Bank of America

“Our Environmental, Social and Governance leadership is central to responsible growth and is delivering long-term value to our shareholders.”

Bank of America Corporation Environmental, Social & Governance Update

Named by Euromoney magazine as World's Best Bank in two areas: Corporate Social Responsibility and Advisory

Enhanced our bereavement policy to 20 days paid time off *for employees who lose a spouse/partner or child*

$13.2B

Amount that Bank of America's investment businesses have in assets with a clearly defined ESG approach as of September 30, 2017

Valuing our people

Our minimum wage for hourly, non-commissioned U.S. employees is $15 per hour

Recognized as the industry leader in the "Banks" industry category among *JUST Capital's America's Most JUST Companies*

Since 2007, we have provided nearly $80 billion to low-carbon and sustainable business activities (through Q3 2017)

$2B

Amount of philanthropic investments we are committed to providing by 2019 through partnerships that address issues around economic mobility, including workforce/education, community development and basic needs

Included on Fortune Magazine's lists of the Best Workplaces for Diversity and the Best Workplaces for Parents

Employees around the world volunteer their time and expertise to build thriving communities including 200,000 hours devoted to mentoring youth

To our stakeholders:

How do individuals and institutions harness the powers of the capital markets to do good? And what's the connection between social benefit and sound financial performance? These are questions we've been exploring at Bank of America through our environmental, social and governance (ESG) work.

Our ESG focus reflects our values, presents tremendous business opportunity and allows us to create shared success with our clients and communities. It's finding innovative ways to deploy capital and activate partnerships to fuel social and economic progress around the world. It's investing in our employees — ensuring they have the resources to reach their goals at work and at home. And it's focusing on customers — developing lasting relationships through responsible products, services and advice. All of this is underscored by disciplined risk management that ensures we're building a company that will endure as a place that people want to work for, invest in and do business with.

We've integrated our ESG approach into our eight lines of business, helping to deliver new business and increase shareholder value. We believe this approach defines who we are and best positions us for sustainable growth. We believe the market will ultimately reward companies with responsible business practices and a long-term view.

What was once considered a nice to-do has become a business imperative, underscored in "ESG: Good Companies Can Make Good Stocks," a 2016 report from BofA Merrill Lynch's Global Research team. The report found a company's ESG performance is a reliable indicator of its future stock performance. A second report published in 2017, "ESG Part II: A Deeper Dive," suggests that progressive ESG practices make companies less likely to suffer large price declines, and signal significantly better three- to five-year returns on equity than their counterparts and a greater chance of long-term success. *Read more on page 5.*

Highlights of our ESG work include continued progress toward our $125 billion goal to support clients connected to clean energy and other environmentally supportive activities. Since 2013, we have delivered close to $58 billion towards clean energy and other environmental initiatives. We also understand the importance of green bonds, and Bank of America Merrill Lynch has been the lead underwriter of green bonds globally since November 2014, according to Bloomberg New Energy Finance.


Vice Chairman Anne Finucane

We launched the Catalytic Finance Initiative (CFI) in 2014 with a $1 billion capital commitment to drive growth and help de-risk clean energy projects. We have since expanded the CFI to include several leading financial organizations, resulting in a total commitment of $8 billion marked for sustainable investments. One example of that work is our ongoing partnership with Water.org. In 2017, we became the first to support their WaterCredit Investment Fund 3 (WCIF3) with a $5 million zero-interest loan. Through this fund, they are projected to empower over 4 million people in Asia with access to safe water.

We're also helping to drive economic development and job creation by responsibly extending capital to individuals and companies, with the aim of advancing economic mobility. One way we do this in the U.S. is through community development banking. In 2017, we provided over $4 billion in loans, tax credit equity investments and other real estate development investments to create housing for individuals, families, veterans, seniors and the formerly homeless.

Bank of America has invested more than $1.5 billion in community development financial institutions (CDFIs) throughout the U.S. In 2017, we pledged an additional $20 million to the Tory Burch Foundation Capital Program. Administered through CDFIs, over 1,400 women entrepreneurs in the U.S. have been connected to affordable loans.

To learn more, visit our website (about.bankofamerica.com) and follow us on Twitter (@BofA_News and @BankofAmerica).

Anne Finucane
Vice Chairman
Chair of the Global ESG Committee

ESG in practice

To illustrate the important role ESG plays at Bank of America and demonstrate how it is fully integrated across the company, we asked Chairman and Chief Executive Officer Brian Moynihan, along with several members of the Global ESG Committee, to provide their perspective.

Brian Moynihan, CEO

We must ensure that our growth is sustainable. That means adhering to rigorous standards of corporate governance, being a great place to work for our more than 200,000 teammates, and operating with excellence. Our ESG practices are central to growing in a sustainable manner.

We are committed to best practices in corporate governance, including a strong and independent Board of Directors and other measures. *You can read more about our Board of Directors in our 2017 Proxy Statement.*

Critical to fostering sustainable growth is investing in our team and creating an environment where all of our teammates can thrive. It's why we focus on being an inclusive workplace for our employees around the world, creating opportunities for employees to develop and grow, recognizing and rewarding performance, and supporting employees' financial, physical and emotional wellness. An example is our increase in early 2017 to our starting wage so that all U.S. employees earn at least $15 an hour. Another example is our newly enhanced bereavement policy, which includes 20 days of paid time off for employees who experience the loss of a spouse, partner or child.

This year, we will adhere to the tenets of responsible growth: We have to grow by focusing on serving our clients, managing risk well, and doing it in a sustainable way.

