	Market comparables	OREO discount	10% to 66%	26 %
			Costs to sell	8% to 24%	9 %
Other assets ⁽³⁾	296	Discounted cash flow	Discount rate		7 %
			Year Ended December 31, 2023		n/a
Loans held-for-sale	\$ 2,793	Pricing model	Implied yield	7% to 23%	n/a
Loans and leases ⁽²⁾	153	Market comparables	OREO discount	10% to 66%	26 %
			Costs to sell	8% to 24%	9 %
Other assets ⁽³⁾	898	Discounted cash flow	Discount rate		7 %
					n/a

⁽¹⁾ The weighted average is calculated based upon the fair value of the loans.

⁽²⁾ Represents residential mortgages where the loan has been written down to the fair value of the underlying collateral.

⁽³⁾ Represents the fair value of certain impaired renewable energy investments.

n/a = not applicable

NOTE 15 Fair Value Option

The Corporation elects to account for certain financial instruments under the fair value option. For more information on the primary financial instruments for which the fair value option elections have been made, see *Note 21 – Fair Value Option* to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K. The following tables provide information about the fair value carrying amount and the

contractual principal outstanding of assets and liabilities accounted for under the fair value option at June 30, 2024 and December 31, 2023, and information about where changes in the fair value of assets and liabilities accounted for under the fair value option are included in the Consolidated Statement of Income for the three and six months ended June 30, 2024 and 2023.

Fair Value Option Elections

(Dollars in millions)	June 30, 2024					December 31, 2023						
	Fair Value Carrying Amount		Contractual Principal Outstanding		Fair Value Carrying Amount Less Unpaid Principal	Fair Value Carrying Amount		Contractual Principal Outstanding		Fair Value Carrying Amount Less Unpaid Principal		
	\$	167,835	\$	167,788	\$	47	\$	133,053	\$	133,001	\$	52
Federal funds sold and securities borrowed or purchased under agreements to resell												
Loans reported as trading account assets ⁽¹⁾		9,448		16,828		(7,380)		8,377		15,580		(7,203)
Trading inventory – other		17,572		n/a		n/a		25,282		n/a		n/a
Consumer and commercial loans		3,197		3,238		(41)		3,569		3,618		(49)
Loans held-for-sale ⁽¹⁾		1,572		2,201		(629)		2,059		2,873		(814)
Other assets		2,957		n/a		n/a		1,986		n/a		n/a
Long-term deposits		370		441		(71)		284		267		17
Federal funds purchased and securities loaned or sold under agreements to repurchase		214,719		214,761		(42)		178,609		178,634		(25)
Short-term borrowings		7,200		7,206		(6)		4,690		4,694		(4)
Unfunded loan commitments		73		n/a		n/a		67		n/a		n/a
Accrued expenses and other liabilities		2,219		2,175		44		1,341		1,347		(6)
Long-term debt		46,875		49,332		(2,457)		42,809		46,707		(3,898)

⁽¹⁾ A significant portion of the loans reported as trading account assets and LHFS are distressed loans that were purchased at a deep discount to par, and the remainder are loans with a fair value near contractual principal outstanding.

n/a = not applicable

Gains (Losses) Related to Assets and Liabilities Accounted for Under the Fair Value Option

(Dollars in millions)	Three Months Ended June 30					
	2024			2023		
	Market making and similar activities	Other Income	Total	Market making and similar activities	Other Income	Total
Federal funds sold and securities borrowed or purchased under agreements to resell	\$ 78	\$ (1)	\$ 77	\$ (52)	\$ (6)	\$ (58)
Trading inventory – other ⁽¹⁾	(1,130)	—	(1,130)	1,237	—	1,237
Consumer and commercial loans	36	14	50	(16)	11	(5)
Loans held-for-sale ⁽²⁾	—	(7)	(7)	—	(4)	(4)
Short-term borrowings	75	—	75	6	—	6
Unfunded loan commitments	—	(6)	(6)	—	44	44
Accrued expenses and other liabilities	237	—	237	61	—	61
Long-term debt ⁽³⁾	58	(7)	51	416	(7)	409
Other ⁽⁴⁾	(56)	(3)	(59)	139	4	143
Total	\$ (702)	\$ (10)	\$ (712)	\$ 1,791	\$ 42	\$ 1,833

