SAVEST
FINANCIAL

BANK OF AMERICA
Q2 2026

Earnings Report Update

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Company Overview

Bank of America Corporation is a global financial services company providing a broad range of banking, lending, investment, and wealth management solutions to individual consumers, businesses, institutional clients, and governments. Its core operations span consumer banking, commercial banking, corporate and investment banking, capital markets, treasury services, wealth management, and global markets, serving clients across major international financial centres.

The company delivers deposits, mortgages, credit cards, commercial and corporate lending, treasury and cash management, investment banking advisory, underwriting, securities trading, brokerage, and asset and wealth management services through its Consumer Banking, Global Wealth & Investment Management, Global Banking, and Global Markets segments. Leveraging its diversified business model and extensive global footprint, Bank of America provides integrated financial solutions to retail, commercial, and institutional clients worldwide.

CEO Commentary

"CEO Brian Moynihan said Bank of America delivered one of its strongest quarters, with earnings per share rising 34% year-on-year, double-digit net income growth across all business segments, and a 15% increase in revenue. He attributed the performance to stronger client relationships, resilient consumer and business activity, a 50% increase in investment banking fees, disciplined expense management, and continued investment in growth, while noting that commercial borrowing and business pipelines remain strong."

Expectation Analysis

USD	Q2 2026	ESTIMATE	BEAT/MISS
REVENUE	31.6B	30.8B	2.5%
EBIT	12.9B	12.3B	4.8%
EPS (adjusted)	1.21	1.13	7.1%

Source: *Quartr*

Net Revenue by Segment

Million USD	Q2 2025	Q2 2026	YOY
Consumer Banking	10,813	11,336	4.84%
Global Wealth & Investment Management	5,937	6,871	15.73%
Global Banking	5,689	6,236	9.62%
Global Markets	5,982	8,022	34.10%

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Financial Summary

Million USD	Q2 2025	Q2 2026	YOY
Net Revenue	27,443	31,558	14.99%
Noninterest revenue	12,773	15,561	21.83%
Net interest income	14,670	15,997	9.05%
Provision for credit losses	1,592	1,366	-14.20%
Noninterest expenses	17,183	18,627	8.40%
Income before income taxes	8,668	11,565	33.42%
Net income	7,170	9,074	26.56%
Net income per share	0.91	1.22	34.07%
Deposits	2,011,613	2,025,124	0.67%
Total assets	3,440,798	3,498,956	1.69%
Total liabilities	3,142,777	3,197,862	1.75%
Total equities	298,021	301,094	1.03%

Source: *Company's Financial Statement*

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Performance Highlights

- Bank of America reported higher Q2 2026 earnings, with revenue supported by a 9% YoY increase in net interest income, reflecting higher loan and deposit balances, Global Markets activity and fixed-rate asset repricing. Non-interest income also strengthened, driven by a 50% increase in investment banking fees, 33% growth in sales and trading revenue, and a 20% rise in asset management fees, highlighting balanced growth across both interest-earning and fee-based businesses.

- Revenue remained well diversified across the Group's operating segments. Consumer Banking contributed 35.9% of total revenue (Q2 2025: 37.7%), Global Markets 22.5% (18.8%), Global Banking 21.8% (20.9%), and Global Wealth & Investment Management 21.8% (20.7%). The shift in mix primarily reflected stronger growth in capital markets activities during the quarter.

- Operating efficiency improved despite continued investment in the franchise. Non-interest expense increased 8% YoY, reflecting higher performance-related compensation, technology investment, brand development and personnel costs. However, revenue growth outpaced expense growth, resulting in 6.6% positive operating leverage, while the efficiency ratio improved by 359 basis points to 59.0%.

- Profitability strengthened as higher revenue translated into improved returns. Return on Average Assets (ROA) increased to 1.03% from 0.84%, Return on Equity (ROE) rose to 12.7% from 10.1%, while Return on Tangible Common Equity (ROTCE) improved to 17.0% from 13.6%. Meanwhile, the provision for credit losses declined to US$1.4 billion from US$1.6 billion, reflecting resilient credit quality despite continued loan growth.

- The balance sheet remained well capitalised and liquid. Average deposits increased 2% to US$2.02 trillion, marking the 12th consecutive quarter of sequential growth, while average loans rose 8%, with expansion across every business segment. The Bank maintained US$947 billion of Global Liquidity Sources and a CET1 ratio of 11.2%, while returning US$8.0 billion to shareholders through dividends and share repurchases.

- Operationally, all major business segments reported year-on-year net income growth. Consumer Banking added more than 160,000 net new checking accounts for the 30th consecutive quarter, investment banking pipelines remained healthy, commercial borrowing accelerated, and 70% of sales were completed through digital channels, reflecting continued expansion in client engagement.

Concerns Raised

While earnings improved during the quarter, lower interest rates continued to weigh on net interest income, partially offsetting the benefits of loan growth and asset repricing. The outlook for net interest income will therefore depend on continued lending growth and the direction of U.S. interest rates.

Higher Global Markets and Investment Banking revenue reflected elevated client activity and favourable capital market conditions during the quarter. A moderation in trading activity, underwriting volumes or advisory transactions could temper non-interest income growth in subsequent periods.

Credit quality remained stable despite continued loan growth across the business. However, expanding lending activity increases exposure to future credit risk should macroeconomic conditions weaken. Key areas to monitor include credit losses, consumer spending, commercial loan performance and broader economic conditions.

OUR INSIGHT

“Bank of America's Q2 2026 results reflected broad-based growth across its consumer banking, wealth management, commercial banking and capital markets businesses. Revenue growth outpaced expense growth, supporting improved profitability and operating leverage, while capital generation and regulatory capital ratios remained supportive of business investment and shareholder distributions.

The company's long-term outlook continues to be supported by diversified sources of revenue, consistent loan and deposit growth, expanding client relationships and ongoing investment in digital capabilities. Its broad business mix provides earnings diversification across different economic and interest rate environments.

Key areas to monitor include the trajectory of U.S. interest rates, the sustainability of capital markets activity, future credit quality trends, expense management and the Bank's ability to sustain revenue growth while continuing to invest in technology and long-term business expansion.”

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