Andrew Plepler, global head of ESG

ESG leadership isn't something you roll out overnight. The trust and credibility that you build up over time reflect who you are as a company and a track record of doing what is right. It is the foundation of long-term growth. Are we fair? Are we transparent? Are we thinking about the client first? Are we being good risk managers? We constantly ask ourselves these questions and have internal debates on what these mean. We come to sound decisions that we can all feel good about because we know we've considered diverse views and made the decision that is best for the long-term success of our company.

Lee McEntire, head of Investor Relations

Bank stocks are bank stocks—we all take deposits and make loans. What distinguishes us at Bank of America is our focus on ESG factors. ESG is a differentiator for us with investors. Three years ago, I rarely got a question on ESG from our institutional shareholders. Today, it's rare if there isn't an ESG analyst in the room.

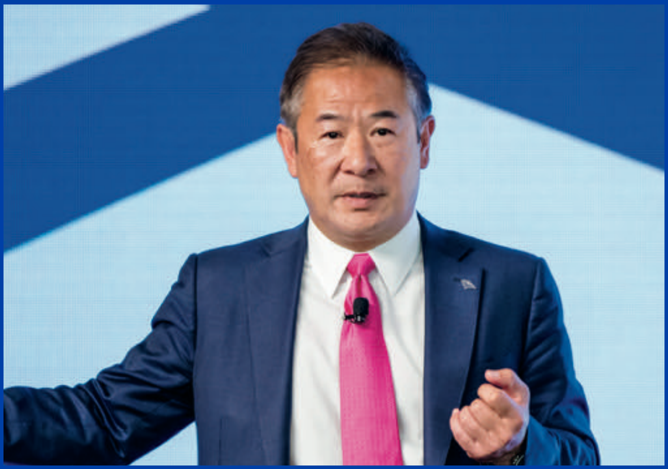
We think about ESG as a business opportunity, not just something that makes us feel good. Not only are we the leader in the green bond market, but we have also been the lead underwriter in the green bond market since 2014. And, our wealth management business has $13.2 billion in assets under management with a clearly defined ESG approach (as of September 30, 2017). That's real money being invested—and we are only seeing this opportunity grow.

Candace Browning, head of BofA Merrill Lynch Global Research

In our research report, "ESG: Good Companies Can Make Good Stocks," we found that a company's ESG performance signals performance of its stock over time. In fact, stocks in the top third in ESG performance outperformed those in the bottom third by 18 percent. There is also a tremendous business opportunity with ESG. We found that investors, particularly millennial investors, are increasingly focused on these factors. Across the industry, there has been a 33 percent increase in assets under management in ESG-type funds in just the last two years. And as millennials' wealth grows, there could be an inflow of $15–20 trillion into ESG investments over the next 20 to 30 years.

Thong Nguyen, president of Retail Banking and San Francisco/East Bay market president

ESG has everything to do with being client-focused and doing things the right way. Our purpose of helping to make people's financial lives better keeps us focused on exactly what we can do to improve banking. We've enhanced financial centers to better serve our low- and moderate-income (LMI) clients and neighborhoods and built products like SafeBalance Banking® to help clients stay on track, and we lend responsibly with the BankAmericard® Secured credit card and the Affordable Loan Solution mortgage. Our digital banking capabilities mean clients are able to manage their finances so simply and easily that they don't even have to think about it, and they can get help when they need it with Better Money Habits®, alerts and spending and budgeting tools. We're doing business this way across the U.S., and we're also working together in every one of our markets, doing our best to support and serve local communities through volunteerism and community engagement. This matters to our employees and our clients, and it's crucial to how we earn sustainable, responsible growth.



Andy Sieg, head of Merrill Lynch Wealth Management

The reason we focus on ESG in our wealth management business is simple — we are seeing clear demand from our clients. They want to know what we can offer to help them connect their values to their portfolios. We incorporate ESG into how we talk with our clients about goal-based investing, so from the very first meeting, we open the door to a deeper understanding of their priorities. It helps us serve them better. And as client demand drives innovation, we see significant opportunities for responsible growth at Bank of America. As a company, we have to continue to walk the walk on ESG. Our own credibility as an ESG leader is fundamental to our ability to engage clients on this topic.

Matthew Koder, president of Asia Pacific, Bank of America Merrill Lynch

We are a global bank operating in one of the fastest-growing regions in the world. As our clients and communities in Asia Pacific grapple with the challenge of sustainable growth, our leadership in ESG has never been more important. We stand ready to share with our stakeholders what we have learned from focusing on responsible growth and sustainable investing. We can do this firstly by example – in the way we conduct our business, manage risk and maintain the highest ethical and professional standards in everything we do. And secondly, by supporting business that drives positive environmental and social change. By growing our business responsibly, we deliver returns not just for ourselves, but more importantly, for our clients, shareholders and the wider community. When we grow responsibly, we are investing in the future.

Good companies can make good stocks

In 2016 and 2017, our BofA Merrill Lynch Global Research team authored research reports—"ESG: Good Companies Can Make Good Stocks" and "ESG Part II: A Deeper Dive"—that showed incorporating ESG factors into an investment approach can be critical to achieving one's long-term financial goals—and that ignoring ESG may be costly to investment performance. Specifically, they found that those companies ranking highest in ESG criteria tended to have consistently lower future stock price volatility and higher average subsequent returns on total equity compared to their lower-ranked counterparts.

They also found a connection between ESG scores and future earnings volatility; on average, companies with two or more Standard & Poor's common stock ranking upgrades had among the highest ESG rankings. Even more, investors who held stocks with above-average environmental and social scores would have avoided investing in 90 percent of companies with post-2008 bankruptcies.

Our research team found that investing in ESG companies presents a significant opportunity for potential asset growth within the United States, where it's just beginning to gather momentum.