	Six Months Ended June 30					
	2024			2023		
	Market making and similar activities	Other Income	Total	Market making and similar activities	Other Income	Total
Federal funds sold and securities borrowed or purchased under agreements to resell	\$ 108	\$ (4)	\$ 104	\$ (18)	\$ (8)	\$ (26)
Trading inventory – other ⁽¹⁾	781	—	781	2,965	—	2,965
Consumer and commercial loans	56	19	75	(139)	41	(98)
Loans held-for-sale ⁽²⁾	—	(17)	(17)	—	16	16
Short-term borrowings	73	—	73	11	—	11
Unfunded loan commitments	—	(20)	(20)	—	20	20
Accrued expenses and other liabilities	398	—	398	49	—	49
Long-term debt ⁽³⁾	267	(20)	247	(502)	(23)	(525)
Other ⁽⁴⁾	(79)	(7)	(86)	203	(3)	200
Total	\$ 1,604	\$ (49)	\$ 1,555	\$ 2,569	\$ 43	\$ 2,612

⁽¹⁾ The gains (losses) in market making and similar activities are primarily offset by (losses) gains on trading liabilities that hedge these assets.

⁽²⁾ Includes the value of IRLCs on funded loans, including those sold during the period.

⁽³⁾ The net gains (losses) in market making and similar activities relate to the embedded derivatives in structured liabilities and are typically offset by (losses) gains on derivatives and securities that hedge these liabilities. For the cumulative impact of changes in the Corporation's own credit spreads and the amount recognized in accumulated OCI, see Note 12 – Accumulated Other Comprehensive Income (Loss). For more information on how the Corporation's own credit spread is determined, see Note 20 – Fair Value Measurements to the Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

⁽⁴⁾ Includes gains (losses) on loans reported as trading account assets, other assets, long-term deposits, federal funds purchased and securities loaned or sold under agreements to repurchase, and asset-backed secured financings.

Gains (Losses) Related to Borrower-specific Credit Risk for Assets and Liabilities Accounted for Under the Fair Value Option

(Dollars in millions)	Three Months Ended June 30				Six Months Ended June 30			
	2024		2023		2024		2023	
Loans reported as trading account assets	\$ (32)	\$ (4)	\$ (64)	\$ 36				
Consumer and commercial loans	13	12	16	36				
Loans held-for-sale	(2)	(2)	(1)	—				
Unfunded loan commitments	(6)	44	(20)	20				
Long-term debt	—	—	(3)	—				

NOTE 16 Fair Value of Financial Instruments

The following disclosures include financial instruments that are not carried at fair value or only a portion of the ending balance is carried at fair value on the Consolidated Balance Sheet. Certain loans, deposits, long-term debt, unfunded lending commitments and other financial instruments are accounted for under the fair value option. For more information, see Note 21 – Fair Value Option to the Consolidated Financial Statements of the Corporation’s 2023 Annual Report on Form 10-K.

Fair Value of Financial Instruments

The carrying values and fair values by fair value hierarchy of certain financial instruments where only a portion of the ending balance was carried at fair value at June 30, 2024 and December 31, 2023 are presented in the table below.

Fair Value of Financial Instruments

(Dollars in millions)	Fair Value					
	Carrying Value	Level 2		Level 3		Total
		June 30, 2024				
Financial assets						
Loans	\$ 1,023,049	\$ 47,914	\$ 955,706	\$ 1,003,620		
Loans held-for-sale	7,043	4,179	2,864	7,043		
Financial liabilities						
Deposits ⁽¹⁾	1,910,491	1,911,738	—	1,911,738		
Long-term debt	290,474	291,004	885	291,889		
Commercial unfunded lending commitments ⁽²⁾	1,178	65	3,489	3,554		
December 31, 2023						
Financial assets						
Loans	\$ 1,020,281	\$ 49,311	\$ 949,977	\$ 999,288		
Loans held-for-sale	6,002	3,024	2,979	6,003		
Financial liabilities						
Deposits ⁽¹⁾	1,923,827	1,925,015	—	1,925,015		
Long-term debt	302,204	303,070	913	303,983		
Commercial unfunded lending commitments ⁽²⁾	1,275	44	3,927	3,971		

⁽¹⁾ Includes demand deposits of \$859.7 billion and \$897.3 billion with no stated maturities at June 30, 2024 and December 31, 2023.

