2018 UK Gender Pay Gap Report

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We pride ourselves on having a culture where every employee is valued for who they are and what they bring to our company.

Central to Bank of America’s strategy of sustainable Responsible Growth are the actions we take to be a great place to work for our teammates. We put the customer first, emphasise integrity and responsibility, and actively encourage all employees to bring their whole selves to work. When we create a workplace where our colleagues are engaged, empowered, and committed for the long term, we are better positioned to help our clients improve their financial lives.

Across the globe, to be a great place to work, we focus on providing an inclusive and rewarding experience for all employees – this includes fair and equitable pay based on performance, with equal pay for equal work, regardless of gender. To accomplish this, we maintain robust policies and practices reinforcing our commitment, including analyses with outside experts and reviews with oversight from our Board and senior leaders. The results of our 2018 enterprise review of equal pay for equal work showed that total compensation received by women is on average greater than 99% of that received by men.

Bank of America is recognised as a global leader in developing and supporting our female employees, including recent recognition by Catalyst, awarding us the 2019 Catalyst Award for our investment in women and our naming as the World’s Best Bank for Diversity and Inclusion by Euromoney in 2018. More than 50% of our global workforce is female. Our board is over 30% women, our management team is over 45% women, more than 40% of our global managers are female and approximately 45% of our senior level employees are female. Additionally, we focus significant resources on recruiting and retaining female talent, supported by robust policies and programmes to provide women with opportunities for professional development and advancement.

In the UK, we signed the Women in Finance Charter, demonstrating our support for a government initiative to encourage greater gender balance in UK financial services. We have also heightened our efforts to recruit and develop exceptional female talent, and we offer industry-leading benefits and programmes that help women to balance work and life.

Like many financial services companies in the UK and across the industry as a whole, our organisation currently includes more men than women in senior roles, more women than men in administration roles and varying gender representation across different functions. This is reflected in the overall comparison of compensation earned by women and men on a total basis, without regard to role. Addressing this gap through a more gender-balanced workforce at our own organisation and across the broader financial services industry will take time. We are confident that the culture, practices and strategy in place at our company will help drive progress and create an organisation that is truly reflective of our clients and the communities we serve.
The gender pay gap is the difference in the average pay of women and men. This is not the same as equal pay, which is the difference in pay that women and men receive for performing the same or comparable roles.

Which companies have to report their UK gender pay gap?
Companies in the UK that employ more than 250 people are required to publish gender pay gap information.

What is included in the gender pay gap calculation?
In order to understand a company’s gender pay gap, median and mean ordinary and bonus pay needs to be calculated for female and male employees. Pay quartiles are also examined as part of the overall calculation.

How do you calculate the median and the mean gaps?
Imagine all your female employees standing next to each other in order of highest to lowest paid. Now do the same for your male employees. The median pay gap is the difference in pay between the woman in the middle of her line, and the man in the middle of his, expressed as a percentage of men’s pay.

To calculate the mean pay gap between women and men, add together the pay for all your female employees, and divide that by the number of women. Then do the same for your male employees. The mean pay gap is the difference between these two amounts, expressed as a percentage of men’s pay.

The same process is applied to calculate the median and mean bonus gaps.

What is included in ordinary versus bonus pay?
Ordinary pay includes hourly basic salary plus any other designated payments received in April 2018. Bonus pay includes any bonuses received during the 12 month period prior to 5 April 2018.

How do you calculate pay quartiles?
Pay quartiles are calculated by ranking each employee from highest to lowest paid. The individuals are then divided into quartiles, and the percentage of women and men in each of these quartiles is calculated.
Our UK gender pay results as of April 2018

At Bank of America Merrill Lynch, the work that we do to ensure that women and men in similar positions receive equitable pay is an important aspect of our focus on responsible growth and being a great place to work. We have a thorough annual inspection process, a detailed governance framework and independent analysis undertaken by an external consulting firm that allows us to identify outliers and take appropriate action. These efforts show us that our inspection and governance processes are strong, and our pay practices are fair.

Bank of America Merrill Lynch has a global workforce and multiple legal entities which are UK domiciled. Gender pay gap data by individual UK entity can be found on page 10 of this report. These entities do not determine how we manage our UK business. We believe that the most informative way to analyse our UK gender pay data is therefore to group these entities together:

- Bank of America Merrill Lynch
  - Bank of America, N.A. (London branch)
  - Bank of America Merrill Lynch International Limited
  - Merrill Lynch International

Although we are pleased to see our efforts have started to decrease our gender pay gap, there continues to be significantly more men in senior and revenue-generating roles. Despite our equitable pay practices, these demographics are an ongoing contributory factor in our UK gender pay results.