Initial findings suggest that while U.S. asset growth is high, the percentage of assets managed using ESG criteria trails other developed regions, particularly Europe, indicating Corporate America may be behind the curve. Of those corporates surveyed at Bank of America Merrill Lynch's Investor Relations Insights Conference in 2017, 42 percent of respondents indicated that they have zero resources dedicated to ESG initiatives, and stated that they have no intentions to implement them in the future. Globally, the theme is burgeoning: ESG-related regulations have doubled since 2015; over 6,000 European Union member state companies will be required to publish disclosures; and 12 global stock exchanges require written ESG guidance.

Interestingly, the focus on ESG-oriented investment strategies is stronger among millennial investors than any other age cohort, with 90 percent either already engaging in "impact investing" or wanting to do so. Indeed, our analysts believe millennials could drive \$15–20 trillion of cash inflows into ESG investments over the next two to three decades, which would roughly double the size of the U.S. equity market.

Governing ESG issues

Over the last two years, we have strengthened our governance of environmental and social issues. Our Global ESG Committee helps identify, raise and oversee the bank's response to emerging ESG risks and opportunities.

Our Environmental and Social Risk Policy Framework (ESRPF) articulates how we approach environmental and social risks across our business, and outlines the environmental and social issues most relevant to us. We recognize the impact those risks can have on our communities, clients, employees, vendors and company, and take our role in managing them very seriously. Our ESRPF provides clarity and transparency on our approach to environmental and social risks, including how we identify, measure, monitor and control these risks as part of our company's risk framework. The ESRPF is reviewed and approved by the Global ESG Committee every two years, or more frequently as material issues develop.

Global ESG Committee

Our ESG approach is fully integrated into each of our eight lines of business, helping to deliver increased shareholder value while ensuring we are taking ESG factors into account as we make the decisions that drive our business. The Global ESG Committee meets regularly to identify and discuss issues central to our ESG focus—including our human capital management practices, products and service offerings and investments in creating a sustainable global economy. The committee is composed of senior leaders from across the company, is led by Vice Chairman Anne Finucane, is accountable to CEO Brian Moynihan, and provides regular reports to the Board of Directors.

Anne Finucane, vice chairman and chair of Global ESG Committee

Raul Anaya, Pacific Southwest Region executive and Greater Los Angeles market president

Mick Ankrom, Enterprise Credit and Operational Risk executive

Dean Athanasia, Preferred and Small Business Banking president

Keith Banks, Global Wealth & Investment Management vice chairman and Chief Investment Office and Investment Solutions Groups head

Alex Bettamio, Latin America president

Alastair Borthwick, Global Commercial Banking head

Cynthia Bowman, Global Diversity and Inclusion executive

Sheri Bronstein, Global Human Resources executive

Candace Browning-Platt, Global Research head

Bill Caccamise, deputy general counsel and Global Banking and Markets Legal executive

Anne Clarke Wolff, Global Corporate Banking and Global Leasing head

James DeMare, Global FICC Trading co-head

John Harris, Global Corporate Services executive

Christine Katziff, corporate general auditor

Matthew Koder, Asia Pacific president

Terry Laughlin, Global Wealth & Investment Management vice chairman

Sarah Lee, Global Risk chief operating officer

David Leitch, global general counsel

Jim Mahoney, Public Policy and Corporate Affairs executive

Lauren Mogensen, Global Compliance executive

Thong Nguyen, Retail Banking president

Andrew Plepler, ESG global head

David Reilly, Technology and Operations chief information officer

Purna Saggurti, Global Corporate and Investment Bank chairman

Andy Sieg, Merrill Lynch Wealth Management head

Alex Wilmot-Sitwell, Europe, Middle East and Africa president

Sanaz Zaimi, Global Fixed Income, Currencies and Commodities Sales co-head

Environmental sustainability

As one of the largest global financial institutions, Bank of America is in a unique position to help society transition to a low-carbon economy and support sustainable business activities.

We do this by providing financial and intellectual capital to our clients across the globe developing solutions to environmental challenges. By financing clean energy initiatives and advancements in renewable energy, we are spurring innovation in and the growth of environmentally focused companies, markets and jobs.

Finance is addressing climate change and demands on natural resources

We recognize the deployment of our financial capital is one of our biggest opportunities to have a positive environmental impact. That is why our second environmental business commitment, made in 2013 and increased in 2015, is directing $125 billion by 2025 in financing for low-carbon and sustainable business to address climate change and other demands on natural resources. As part of this commitment, as of September 2017, we have delivered $58 billion since 2013 towards clean energy, energy efficiency, water conservation, sustainable transportation and other environmentally supportive activities. Through our first and now second environmental business commitments, we have provided a total of nearly $80 billion in financing to low-carbon and sustainable business activities since 2007.

In 2017, we teamed up with consulting firm EY to calculate the economic impacts of our U.S. environmental finance efforts. The analysis focused on a subset of our current $125 billion environmental business initiative and examined $12.6 billion of financing deployed directly in projects within the United States between 2013 and 2016. According to EY's estimate, over the course of four years, this subset supported an annual average of 39,728 jobs, realized a cumulative $29.9 billion in economic output, and contributed a cumulative $14.8 billion to GDP. For more details on this report and any of our environmental sustainability work, visit bankofamerica.com/environment.

A key part of our climate-finance efforts includes the expansion of the green bond market, helping to increase investments in initiatives with environmental benefits such as incorporating solar energy into a company's operations or making

Through our partnership with GivePower, we helped install solar panels at a local school in Haiti.

buildings more energy-efficient. In 2016, Bank of America issued our third and largest corporate green bond for $1 billion to help finance renewable energy generation. This follows our $600 million corporate green bond offering in 2015 and our first corporate green bond issuance for $500 million in 2013.

Equally as important, since 2014, Bank of America Merrill Lynch has been the lead underwriter in green bonds globally.