⁽²⁾ The carrying value of commercial unfunded lending commitments is included in accrued expenses and other liabilities on the Consolidated Balance Sheet. The Corporation does not estimate the fair value of consumer unfunded lending commitments because, in many instances, the Corporation can reduce or cancel these commitments by providing notice to the borrower. For more information on commitments, see Note 10 – Commitments and Contingencies.

NOTE 17 Business Segment Information

The Corporation reports its results of operations through the following four business segments: *Consumer Banking*, *Global Wealth & Investment Management*, *Global Banking* and *Global Markets*, with the remaining operations recorded in *All Other*. For more information, see Note 23 – Business Segment Information to the Consolidated Financial Statements of the Corporation’s

2023 Annual Report on Form 10-K. The following tables present net income (loss) and the components thereto (with net interest income on an FTE basis for the business segments, *All Other* and the total Corporation) for the three and six months ended June 30, 2024 and 2023, and total assets at June 30, 2024 and 2023 for each business segment, as well as *All Other*.

Results of Business Segments and All Other

At and for the three months ended June 30 (Dollars in millions)	Total Corporation ⁽¹⁾		Consumer Banking		Global Wealth & Investment Management	
	2024	2023	2024	2023	2024	2023
Net interest income	\$ 13,862	\$ 14,293	\$ 8,118	\$ 8,437	\$ 1,693	\$ 1,805
Noninterest income	11,675	11,039	2,088	2,087	3,881	3,437
Total revenue, net of interest expense	25,537	25,332	10,206	10,524	5,574	5,242
Provision for credit losses	1,508	1,125	1,281	1,267	7	13
Noninterest expense	16,309	16,038	5,464	5,453	4,199	3,925
Income before income taxes	7,720	8,169	3,461	3,804	1,368	1,304
Income tax expense	823	761	866	951	342	326
Net income	\$ 6,897	\$ 7,408	\$ 2,595	\$ 2,853	\$ 1,026	\$ 978
Period-end total assets	\$ 3,257,996	\$ 3,123,198	\$ 1,033,960	\$ 1,084,512	\$ 324,476	\$ 338,184
<hr/>						
	Global Banking		Global Markets		All Other	
	2024	2023	2024	2023	2024	2023
Net interest income	\$ 3,275	\$ 3,690	\$ 770	\$ 297	\$ 6	\$ 64
Noninterest income	2,778	2,772	4,689	4,574	(1,761)	(1,831)
Total revenue, net of interest expense	6,053	6,462	5,459	4,871	(1,755)	(1,767)
Provision for credit losses	235	9	(13)	(4)	(2)	(160)
Noninterest expense	2,899	2,819	3,486	3,349	261	492
Income (loss) before income taxes	2,919	3,634	1,986	1,526	(2,014)	(2,099)
Income tax expense (benefit)	803	981	576	420	(1,764)	(1,917)
Net income (loss)	\$ 2,116	\$ 2,653	\$ 1,410	\$ 1,106	\$ (250)	\$ (182)
Period-end total assets	\$ 620,217	\$ 586,397	\$ 887,162	\$ 851,771	\$ 392,181	\$ 262,334

⁽¹⁾ There were no material intersegment revenues.

Results of Business Segments and All Other

At and for the six months ended June 30 (Dollars in millions)	Total Corporation ⁽¹⁾		Consumer Banking		Global Wealth & Investment Management	
	2024	2023	2024	2023	2024	2023
Net interest income	\$ 28,052	\$ 28,875	\$ 16,315	\$ 17,030	\$ 3,507	\$ 3,681
Noninterest income	23,461	22,849	4,057	4,200	7,658	6,876
Total revenue, net of interest expense	51,513	51,724	20,372	21,230	11,165	10,557
Provision for credit losses	2,827	2,056	2,431	2,356	(6)	38
Noninterest expense	33,546	32,276	10,939	10,926	8,463	7,992
Income before income taxes	15,140	17,392	7,002	7,948	2,708	2,527
Income tax expense	1,569	1,823	1,751	1,987	677	632
Net income	\$ 13,571	\$ 15,569	\$ 5,251	\$ 5,961	\$ 2,031	\$ 1,895
Period-end total assets	\$ 3,257,996	\$ 3,123,198	\$ 1,033,960	\$ 1,084,512	\$ 324,476	\$ 338,184
<hr/>						
	Global Banking		Global Markets		All Other	
	2024	2023	2024	2023	2024	2023
Net interest income	\$ 6,735	\$ 7,597	\$ 1,451	\$ 406	\$ 44	\$ 161
Noninterest income	5,298	5,068	9,891	10,091	(3,443)	(3,386)
Total revenue, net of interest expense	12,033	12,665	11,342	10,497	(3,399)	(3,225)
Provision for credit losses	464	(228)	(49)	(57)	(13)	(53)
Noninterest expense	5,911	5,759	6,978	6,700	1,255	899
Income before income taxes	5,658	7,134	4,413	3,854	(4,641)	(4,071)
Income tax expense	1,556	1,926	1,280	1,060	(3,695)	(3,782)
Net income (loss)	\$ 4,102	\$ 5,208	\$ 3,133	\$ 2,794	\$ (946)	\$ (289)
Period-end total assets	\$ 620,217	\$ 586,397	\$ 887,162	\$ 851,771	\$ 392,181	\$ 262,334