In 2018, a special cash award was paid to more junior employees, including employees on the global 'predictable pay structure' whom are not eligible for a bonus. This special award was to recognise employee contributions towards responsible growth by the bank. This resulted in an increase to the proportion of employees receiving a bonus or an award to over 96%.

Although the median gender pay gap bonus has decreased, the special cash award paid to more junior staff directly impacted the mean bonus gap, where we saw an increase.

As with our gender pay results, we are pleased to see our efforts are reflected in an increased proportion of women in the top pay quartiles; with an increase from 19% to 21% in the upper quartile and an increase from 26% to 27% in the upper middle quartile.

The pay quartiles remain reflective of the demographic of our UK employees, i.e. as we progress up the organisation, the number of women in relation to men decreases.

*As detailed in our 2017 Gender Pay Gap Report, in 2012 we introduced a global ‘predictable pay’ structure for many employees working in technology, operations and support functions and in doing so, bonus eligibility was replaced with an increased base pay.
Key findings from our 2018 analysis

Our data confirms that we pay our employees equitably. We also carried out further analysis to identify what lies behind the gender pay gap results and what further actions we can take.

The structure of our employee population remains key to the results

Since our 2017 Gender Pay Gap Report we have increased the proportion of women in both senior management and junior level roles. Representation of women at mid-level remained more consistent at 33%, and we are pleased that our efforts have seen an increase of women in senior management positions, from 24% to 25%. It is also positive to see an increase in the number of females in junior talent roles from 41% to 43%, and we will continue to build on this, enabling us to strengthen our pipeline of female talent moving into senior management. Addressing the gender pay gap is complex. For example, an increase in the proportion of women at junior levels required to build the pipeline for more senior positions can also have a negative impact on a firm’s gender pay gap in the near to mid-term. As we noted earlier, we have a long-term commitment to women and we know that addressing our gender pay gap will take time.

![Employee Population Structure](chart)

As in 2017, our data confirms that we pay our employees equitably. We also carried out further analysis to identify what lies behind the gender pay gap results and what further actions we can take.

Mean gender pay gap

- **28%**
  - 18% due to seniority
  - 10% due to role in organisation
  - 9% due to different roles women and men perform at our company
  - 1% due to the gender representation at different seniority levels

Improving gender representation in our workforce has been a long-standing commitment of our company; the following section explains some of the steps we are taking.
Our strategy, programmes and actions are guided by our commitment to be part of a broader solution for gender equality, contributing to the advancement of women both within our workforce and in society as a whole.

We are making progress and we are committed to being a leader in our industry, that is why we have a dedicated Diversity and Inclusion team and Senior Leader Diversity and Inclusion Councils embedded in our organisation.

As part of our Women in Finance Charter commitments, we are striving to improve gender balance across Bank of America Merrill Lynch in Europe, the Middle East and Africa (EMEA). In 2017, we set ourselves a target to achieve 28% female representation in EMEA senior management roles by the end of 2021. Through leadership development training, our mentorship and networking programmes, we are starting to see positive change.

We were recently awarded ‘World’s Best Bank for Diversity & Inclusion’ by Euromoney in 2018. We have also been recognised every year since its inception as one of the leading financial institutions on the Bloomberg Financial Services Gender-Equality Index. Since 2014, our top female executives have been listed in the Top 100 Most Influential Women in Finance.

We are using our gender pay gap data as an opportunity to drive further action and to develop initiatives that have the potential to deliver the greatest impact. These include:

**Attraction and recruitment**

We are committed to bringing more women into financial services at a senior level and into roles that offer the prospect of significant progression. Embedding diversity and female talent within every level of the business is essential. Since our initial report, we have a continued focus on recruitment strategies to attract diverse candidates and a selection approach that is inclusive.

Our focus on recruiting female graduates into our Global Banking and Markets Business in EMEA has led to an increase in the proportion of graduate new hires who are female, from 32% in 2013 to 37% in 2018. At the senior levels of Managing Director and Director, the proportion of women being recruited to our EMEA business is at a five year high, from 21% in 2013 to 31% in 2018.
Our commitment

Our award-winning Returning Talent programme reflects our innovative approach to recruitment, inviting individuals who have been out of work for more than a year to explore the changing workplace, build professional connections and access executive coaching. Events are held annually in London, Chester and Dublin, and since the programme’s launch in 2012, we have helped hundreds of participants refresh their skills and continue their careers. Alongside this, we champion flexible working, enabling people to manage the balance between work and home life.

Development and engagement

We are committed to developing and retaining female talent by building a supportive culture and creating opportunity for all. We engage with our employees on the subject of promotion, pay and reward through a variety of learning events in order to continue to create transparency around our processes. We deliver a far-reaching range of programmes designed to advance and develop careers at all levels. These include targeted career support for female employees and access to sponsorship by senior executives. Additionally, we offer a wide range of opportunities for our talent to develop their knowledge and professional network. We have three women’s networks and a parent and carers network, offering multiple developmental opportunities including internal and external conferences, interactive leadership events and comprehensive support across a broad range of topics.