Last year, we led offerings for clients including the Brazilian paper company Klabin SA ($500 million), the German development bank KfW ($1 billion) and Industrial & Commercial Bank of China (ICBC) ($850 million). We also coordinated the first international issuance of green bonds made by a Brazilian bank, BNDES (Brazilian Development Bank) for $1 billion. Proceeds from these bonds are helping to finance various environmentally sustainable projects including sustainable forestry and renewable energy projects.

Expanding our Catalytic Finance Initiative

No single company can tackle the challenges of financing clean energy on its own. It was with this in mind we launched our CFI in 2014, focused on creating at least $10 billion in new investments in high-impact clean energy projects. CFI is focused on developing or advancing innovative financing structures that reduce investment risk, and thereby attract a broader range of institutional investors to this market. The CFI started with our own $1 billion commitment in 2014 and now has $8 billion in total commitments with the addition of eight new partners in 2016. The expansion of the CFI served to promote the United Nations Sustainable Development Goals' objectives to act on climate change and advance access to clean energy, as well as other goals such as sustainably managing forests and promoting availability of clean water and sanitation.

Here are some advances through our CFI:

- We joined new investors in helping The Rise Fund—a new global impact fund—reach the hard cap of $2 billion. The fund works with entrepreneurs in a variety of sectors, including education, agriculture and food, and energy, to drive positive and measurable societal and environmental impact.
- Our Cross Asset Solutions and Strategies Group originated, structured and placed with four institutional investors a BBB rated, 18-year, $203.75 million institutional loan backed by a portfolio of 30,000 residential solar systems totaling 214MWs for Vivint Solar Inc. The transaction repaid a portion of Vivint Solar's aggregation facility also structured and led by Bank of America Merrill Lynch, providing Vivint Solar, Inc. additional funding capacity for new solar generation assets.
- Bank of America provided two grants to the Professional Assistance for Development Action (PRADAN) to set up solar micro-grids in 14 off-grid tribal villages in Gumla and Khunti, Jharkand, reaching 700 households while also supporting clean drinking water in six villages. This grant provides energy access to one of the least developed states in India, offering opportunities to enhance livelihoods, sustainable agriculture and better access to water. The grant is also helping PRADAN mobilize resources from other donors to scale up its energy access program.

Leading by example: our environmental operations goals

By 2020, Bank of America has committed to **becoming carbon neutral and purchasing 100 percent renewable electricity**. This is part of our operations goals to reduce our environmental impact.

Here are some additional environmental commitments:

Reduce location-based greenhouse gas emissions by 50%

Reduce water usage by 45%

Reduce energy usage by 40%

Reduce waste to landfill by 35%

Investing in clean water and sanitation

Bank of America is committed to ensuring access to clean and sustainable energy and helping to provide access to safe water for all. We believe one of the best ways to achieve these ambitious goals is to close the global economy's financing gap between the amount of capital needed to form a low-carbon economy, and how much is currently being invested.

Through our partnership with Water.org, we are helping to improve environmental and global health through clean and safe water, while creating educational and economic opportunities for women and girls. In 2015, we announced a $1 million grant to Water.org, a global organization that provides innovative, community-led and market-based solutions that change lives.

In 2017, to further our long-standing partnership with Water.org, Bank of America was the first to support their WaterCredit Investment Fund 3 (WCIF3)—a new $50 million social impact investment fund that will invest in enterprises serving water and sanitation needs among the world's poor—with a $5 million zero-interest loan. WCIF3 seeks to raise and deploy social impact investment capital to scale Water.org's proven WaterCredit solution, and is projected to empower at least 4.6 million people in South and Southeast Asia with access to safe water and/or sanitation.

Driving economic and social progress

We are helping to drive economic development and job creation through our business and our partnerships. We do this by responsibly extending capital to individuals and companies, which creates opportunities in the communities we serve, and through our philanthropic investments and the power of our employee volunteers. This support goes beyond the pure financial benefits—it helps build thriving communities by enabling nonprofits, including organizations addressing affordable housing, the skills gap, civil rights, arts and culture, and more, to advance economic mobility for individuals and families, helping to solve tough challenges and connect more deeply with people in their community.

Enabling economic mobility through lending that empowers individuals and communities

We know strengthening local communities is fundamental to the future of our clients' and our own businesses. That is why we connect people to the capital they need to build, restore and expand local economies. This can entail offering innovative lending—done responsibly—to individuals and businesses throughout our footprint. Helping businesses access financing for projects that address basic human needs, such as housing for veterans or the homeless, health care or enabling people to live in safe and secure neighborhoods, is fundamental to helping local communities thrive.

Community development financial institutions

We work with CDFIs—also known as community lending partners—to support businesses and others that may not be able to access capital through traditional channels. Our work with CDFIs connects small businesses, affordable housing developers and nonprofit organizations, some of which are among the most marginalized, to capital, technical support and other resources. We have invested over $1.5 billion in more than 260 CDFIs across the U.S. to connect lending solutions to people and communities.

One example of this capital deployment strategy is our partnership with the USDA Uplift America initiative, a community facilities lending program to assist impoverished rural communities. The program is providing more than $400 million in long-term, low-cost financing for community lenders and CDFIs to facilitate the construction of schools, health care centers and other much-needed services in communities with limited infrastructure development and persistent poverty. In a related program, we provided a $100 million low-cost, 30-year capital investment through the CDFI Fund Bond Program to Self-Help, a national CDFI headquartered in North Carolina. Self-Help is using the funds to finance the construction of affordable housing and community facilities (such as charter schools and primary health care facilities) in LMI communities.

Investing in women's economic empowerment

Women play a vital role in driving economic growth within their communities and in the global economy, but face challenges accessing capital and resources. To address this, we've formed partnerships to help women entrepreneurs advance and grow their businesses.