⁽¹⁾ There were no material intersegment revenues.

The table below presents noninterest income and the associated components for the three and six months ended June 30, 2024 and 2023 for each business segment, *All Other* and the total Corporation. For more information, see Note 2 – *Net Interest Income and Noninterest Income*.

Noninterest Income by Business Segment and All Other

(Dollars in millions)	Total Corporation		Consumer Banking		Global Wealth & Investment Management	
	Three Months Ended June 30					
	2024	2023	2024	2023	2024	2023
Fees and commissions:						
Card income						
Interchange fees	\$ 1,023	\$ 1,023	\$ 815	\$ 808	\$ (7)	\$ (3)
Other card income	558	523	546	533	16	15
Total card income	1,581	1,546	1,361	1,341	9	12
Service charges						
Deposit-related fees	1,172	1,045	614	525	10	10
Lending-related fees	335	319	—	—	14	8
Total service charges	1,507	1,364	614	525	24	18
Investment and brokerage services						
Asset management fees	3,370	2,969	45	49	3,327	2,921
Brokerage fees	950	870	33	27	380	330
Total investment and brokerage services	4,320	3,839	78	76	3,707	3,251
Investment banking fees						
Underwriting income	869	657	—	—	57	40
Syndication fees	318	180	—	—	—	—
Financial advisory services	374	375	—	—	—	—
Total investment banking fees	1,561	1,212	—	—	57	40
Total fees and commissions	8,969	7,961	2,053	1,942	3,797	3,321
Market making and similar activities	3,298	3,697	6	5	38	32
Other income (loss)	(592)	(619)	29	140	46	84
Total noninterest income	\$ 11,675	\$ 11,039	\$ 2,088	\$ 2,087	\$ 3,881	\$ 3,437
 Global Banking						
Three Months Ended June 30						All Other ⁽¹⁾
	2024	2023	2024	2023	2024	2023
Fees and commissions:						
Card income						
Interchange fees	\$ 195	\$ 199	\$ 20	\$ 19	\$ —	\$ —
Other card income	3	1	—	—	(7)	(26)
Total card income	198	200	20	19	(7)	(26)
Service charges						
Deposit-related fees	525	489	22	20	1	1
Lending-related fees	250	246	71	65	—	—
Total service charges	775	735	93	85	1	1
Investment and brokerage services						
Asset management fees	—	—	—	—	(2)	(1)
Brokerage fees	21	14	516	499	—	—
Total investment and brokerage services	21	14	516	499	(2)	(1)
Investment banking fees						
Underwriting income	345	283	517	384	(50)	(50)
Syndication fees	168	102	150	78	—	—
Financial advisory services	322	333	52	41	—	1
Total investment banking fees	835	718	719	503	(50)	(49)
Total fees and commissions	1,829	1,667	1,348	1,106	(58)	(75)
Market making and similar activities	78	69	3,218	3,409	(42)	182
Other income (loss)	871	1,036	123	59	(1,661)	(1,938)
Total noninterest income	\$ 2,778	\$ 2,772	\$ 4,689	\$ 4,574	\$ (1,761)	\$ (1,831)

⁽¹⁾ All Other includes eliminations of intercompany transactions.