Our family-friendly support helps with work/life balance.

Our range of benefits and programmes provide parents and carers with the support they need at all stages of their family life cycle. This includes paid and unpaid leave, shared parental leave and new parents workshops and coaching. We also offer emergency leave for those caring for elderly parents/significant others, free back-up and emergency childcare, the ability to take additional time off as unpaid family leave and flexible working arrangements.

Supporting women in the community

We recognise that the gender gap is an issue that reaches beyond financial services, which is why we are committed to advancing and inspiring women outside our organisation.

Women play a significant role in advancing economic growth within their communities and in the global economy. Through a variety of programmes, we connect women to the capital, resources, networks and mentoring needed to help them achieve success:

- As lead corporate supporter of Inspiring the Future, more than 1,000 of our employees have shared their time and professional insight with thousands of young people across the UK and Ireland.
- Through our partnerships with STEMettes and Code First: Girls, we host creative and interactive events in the UK and Ireland to encourage young women to consider a career in technology.
- Our Global Ambassadors Programme invests in emerging female leaders around the world, matching women with world-class mentors, including members of our global and regional management teams.
- Our support of the Cherie Blair Foundation connects female small business leaders in Asia, Africa and the Middle East to mentoring expertise to help advance their businesses.
Awards and recognition

Our policies and practices supporting gender equality, as well as our transparency and disclosures, have earned us recognition as an industry leader.

- **World’s Best Bank for Diversity & Inclusion in 2016 and 2018**
  - World’s Best Bank for Corporate Social Responsibility 2015 and 2017
  - *Euromoney*

- **2019 Catalyst Award Winner for Investing in Women**
  - *Catalyst*

- **Since 2014, our top female executives have been represented in the Top 100 most influential women in finance**
  - *Financial News*

- **Ranked as leader on 2016, 2017 and 2018 Gender-Equality Index**
  - *Bloomberg Financial Services*

- **Consistently ranked in the top 4 since 2014**
  - *Rate My Placement Top 100 Undergraduate Employers*

- **Best Benefits to Support Working Careers 2018**
  - *Employee Benefits Awards*
Conclusion

Globally, we are committed to making Bank of America Merrill Lynch a great place to work for everyone, irrespective of gender, race, sexual orientation, gender identity, ethnicity, age or disability.

Over recent years we have made progress in developing a diverse and inclusive environment where employees are encouraged to be themselves, achieve personal success and contribute to the responsible growth of our company. As an organisation, we continue to evolve our diversity efforts in order to overcome the challenges within our industry and recognise and adapt to both industry trends and governmental advice.

We are doing this by:

- Working with schools and universities to encourage more young women to consider careers in both technology and financial services.
- Advancing female talent through programmes that help women to progress into senior positions, ultimately yielding an increase in female representation at senior levels.
- Focusing on both the importance of women in our workforce and the evolving role of males in the workplace. Supporting all of our employees to achieve work-life balance, including offering benefits that are tailored to support and increase retention.
- Continuing to critically assess our progress against internal and external targets.

We are confident that our culture, programmes and initiatives are already positively impacting our gender balance, and we expect this to reduce our UK gender pay gap over time.

I confirm that the information in this report is accurate.

Jennifer Becker
Head of International Human Resources
### Legal entity breakdown (%)

<table>
<thead>
<tr>
<th>Bank of America Merrill Lynch (Combined)</th>
<th>Mean Gender Pay Gap</th>
<th>Median Gender Pay Gap</th>
<th>Mean Bonus Gender Pay Gap</th>
<th>Median Bonus Gender Pay Gap</th>
<th>Proportion with a bonus</th>
<th>Lower Quartile</th>
<th>Lower Middle Quartile</th>
<th>Upper Middle Quartile</th>
<th>Upper Quartile</th>
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<th>Bank of America Merrill Lynch International Ltd*</th>
<th>Mean Gender Pay Gap</th>
<th>Median Gender Pay Gap</th>
<th>Mean Bonus Gender Pay Gap</th>
<th>Median Bonus Gender Pay Gap</th>
<th>Proportion with a bonus</th>
<th>Lower Quartile</th>
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<th>Lower Quartile</th>
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<th>Median Bonus Gender Pay Gap</th>
<th>Proportion with a bonus</th>
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The figures represented are as of April 2018

*Please note: on 1 December 2018, a cross border merger of Bank of America Merrill Lynch International Limited into Bank of America Merrill Lynch International Designated Activity Company (BAMLI DAC) was completed.