One example is the Tory Burch Foundation Capital Program, powered by Bank of America, an innovative program administered through CDFIs that helps connect women business owners to affordable loans to help grow their businesses. In 2017, we extended our commitment, pledging to lend an additional $20 million to women entrepreneurs in the United States. Since January 2014, over $30 million in capital has been deployed to more than 1,400 women entrepreneurs, bringing the total commitment to $50 million. The program helps entrepreneurs like Toni Ricci, who has been able to grow her dance studio in Los Angeles, Elite Dance and Performing Arts Center, into the successful company it is today.

Globally, we've partnered for five years with Vital Voices on the Global Ambassadors Program, which brings together women leaders of business, social enterprise and non-governmental organizations for mentoring and training to build management, financial acumen and leadership skills. We work with the Cherie Blair Foundation to connect women small business leaders in Asia, Africa and the Middle East to mentoring, and we partner with Kiva to accelerate women's entrepreneurship through micro-loans.

Our partnerships with the Tory Burch Foundation, Vital Voices, the Cherie Blair Foundation and Kiva have helped 7,000 women from 80+ countries grow their business in their communities.

Residents in the courtyard at Holly Courts, one of the many housing developments transformed through the San Francisco RAD program.

Community development banking

Our community development banking business uses innovative financial solutions to create sustainable ways to promote healthy and thriving communities. In 2017, we provided over $4 billion in loans, tax credit equity investments and other real estate development solutions to create housing for individuals, families, veterans, seniors and previously homeless individuals across the United States.

For example, after years of underfunding, San Francisco's public housing projects were in trouble and the San Francisco Housing Authority could not afford to make an estimated $270 million in repairs. In 2016, Bank of America Merrill Lynch completed its two-year, $2.2 billion debt and equity financing of SF-RAD, which transformed San Francisco's neglected public housing into sustainable, well-managed homes for 10,000 low-income residents across the city. Now, 3,500 units at 29 separate properties are overseen by private developers who are motivated to maintain quality housing and strengthen the community. To ensure the well-being of the tenants, the bank also earmarked $2.8 million of our tax credit equity investment to support tenant services to assist with the transition and connect residents with health and financial wellness services.

We encourage courageous conversations to learn and understand more about each other.

National Museum of African American History and Culture in Washington, D.C.

With perspective comes understanding

Over the last 18 months, we witnessed civil strife, protest and loss of life in cities around the world. These events remind us of the importance of supporting each other—colleagues, clients and community partners alike—understanding that we are all affected in personal ways, and appreciating that those feelings do not pause when people come to work at the bank or do business with us. This led us to expand our courageous conservations program, which began in 2015, and encourages employees to have group discussions that yield open dialogue on topics that are important to them. Whether in small or large conversations, we encourage ongoing education and awareness to foster deeper learning and understanding.

In September 2017, Bank of America sponsored "The Vietnam War," a 10-part documentary film by Ken Burns and Lynn Novick, which premiered on PBS in the U.S. For many, the Vietnam War era was a divisive time in our country's history. As a sponsor of the film, we recognized our opportunity to bring together these perspectives in a way that unites our company and communities through open dialogue. During one of the events, we hosted a conversation with Senator John McCain, former Secretary of State John Kerry and former Secretary of Defense Chuck Hagel. Throughout the year, our local markets in the U.S. hosted courageous conversations to provide employees an opportunity to discuss the effects of the war and share their perspectives on some of the key themes.

Arts and culture

We support nonprofit arts institutions that deliver visual and performing arts, provide inspirational and educational sustenance, anchor communities, create jobs and generate substantial revenue for local businesses. Our programs include loans of our own collection to help museums drive traffic and revenue. We also support exhibitions through the Art Conservation Project, which provides grants to nonprofit museums to conserve historically or culturally significant works of art.

In 2017, we provided grant funding to 21 major art and restoration projects in six countries. Some of our 2017 grant recipients include Musée national Picasso-Paris, Museo Nacional Centro de Arte Reina Sofía in Madrid, National Museum of African American History & Culture in Washington, D.C., Tate Modern in London, Wits Art Museum in Johannesburg, Tomie Ohtake Institute in São Paulo and many more. Since the Art Conservation Project began in 2010, Bank of America has provided grants for more than 120 projects in 30 countries on six continents to conserve paintings, sculptures and archaeological pieces that are critically important to cultural heritage and the history of art.

Impact investing

We officially launched an impact investing program in 2013 to meet rapidly growi Management and U.S. Trust clients had more than $13.2 billion in custom portfolios, mutual funds, exchange-traded funds, separately managed accounts and alternative investments with a clearly defined ESG approach.

Today, 23 percent of Merrill Lynch advisors use five or more impact investing solutions to help meet their clients' needs. In response to these trends and growing client demand, we have enhanced our impact investing process, platform, investment guidance and resources in 2017. We offer sustainable impact multi-asset class portfolios through the Global Wealth & Investment Management Chief Investment Office, that includes Merrill Lynch and U.S. Trust, which seek to deliver competitive risk-adjusted returns across asset classes, as well as a positive environmental, social, governance (ESG) profile relative to a traditional, non-ESG-focused benchmark. "As investors increasingly incorporate ESG factors into their investment choices, we are committed to expanding our array

of CIO-driven investment opportunities, as well as providing true thought leadership in this important arena," explains Keith Banks, Global Wealth & Investment Management vice chairman and Chief Investment Office and Investment Solutions Groups head.

U.S. Trust offers seven investment sleeves within our overall Socially Innovative Investing Portfolio. They include large-cap and all-cap Socially Innovative Investing Strategies, a Women and Girls Equality Strategy, an Environmental Sustainability and Stewardship Strategy, a Carbon Reserve Free Strategy, a Religious Voice and Values Strategy, and a Social Equality and Inclusion Strategy.