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Noninterest Income by Business Segment and All Other

(Dollars in millions)	Total Corporation		Consumer Banking		Global Wealth & Investment Management	
	Six Months Ended June 30					
	2024	2023	2024	2023	2024	2023
Fees and commissions:						
Card income						
Interchange fees	\$ 1,954	\$ 1,979	\$ 1,547	\$ 1,561	\$ (11)	\$ (3)
Other card income	1,090	1,036	1,086	1,054	30	27
Total card income	3,044	3,015	2,633	2,615	19	24
Service charges						
Deposit-related fees	2,294	2,142	1,192	1,124	21	21
Lending-related fees	655	632	—	—	26	16
Total service charges	2,949	2,774	1,192	1,124	47	37
Investment and brokerage services						
Asset management fees	6,640	5,887	100	96	6,546	5,794
Brokerage fees	1,867	1,804	56	54	761	695
Total investment and brokerage services	8,507	7,691	156	150	7,307	6,489
Investment banking fees						
Underwriting income	1,770	1,226	—	—	120	79
Syndication fees	612	411	—	—	—	—
Financial advisory services	747	738	—	—	—	—
Total investment banking fees	3,129	2,375	—	—	120	79
Total fees and commissions	17,629	15,855	3,981	3,889	7,493	6,629
Market making and similar activities	7,186	8,409	11	10	72	66
Other income (loss)	(1,354)	(1,415)	65	301	93	181
Total noninterest income	\$ 23,461	\$ 22,849	\$ 4,057	\$ 4,200	\$ 7,658	\$ 6,876
		Global Banking		Global Markets		All Other ⁽¹⁾
		Six Months Ended June 30				
		2024	2023	2024	2023	2024
		2024	2023	2024	2023	2023
Fees and commissions:						
Card income						
Interchange fees	\$ 381	\$ 386	\$ 37	\$ 35	\$ —	\$ —
Other card income	5	4	—	—	(31)	(49)
Total card income	386	390	37	35	(31)	(49)
Service charges						
Deposit-related fees	1,034	956	45	40	2	1
Lending-related fees	491	493	138	123	—	—
Total service charges	1,525	1,449	183	163	2	1
Investment and brokerage services						
Asset management fees	—	—	—	—	(6)	(3)
Brokerage fees	39	23	1,011	1,032	—	—
Total investment and brokerage services	39	23	1,011	1,032	(6)	(3)
Investment banking fees						
Underwriting income	726	512	1,027	698	(103)	(63)
Syndication fees	320	228	292	183	—	—
Financial advisory services	639	646	108	91	—	1
Total investment banking fees	1,685	1,386	1,427	972	(103)	(62)
Total fees and commissions	3,635	3,248	2,658	2,202	(138)	(113)
Market making and similar activities	146	114	7,048	7,807	(91)	412
Other income (loss)	1,517	1,706	185	82	(3,214)	(3,685)
Total noninterest income	\$ 5,298	\$ 5,068	\$ 9,891	\$ 10,091	\$ (3,443)	\$ (3,386)

⁽¹⁾ All other includes eliminations of intercompany transactions.

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The table below presents a reconciliation of the four business segments' total revenue, net of interest expense, on an FTE basis, and net income to the Consolidated Statement of Income, and total assets to the Consolidated Balance Sheet.

Business Segment Reconciliations

(Dollars in millions)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Segments' total revenue, net of interest expense	\$ 27,292	\$ 27,099	\$ 54,912	\$ 54,949
Adjustments ⁽¹⁾ :				
Asset and liability management activities	(68)	(207)	(140)	(432)
Liquidating businesses, eliminations and other	(1,687)	(1,560)	(3,259)	(2,793)
FTE basis adjustment	(160)	(135)	(318)	(269)
Consolidated revenue, net of interest expense	\$ 25,377	\$ 25,197	\$ 51,195	\$ 51,455
Segments' total net income	7,147	7,590	14,517	15,858
Adjustments, net-of-tax ⁽¹⁾ :				
Asset and liability management activities	(53)	(151)	(108)	(325)
Liquidating businesses, eliminations and other	(197)	(31)	(838)	36
Consolidated net income	\$ 6,897	\$ 7,408	\$ 13,571	\$ 15,569
June 30				
	2024	2023		
Segments' total assets	\$ 2,865,815	\$ 2,860,864		
Adjustments ⁽¹⁾ :				
Asset and liability management activities, including securities portfolio	1,261,291	1,162,755		
Elimination of segment asset allocations to match liabilities	(931,120)	(963,574)		
Other	62,010	63,153		
Consolidated total assets	\$ 3,257,996	\$ 3,123,198		

⁽¹⁾ Adjustments include consolidated income, expense and asset amounts not specifically allocated to individual business segments.

