

BANK OF AMERICA CORP /DE/  
Form 10-Q  
May 07, 2010  
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**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 March 31, 2010

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 Number:**

56-0906609

**Address of Principal Executive Offices:**

Bank of America Corporate Center

100 N. Tryon Street

Charlotte, North Carolina 28255

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**Registrant's telephone number, including area code:**

(704) 386-5681

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes ☐ No ☐

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐  
(do not check if a smaller

reporting company)

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

Yes ☐ No ☐

On April 30, 2010, there were 10,032,945,667 shares of Bank of America Corporation Common Stock outstanding.

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**Table of Contents****Part 1. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****Bank of America Corporation and Subsidiaries****Consolidated Statement of Income****Three Months Ended March 31**

(Dollars in millions, except per share information)	<b>2010</b>	<b>2009</b>
<b>Interest income</b>		
Interest and fees on loans and leases	\$ 13,475	\$ 13,349
Interest on debt securities	3,116	3,830
Federal funds sold and securities borrowed or purchased under agreements to resell	448	1,155
Trading account assets	1,743	2,428
Other interest income	1,097	1,394
<b>Total interest income</b>	<b>19,879</b>	<b>22,156</b>
<b>Interest expense</b>		
Deposits	1,122	2,543
Short-term borrowings	818	2,221
Trading account liabilities	660	579
Long-term debt	3,530	4,316
<b>Total interest expense</b>	<b>6,130</b>	<b>9,659</b>
<b>Net interest income</b>	<b>13,749</b>	<b>12,497</b>
<b>Noninterest income</b>		
Card income	1,976	2,865
Service charges	2,566	2,533
Investment and brokerage services	3,025	2,963
Investment banking income	1,240	1,055
Equity investment income	625	1,202
Trading account profits	5,236	5,201
Mortgage banking income	1,500	3,314
Insurance income	715	688
Gains on sales of debt securities	734	1,498
Other income	1,204	2,313
Other-than-temporary impairment losses on available-for-sale debt securities:		
Total other-than-temporary impairment losses	(1,819)	(714)
Less: Portion of other-than-temporary impairment losses recognized in other comprehensive income	1,218	343
<b>Net impairment losses recognized in earnings on available-for-sale debt securities</b>	<b>(601)</b>	<b>(371)</b>
<b>Total noninterest income</b>	<b>18,220</b>	<b>23,261</b>
<b>Total revenue, net of interest expense</b>	<b>31,969</b>	<b>35,758</b>
<b>Provision for credit losses</b>	<b>9,805</b>	<b>13,380</b>
<b>Noninterest expense</b>		
Personnel	9,158	8,768
Occupancy	1,172	1,128
Equipment	613	622
Marketing	487	521
Professional fees	517	405

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Amortization of intangibles	446	520
Data processing	648	648
Telecommunications	330	327
Other general operating	3,883	3,298
Merger and restructuring charges	521	765
Total noninterest expense	17,775	17,002
<b>Income before income taxes</b>	<b>4,389</b>	<b>5,376</b>
<b>Income tax expense</b>	<b>1,207</b>	<b>1,129</b>
<b>Net income</b>	<b>\$ 3,182</b>	<b>\$ 4,247</b>
<b>Preferred stock dividends</b>	<b>348</b>	<b>1,433</b>
<b>Net income applicable to common shareholders</b>	<b>\$ 2,834</b>	<b>\$ 2,814</b>
<b>Per common share information</b>		
Earnings	\$ 0.28	\$ 0.44
Diluted earnings	0.28	0.44
Dividends paid	0.01	0.01
<b>Average common shares issued and outstanding (in thousands)</b>	<b>9,177,468</b>	<b>6,370,815</b>
<b>Average diluted common shares issued and outstanding (in thousands)</b>	<b>10,005,254</b>	<b>6,393,407</b>