Supplier diversity

We invest in diverse businesses to drive sustainable economic growth because when diverse suppliers succeed, the diverse communities that we serve thrive. We support the growth of diverse businesses through our Supplier Diversity and Development Program, which develops relationships with third-party vendors owned by minorities, women, veterans, individuals with disabilities, and the lesbian, gay, bisexual, and transgender (LGBT) community. In 2016, we spent over $2 billion with diverse suppliers. Our commitment to spend procurement dollars with diverse businesses and simultaneously invest in their development gives rise to a meaningful, long-term impact.

In 2014, Bank of America became the first and remains the only financial services institution to gain membership into the Billion Dollar Roundtable, a nationally recognized organization that celebrates corporations that spend at least $1 billion directly with minority- and women-owned businesses.

We have been honored several times over with the National Minority Supplier Development Council's Corporation of the Year – Financial Services Award, the Women's Business Enterprise National Council's Platinum Top Corporation Award, and the National LGBT Chamber of Commerce's Best of the Best Corporation Award. We were also recognized as a Top 50 Company for Supplier Diversity by *Black Enterprise Magazine*, and named a Best Corporation for Veteran's Business Enterprises by the National Veteran-Owned Business Association.

Workforce development

We help drive economic and social progress through our philanthropic investments focused on advancing economic mobility for individuals and families and creating thriving communities. One example is our commitment to youth employment with an emphasis on skills development and better money habits. Through national, regional and local partnerships focused on youth employment, we are helping individuals of all socio-economic backgrounds realize their potential, find meaningful employment and chart a more successful future, all of which strengthen local communities. We are also delivering on our $40 million commitment over three years (2016-2019) to connect youth and young adults to skills, training and jobs, and are partnering with organizations such as Year Up, Boys and Girls Clubs of America, Urban Alliance, and Ada, the National College for Digital Skills. Additionally, our Student Leaders® program helps high school students build work and leadership skills through paid summer internships at nonprofit organizations and participation in a leadership summit. Through summer youth employment programs in partnership with U.S. mayors, we help young people learn how to manage their first paycheck and learn more about future career opportunities.

Our workforce development investments:

Nearly **$44M** in grants invested in workforce development in 2017

Number of nonprofits we worked with in 2017 **1,800+**

71,200 Number of students placed in jobs (nonprofit estimate)

Enabling financial health

We are achieving responsible growth by focusing on our clients' needs. We continue to develop risk-managed products and solutions that fit their financial profiles and help clients achieve their financial goals. And as the world becomes even more digital and mobile, we have innovated our offerings to help clients live better financial lives by putting the power in their hands.

Meeting clients' needs, responsibly

We are committed to ensuring our policies, practices, products and programs all align to our purpose of making financial lives better for the communities we serve. We have done this in part by creating simple, safe, transparent and easy-to-use solutions that give people greater control of their finances:

- **SafeBalance Banking**, an alternative option for clients who want more predictability in the way they bank, no overdraft fees, and the ability to manage their finances without using paper checks. Clients can spend only what is in their account and can also take advantage of many of the same features of a traditional checking account — with a low monthly maintenance fee.
- **The Affordable Loan Solution mortgage**, a conforming loan that provides LMI homebuyers access to a responsible lending product at affordable entry prices, in partnership with Self-Help and Freddie Mac.
- **BankAmericard Secured credit card**, a secured credit card that is the first step in establishing financial credit; and for some, this type of credit card will help strengthen or even rebuild good credit.
- **Better Money Habits®**, a free financial education platform for all, featuring tools and information that help people make sense of their money and take action to improve. Developed in partnership with education nonprofit Khan Academy, Better Money Habits pairs Khan Academy's expertise in online learning with our financial know-how to break down financial topics in a way that's digestible, approachable and tailored.

- **Our policy on overdrafts**, which will not allow debit card clients to overdraw at the point of sale. In 2010, we made the decision to only allow debit card transactions at the point of sale if a customer has enough money in their account. Clients also cannot overdraw their account at an ATM, unless they proactively agree and understand that a fee will be charged.

In 2017, we sharpened our focus on our financial centers serving our LMI clients and neighborhoods to ensure the capabilities were aligned to handle the unique needs of these communities. We are looking at everything — from the physical tools and resources at those centers to ways we can better connect with each neighborhood. This includes training client professionals on finding the right solutions that fit their needs, including SafeBalance Banking and mobile banking and alerts, while also offering services featuring Better Money Habits, which is focused on helping consumers understand and make smart decisions about their money and their credit. We will continue to extend elements of this approach in all our financial centers that serve LMI clients and neighborhoods in communities across the country.

Meeting clients and consumers where they are

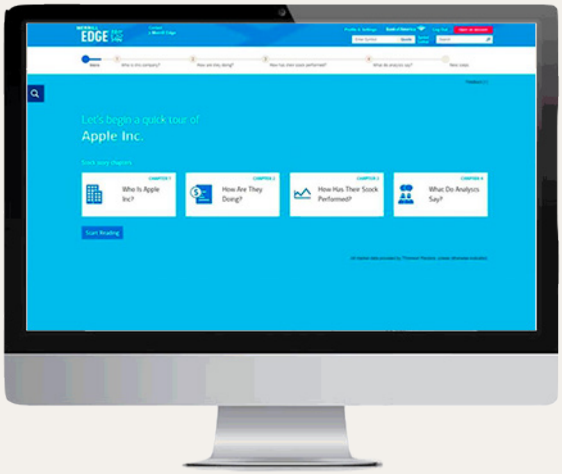
We have focused on using technology to better serve our clients in the ways they want, in turn helping them live better financial lives. One of the ways we are doing this is by delivering more convenience to clients through expanding the number of cardless ATMs. Clients can authenticate themselves at an ATM using their phone's digital wallet instead of a physical card for an added layer of security to access their cash.