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Glossary

Alt-A Mortgage – A type of U.S. mortgage that is considered riskier than A-paper, or “prime,” and less risky than “subprime,” the riskiest category. Typically, Alt-A mortgages are characterized by borrowers with less than full documentation, lower credit scores and higher LTVs.

Assets Under Management (AUM) – The total market value of assets under the investment advisory and/or discretion of GWIM which generate asset management fees based on a percentage of the assets’ market values. AUM reflects assets that are generally managed for institutional, high net worth and retail clients, and are distributed through various investment products including mutual funds, other commingled vehicles and separate accounts.

Banking Book – All on- and off-balance sheet financial instruments of the Corporation except for those positions that are held for trading purposes.

Brokerage and Other Assets – Non-discretionary client assets which are held in brokerage accounts or held for safekeeping.

Committed Credit Exposure – Any funded portion of a facility plus the unfunded portion of a facility on which the lender is legally bound to advance funds during a specified period under prescribed conditions.

Credit Derivatives – Contractual agreements that provide protection against a specified credit event on one or more referenced obligations.

Credit Valuation Adjustment (CVA) – A portfolio adjustment required to properly reflect the counterparty credit risk exposure as part of the fair value of derivative instruments.

Debit Valuation Adjustment (DVA) – A portfolio adjustment required to properly reflect the Corporation’s own credit risk exposure as part of the fair value of derivative instruments and/or structured liabilities.

Funding Valuation Adjustment (FVA) – A portfolio adjustment required to include funding costs on uncollateralized derivatives and derivatives where the Corporation is not permitted to use the collateral it receives.

Interest Rate Lock Commitment (IRLC) – Commitment with a loan applicant in which the loan terms are guaranteed for a designated period of time subject to credit approval.

Letter of Credit – A document issued on behalf of a customer to a third party promising to pay the third party upon presentation of specified documents. A letter of credit effectively substitutes the issuer’s credit for that of the customer.

Loan-to-value (LTV) – A commonly used credit quality metric. LTV is calculated as the outstanding carrying value of the loan divided by the estimated value of the property securing the loan.

Macro Products – Include currencies, interest rates and commodities products.

Margin Receivable – An extension of credit secured by eligible securities in certain brokerage accounts.

Matched Book – Repurchase and resale agreements or securities borrowed and loaned transactions where the overall asset and liability position is similar in size and/or maturity. Generally, these are entered into to accommodate customers where the Corporation earns the interest rate spread.

Mortgage Servicing Right (MSR) – The right to service a mortgage loan when the underlying loan is sold or securitized. Servicing includes collections for principal, interest and escrow payments from borrowers and accounting for and remitting principal and interest payments to investors.

Nonperforming Loans and Leases – Includes loans and leases that have been placed on nonaccrual status, including nonaccruing loans whose contractual terms have been restructured in a manner that grants a concession to a borrower experiencing financial difficulties.

Prompt Corrective Action (PCA) – A framework established by the U.S. banking regulators requiring banks to maintain certain levels of regulatory capital ratios, comprised of five categories of capitalization: “well capitalized,” “adequately capitalized,” “undercapitalized,” “significantly undercapitalized” and “critically undercapitalized.” Insured depository institutions that fail to meet certain of these capital levels are subject to increasingly strict limits on their activities, including their ability to make capital distributions, pay management compensation, grow assets and take other actions.

Subprime Loans – Although a standard industry definition for subprime loans (including subprime mortgage loans) does not exist, the Corporation defines subprime loans as specific product offerings for higher risk borrowers.

Value-at-Risk (VaR) – VaR is a model that simulates the value of a portfolio under a range of hypothetical scenarios in order to generate a distribution of potential gains and losses. VaR represents the loss the portfolio is expected to experience with a given confidence level based on historical data. A VaR model is an effective tool in estimating ranges of potential gains and losses on our trading portfolios.