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries		
Consolidated Balance Sheet		
(Dollars in millions)	March 31 2010	December 31 2009
<b>Assets</b>		
Cash and cash equivalents	\$ 144,794	\$ 121,339
Time deposits placed and other short-term investments	20,256	24,202
Federal funds sold and securities borrowed or purchased under agreements to resell (includes \$71,300 and \$57,775 measured at fair value and \$191,346 and \$189,844 pledged as collateral)	197,038	189,933
Trading account assets (includes \$39,131 and \$30,921 pledged as collateral)	206,018	182,206
Derivative assets	77,577	80,689
Debt securities:		
Available-for-sale (includes \$141,111 and \$122,708 pledged as collateral)	316,020	301,601
Held-to-maturity, at cost (fair value \$340 and \$9,684)	340	9,840
Total debt securities	316,360	311,441
Loans and leases (includes \$4,087 and \$4,936 measured at fair value and \$106,464 and \$118,113 pledged as collateral)	976,042	900,128
Allowance for loan and lease losses	(46,835)	(37,200)
Loans and leases, net of allowance	929,207	862,928
Premises and equipment, net	15,147	15,500
Mortgage servicing rights (includes \$18,842 and \$19,465 measured at fair value)	19,146	19,774
Goodwill	86,305	86,314
Intangible assets	11,548	12,026
Loans held-for-sale (includes \$25,387 and \$32,795 measured at fair value)	35,386	43,874
Customer and other receivables	83,636	81,996
Other assets (includes \$63,070 and \$55,909 measured at fair value)	196,282	191,077
<b>Total assets</b>	<b>\$ 2,338,700</b>	<b>\$ 2,223,299</b>
<b>Assets of consolidated VIEs included in total assets above (substantially all pledged as collateral)</b>		
Trading account assets	\$ 11,826	
Derivative assets	4,194	
Available-for-sale debt securities	12,074	
Loans and leases	129,432	
Allowance for loan and lease losses	(11,140)	
Loans and leases, net of allowance	118,292	
Loans held-for-sale	5,471	
All other assets	9,637	
<b>Total assets of consolidated VIEs</b>	<b>\$ 161,494</b>	

See accompanying Notes to Consolidated Financial Statements.



**Table of Contents****Bank of America Corporation and Subsidiaries****Consolidated Balance Sheet (continued)**

	March 31 2010	December 31 2009
(Dollars in millions)		
<b>Liabilities</b>		
Deposits in domestic offices:		
Noninterest-bearing	\$ 255,470	\$ 269,615
Interest-bearing (includes \$1,717 and \$1,663 measured at fair value)	643,943	640,789
Deposits in foreign offices:		
Noninterest-bearing	5,614	5,489
Interest-bearing	71,075	75,718
Total deposits	976,102	991,611
Federal funds purchased and securities loaned or sold under agreements to repurchase (includes \$46,479 and \$37,325 measured at fair value)	270,601	255,185
Trading account liabilities	82,532	65,432
Derivative liabilities	46,927	43,728
Commercial paper and other short-term borrowings (includes \$7,021 and \$813 measured at fair value)	85,406	69,524
Accrued expenses and other liabilities (includes \$25,991 and \$19,015 measured at fair value and \$1,521 and \$1,487 of reserve for unfunded lending commitments)	135,656	127,854
Long-term debt (includes \$48,401 and \$45,451 measured at fair value)	511,653	438,521
<b>Total liabilities</b>	<b>2,108,877</b>	<b>1,991,855</b>
Commitments and contingencies ( <i>Note 8 Securitizations and Other Variable Interest Entities and Note 11 Commitments and Contingencies</i> )		
<b>Shareholders' equity</b>		
Preferred stock, \$0.01 par value; authorized 100,000,000 shares; issued and outstanding 3,960,660 and 5,246,660 shares	17,964	37,208
Common stock and additional paid-in capital, \$0.01 par value; authorized 11,300,000,000 and 10,000,000,000 shares; issued and outstanding 10,032,001,150 and 8,650,243,926 shares	149,048	128,734
Retained earnings	67,811	71,233
Accumulated other comprehensive income (loss)	(4,929)	(5,619)
Other	(71)	(112)
<b>Total shareholders' equity</b>	<b>229,823</b>	<b>231,444</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,338,700</b>	<b>\$ 2,223,299</b>

**Liabilities of consolidated VIEs included in total liabilities above**

Commercial paper and other short-term borrowings (includes \$14,490 of non-recourse liabilities)	\$ 21,631
Long-term debt (includes \$86,023 of non-recourse debt)	90,329
All other liabilities (includes \$2,561 of non-recourse liabilities)	5,135

**Total liabilities of consolidated VIEs** **\$ 117,095**

See accompanying Notes to Consolidated Financial Statements.



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**Bank of America Corporation and Subsidiaries**

**Consolidated Statement of Changes in Shareholders' Equity**

		Common Stock and Additional Paid-in			Other	Total Shareholders' Equity	Comprehensive Income (Loss)
	Preferred Stock	Capital Shares	Amount	Retained Earnings	Accumulated Other Comprehensive		
(Dollars in millions, shares in thousands)							