As of November 2017, more than 13,000 ATMs are now cardless.

And we are adding convenience and better safeguards through our debit card lock and unlock function. If a client misplaces their debit card, they can temporarily "lock" it so no one can use it, then "unlock" it once found by the owner.

In 2017, we launched two digital advisory tools for our global commercial and corporate clients. CashPro® Assistant uses artificial intelligence and predictive analytic capabilities to help clients easily access and analyze their banking information. It also enables clients to use application program interfaces (APIs) to integrate directly with Microsoft® Excel to populate account data on demand. Card Assistant transforms the way information and education are delivered by enabling our commercial card clients to access industry and product updates, webcasts, fraud prevention tips, case studies and reference information in one convenient place.

Our technology enhancements extend beyond our online and mobile banking capabilities. In South Africa, for instance, in partnership with nonprofit AlphaCode, we support financial services entrepreneurs who are creating businesses that help



New industry-first stock research experience

The newest research function from Merrill Edge is designed to help the self-directed investor make more informed investing decisions about thousands of U.S. equities. The new capability provides ratings from the leading research and ratings firm, MSCI ESG Research LLC, along with insight into environment, social and governance risks and opportunities. Merrill Edge self-directed clients can view information that measures a company's sustainable impact and identify values-aligned investments. Merrill Edge's new capability features access to the stock research, tools and analytics of industry-leading research providers, including BofA Merrill Lynch Global Research, Morningstar, MSCI, Recognia, Trefis, Thomson Reuters, CFRA powered by data from S&P Global, and First Call.

Meet Erica: Simplifying financial lives with artificial intelligence

Beginning in 2017, we began to introduce a powerfully personal voice and chat-driven virtual financial assistant — Erica — that is integrated into our mobile banking app to help improve the financial lives of our clients. Erica was introduced to employees first and is still learning, but she's pretty smart and eager to help everyone who will interact with her. At first, she'll be able to assist with simple, everyday tasks, as well as a few more complex needs to help clients stay on top of their finances and cash flow. Clients will play a big role in her development, so the more clients interact with her, the smarter and more helpful she will become over time. Erica uses the latest technology in artificial intelligence, predictive analytics and cognitive messaging to serve as clients' trusted financial advocate and continuously improve. She will be ready to help make using our industry-leading mobile app and managing finances even easier for our clients 24x7.

people by using technology to address financial inclusion, financial education, housing and nutrition.

Our financial wellness platform, Better Money Habits, helps people better manage their finances through practical and personalized information and tools. These free resources are available for all and are simple, easy to understand and span a wide range of personal finance topics, including budgeting and saving, debt, credit, homeownership, retirement and more.

Our goal is to equip people with the knowledge they need to make smart financial decisions, whether they are clients or not.

As part of our commitment to serving Hispanic and Latino communities, we have begun to offer our site, BetterMoneyHabits.com, in Spanish. The first wave featuring 50 pieces of the site's most popular content launched in November 2017. The hundreds of remaining videos, articles, infographics and tools will be translated throughout 2018 and added to the site on a rolling basis.

In 2017, we also introduced a new video series on the site with our Better Money Habits partner, education leader Khan Academy, focused on financial issues that young adults face in their careers. Dozens of young adults share transparent and practical information about their chosen careers and the financial considerations that come with it. The videos give young adults insight in to a variety of career paths from a trusted voice: that of their peers.

The combination of easy-to-digest financial information with our tools gives people a strong foundation from which to make tailored decisions about their personal finances. This content is leveraged in our mobile and online banking experience, in our community financial centers and, importantly, with our local partners, to build communities better prepared to take hold of economic growth.

For illustrative purposes only.

Spanish-speaking users can access personal finance resources on BetterMoneyHabits.com.

Valuing our people

We build our team and invest in our people so they can serve our clients responsibly and help make an impact in our communities.

We have a culture at our company where we put the customer first, emphasize integrity and responsibility, and encourage all employees to bring their whole selves to work. When we can create a workplace where our colleagues are engaged, empowered and committed for the long term, we are well-positioned to help our clients improve their financial lives.

Investing in our employees

The way we value and support our colleagues is a reflection of who we are as a company. We provide compensation, benefits and resources that reflect our commitment to being a great place to work, which is not only the right thing to do, it is core to being a sustainable, successful bank. Recent demonstrations include:

Supporting employees in the moments that matter

Our U.S. Life Event Services (LES) team is dedicated to supporting employees during major life events, such as retiring from our company, taking a leave of absence, facing a terminal illness, having a family member pass away, or being impacted by a natural disaster or house fire. In the last two years, we expanded the team's focus to support employees during additional important moments. LES specialists provide support to our transgender teammates who are transitioning, including confidential, one-on-one support for both employees and their managers. We're also one of the first major employers in Hong Kong and Singapore to reimburse transgender-related treatment in a hospital or outpatient clinic, and we are also believed to be the first major company in the United Kingdom to

Our focus on equal pay for equal work

At the heart of responsible growth is our work to be a great place to work for our employees. This includes our focus on ensuring that men and women in similar positions receive comparable pay.

Our human resources team, company leadership, and the Board of Directors have ongoing routines to monitor pay equity, and we have established robust policies and practices to help guide pay decisions. These policies and practices look through the lens of gender, as well as race and ethnicity.

We have a thorough annual inspection process, a detailed governance framework and independent analysis by an external consulting firm that allow that allow us to identify potential areas for adjustment. Once an area is identified, we take action where appropriate to bring any individual employee in line with their comparable peers, thus making compensation adjustments part of our annual year-end process in real time. We have been doing this for a decade and are committed to our rigorous annual review process. This work gives us confidence that we pay our employees equitably.