Key Metrics

Active Digital Banking Users – Mobile and/or online active users over the past 90 days.	Net Interest Yield – Net interest income divided by average total interest-earning assets.
Active Mobile Banking Users – Mobile active users over the past 90 days.	Operating Margin – Income before income taxes divided by total revenue, net of interest expense.
Book Value – Ending common shareholders' equity divided by ending common shares outstanding.	Return on Average Allocated Capital – Adjusted net income divided by allocated capital.
Common Equity Ratio - Ending common shareholders' equity divided by ending total assets.	Return on Average Assets – Net income divided by total average assets.
Deposit Spread – Annualized net interest income divided by average deposits.	Return on Average Common Shareholders' Equity – Net income applicable to common shareholders divided by average common shareholders' equity.
Dividend Payout Ratio – Common dividends declared divided by net income applicable to common shareholders.	Return on Average Shareholders' Equity – Net income divided by average shareholders' equity.
Efficiency Ratio – Noninterest expense divided by total revenue, net of interest expense.	Risk-adjusted Margin – Difference between total revenue, net of interest expense, and net credit losses divided by average loans.
Gross Interest Yield – Effective annual percentage rate divided by average loans.	

Acronyms

ABS	Asset-backed securities	GNMA	Government National Mortgage Association
AFS	Available-for-sale	G-SIB	Global systemically important bank
ALM	Asset and liability management	GWIM	Global Wealth & Investment Management
AUM	Assets under management	HELOC	Home equity line of credit
BANA	Bank of America, National Association	HQLA	High Quality Liquid Assets
BHC	Bank holding company	HTM	Held-to-maturity
BofAS	BofA Securities, Inc.	IRLC	Interest rate lock commitment
BofASE	BofA Securities Europe SA	ISDA	International Swaps and Derivatives Association, Inc.
bps	Basis points	LCR	Liquidity Coverage Ratio
CCAR	Comprehensive Capital Analysis and Review	LHFS	Loans held-for-sale
CDO	Collateralized debt obligation	LTV	Loan-to-value
CECL	Current expected credit losses	MBS	Mortgage-backed securities
CET1	Common equity tier 1	MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
CFTC	Commodity Futures Trading Commission	MLI	Merrill Lynch International
CLO	Collateralized loan obligation	MLPF&S	Merrill Lynch, Pierce, Fenner & Smith Incorporated
CLTV	Combined loan-to-value	MSA	Metropolitan Statistical Area
CVA	Credit valuation adjustment	MSR	Mortgage servicing right
DIF	Deposit Insurance Fund	NSFR	Net Stable Funding Ratio
DVA	Debit valuation adjustment	OCI	Other comprehensive income
EPS	Earnings per common share	OREO	Other real estate owned
ESG	Environmental, social and governance	PCA	Prompt Corrective Action
FDIC	Federal Deposit Insurance Corporation	RWA	Risk-weighted assets
FHA	Federal Housing Administration	SBLC	Standby letter of credit
FHLB	Federal Home Loan Bank	SCB	Stress capital buffer
FHLMC	Freddie Mac	SEC	Securities and Exchange Commission
FICC	Fixed income, currencies and commodities	SLR	Supplementary leverage ratio
FICO	Fair Isaac Corporation (credit score)	SOFR	Secured Overnight Financing Rate
FNMA	Fannie Mae	TLAC	Total loss-absorbing capacity
FTE	Fully taxable-equivalent	VA	U.S. Department of Veterans Affairs
FVA	Funding valuation adjustment	VaR	Value-at-Risk
GAAP	Accounting principles generally accepted in the United States of America	VIE	Variable interest entity
GLS	Global Liquidity Sources		

Part II. Other Information

Bank of America Corporation and Subsidiaries

Item 1. Legal Proceedings

See Litigation and Regulatory Matters in Note 10 – *Commitments and Contingencies* to the Consolidated Financial Statements, which is incorporated by reference in this Item 1, for litigation and regulatory disclosure that supplements the disclosure in Note 12 – *Commitments and Contingencies* to the

Consolidated Financial Statements of the Corporation's 2023 Annual Report on Form 10-K.

Item 1A. Risk Factors

There are no material changes from the risk factors set forth under Part 1, Item 1A. Risk Factors of the Corporation's 2023 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below presents share repurchase activity for the three months ended June 30, 2024. The primary source of funds for cash distributions by the Corporation to its shareholders is dividends received from its banking subsidiaries. Each of the banking subsidiaries is subject to various regulatory policies and requirements relating to the payment of dividends, including requirements to maintain capital above regulatory minimums. All of the Corporation's preferred stock outstanding has preference over the Corporation's common stock with respect to payment of dividends.