To further strengthen our commitment to gender pay equity, we are launching a pay inquiry restriction policy as part of our hiring processes in early 2018. This is already in place where new laws have been enacted and we will soon have it in place across the company. This will enhance our already strong dedication to candidates being paid based on their qualifications and the role they are applying for, not on how they have been compensated, potentially unfairly, in the past. We will also continue to work to improve the balance of female representation in senior leadership and client-facing roles, and we will continue to push ourselves and our teams in hiring, promotion and compensation decisions.

Further detail on our pay-for-performance process and our gender-equity analysis work is available in our Proxy Statement.

include gender reassignment surgery for employees in our health insurance package. Last year, LES specialists also began supporting teammates impacted by domestic violence. The team connects impacted individuals with benefits and programs, including confidential counseling, tips for personal safety and workplace violence prevention tools, and safety plans developed with our corporate security team. Our Domestic Violence Task Force has hosted over 100 sessions to educate employees about the impact of domestic violence on communities and employees, resources and partnerships available to those impacted, and national and local volunteer opportunities. In total, LES has assisted more than 53,000 teammates in navigating significant life events.

Helping employees manage their health care expenses

We offer our U.S. employees who work 20 hours or more per week health coverage wherein the company pays the majority of the total cost of all health care expenses. For employees making less than $50,000 a year, we reduced their annual medical premiums by 50 percent in 2011, and since 2012 have kept their premiums flat for six consecutive years. We have also not made any material changes to the in-network portion of our medical plan design features since 2012. Additionally, we make company-funded contributions to eligible health care accounts.

Supporting our employees and their families

Another way we demonstrate how much we value our employees is by providing benefits and programs to support them with their needs outside of work, such as when they have a child or family care responsibilities.

Paid time off for family bereavement

Globally, we extended the amount of paid time off that an employee can choose to take following the loss of a spouse/partner or child to 20 days. This recognizes how important providing additional time away from work to grieve and address related family affairs can be. This change is in addition to our existing policy of five days of paid time off an employee can choose to take in situations of the loss of other family members such as a parent, grandparent, grandchild, sibling or person with whom the employee has a close relationship.

Child, elder or other family care

We currently offer 16 weeks of paid parental leaves—maternity, paternity and adoption—to allow colleagues time to bond with their new child with the flexibility to utilize a parental leave when it works best for their family within the first 12 months after the new child arrives. We also reimburse eligible U.S. employees for adoption and child care expenses, and our U.S. employees can take advantage of our backup care program. We were recently named as one of *Fortune Magazine's* 50 Best Workplaces for Parents and recognized in the Top 10 of *Working Mother*'s 100 Best Companies.

We also know that employees care for elder and other family members. We offer a range of adult care services, such as backup adult care, access to experts who can assess a loved one's well-being and elder care law services.

Helping our employees stay well

We help employees address health risks and manage health care costs: focusing on wellness, helping to educate our colleagues about their health and providing resources to encourage them to make healthy choices that prevent more serious, costly health issues in the long run. More than 70,000 U.S. employees have engaged with a health coach; 68 percent remained in a "low risk" health category, while 23 percent migrated to a lower-risk category. And through our Get Active! For Good challenge, 68,000 employees globally took almost 26 billion steps, raising $375,000 for charities.

Paying a competitive wage

Our compensation is anchored in a pay-for-performance philosophy, with a long-standing commitment to paying a competitive wage. We have paid our hourly, non-commissioned U.S. employees at a rate higher than federal, state and local minimum wage requirements for several years, and we have made regular increases during that period. Currently, our minimum wage is $15 per hour.

Advancing women’s leadership and economic empowerment

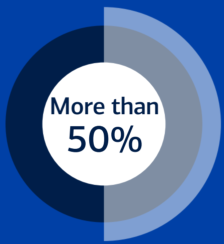
Being a diverse and inclusive company is essential to our ability to meet the needs of our clients, communities and employees. We promote an inclusive environment where all employees have the opportunity to achieve personal success and contribute to our company. We are focused on attracting, retaining and developing diverse talent and have been recognized on Bloomberg’s Financial Services Gender-Equality Index (for the second consecutive year), as a top team on *American Banker Magazine’s* Most Powerful Women in Banking list, and on *Fortune Magazine*’s Best Workplaces for Diversity list.

We invest in helping women make meaningful contributions within our company and in our communities. We have strong representation at all levels and exceed industry benchmarks in nearly every category. Among the programs to develop our female employees are our Investing in Women Leadership Council, Global Women’s Conference, Women’s Executive Development Program, Women’s Next Level Leadership, LEAD for Women, and Pathways to Progression.

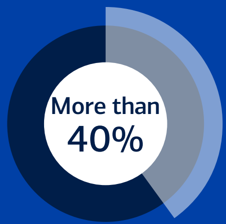
In 2017, Bank of America signed the Women in Finance Charter, which aims to improve gender diversity in the U.K. financial services industry. As a result, Bank of America Merrill Lynch has targeted the achievement of 28 percent female representation in senior management roles in Europe, the Middle East and Africa by the end of 2021.

We also recognize that women play a vital role in driving economic growth, and we have partnerships to connect women entrepreneurs to mentoring, capital and other tools that will advance their businesses and make significant contributions to our global economy. Through partnerships with the Tory Burch Foundation, Vital Voices, Kiva, and the Cherie Blair Foundation, we have helped nearly 7,000 women from 80+ countries grow their businesses and foster economic prosperity in their communities.

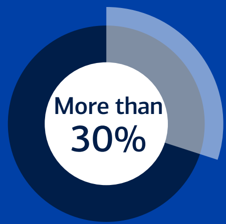
What’s happening for women at Bank of America:



% of women in our global workforce



% of women on our global management team



% of women on our Board of Directors