(Dollars in millions, except per share information; shares in thousands)	Total Common Shares Repurchased ^(1,2)	Weighted-Average Per Share Price	Total Shares Purchased as Part of Publicly Announced Programs ⁽²⁾	Remaining Buyback Authority ⁽³⁾ Amounts
April 1 - 30, 2024	46,602	\$ 36.50	46,579	\$ 8,542
May 1 - 31, 2024	21,949	38.75	21,804	7,697
June 1 - 30, 2024	24,188	39.54	24,155	6,742
Three months ended June 30, 2024	92,739	37.82	92,538	

⁽¹⁾ Includes 201 thousand shares of the Corporation's common stock acquired by the Corporation in connection with satisfaction of tax withholding obligations on vested restricted stock or restricted stock units and certain forfeitures and terminations of employment-related awards and for potential re-issuance to certain employees under equity incentive plans.

⁽²⁾ In October 2021, the Corporation's Board of Directors (Board) authorized the repurchase of up to \$25 billion of common stock over time. Additionally, the Board authorized repurchases to offset shares awarded under equity-based compensation plans. In September 2023, the Board modified the October 2021 authorization, effective October 1, 2023, to include repurchases to offset shares awarded under equity-based compensation plans when determining the remaining repurchase authority. During the three months ended June 30, 2024, pursuant to the Board's authorizations, the Corporation repurchased approximately 93 million shares, or \$3.5 billion, of its common stock, including repurchases to offset shares awarded under equity-based compensation plans. For more information, see Capital Management – CCAR and Capital Planning in the M&A on page 21 and Note 11 – *Shareholders' Equity* to the Consolidated Financial Statements.

⁽³⁾ On July 24, 2024, the Board authorized a \$25 billion common stock repurchase program, effective August 1, 2024, to replace the Corporation's existing program adopted by the Board in October 2021 and subsequently modified in September 2023. The existing repurchase program will expire on August 1, 2024.

The Corporation did not have any unregistered sales of equity securities during the three months ended June 30, 2024.

Item 5. Other Information

Trading Arrangements

During the fiscal quarter ended June 30, 2024, none of the Corporation's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408 of Regulation S-K) for the purchase or sale of the Corporation's securities.

Disclosure Pursuant to Section 13(r) of the Securities Exchange Act of 1934

Pursuant to Section 13(r) of the Exchange Act, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated pursuant to certain Executive Orders. Disclosure may be required even where the

activities, transactions or dealings were conducted in compliance with applicable law. Except as set forth below, as of the date of this Quarterly Report on Form 10-Q, the Corporation is not aware of any other activity, transaction or dealing by any of its affiliates during the quarter ended June 30, 2024 that requires disclosure under Section 13(r) of the Exchange Act.

During the second quarter of 2024, Bank of America, National Association (BANA), a U.S. subsidiary of Bank of America Corporation, processed 30 authorized wire payments totaling \$8,094,375 pursuant to a general license issued by the U.S. Department of the Treasury's Office of Foreign Assets Control regarding Afghanistan or governing institutions in Afghanistan. These payments for three BANA clients were processed to Afghan state-owned banks which are subject to Executive Order 13224. There was no measurable gross revenue or net profit to the Corporation relating to these transactions, except nominal fees received by BANA for processing payments. The Corporation may in the future engage in similar transactions for its clients to the extent permitted by U.S. law.

Item 6. Exhibits

Exhibit No.	Description	Notes	Incorporated by Reference			
			Form	Exhibit	Filing Date	File No.
3.1	Restated Certificate of Incorporation, as amended and in effect on the date hereof		10-Q	3.1	4/29/22	1-6523
3.2	Amended and Restated Bylaws of the Corporation as in effect on the date hereof	1				
10.1	Bank of America Corporation Equity Plan, as amended and restated effective April 24, 2024	2	8-K	10.1	4/26/24	1-6523
22	Subsidiary Issuers of Guaranteed Securities		10-K	22	2/22/23	1-6523
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	1				
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	1				
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	3				
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	3				
101.INS	Inline XBRL Instance Document	4				
101.SCH	Inline XBRL Taxonomy Extension Schema Document	1				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	1				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	1				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	1				
101.DEF	Inline XBRL Taxonomy Extension Definitions Linkbase Document	1				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

(1) Filed herewith.

(2) Exhibit is a management contract or compensatory plan or arrangement.

(3) Furnished herewith. This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

(4) The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

Signature

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

Bank of America Corporation
Registrant

Date: July 30, 2024

/s/ Rudolf A. Bless

Rudolf A. Bless
Chief Accounting Officer

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