

Bank of America
Social Bond Report

Bank of America Social Bond

In January 2019, Bank of America became the first U.S. bank to issue a social bond, showcasing the company's commitment to deploying capital to address global issues outlined in the United Nations Sustainable Development Goals (SDGs). Bank of America issued this bond to highlight its community development loans and investments. Additionally, investors were interested in opportunities to align their values of social inclusion and economic mobility with their investing decisions.

Bank of America helps build and preserve affordable housing for individuals, families, veterans, seniors and the previously homeless. The bank is a proven and consistent leader in providing innovative housing and economic development solutions. The bond's proceeds were used to refinance the company's investments in affordable housing and community development financial institutions (CDFIs), including 2,436 housing units for low-to-moderate income families.

Bank of America has been a leader in using the bond market to support the SDGs. In October 2019, Bank of America Corporation issued its fifth green bond, becoming the first U.S. financial institution to issue five benchmark green bonds, raising a total of \$6.35 billion for renewable energy projects. The company has also been the all-time leading global underwriter of green bonds from 2007 through October 2019.

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Here are some examples of projects financed by the bank's first social bond:

SF-RAD (San Francisco Rental Assistance Demonstration) *San Francisco, CA*

In 2015 and 2016, Bank of America provided \$2.2 billion as investor and lender to transform nearly 3,500 public housing units at 29 properties into safe and sustainable low-income housing for more than 10,000 San Francisco residents. Highlights of the project included addressing critical safety issues, upgrading the living areas and increasing the number of Americans with Disabilities Act (ADA)-compliant units. The formerly public housing is now owned and managed by private entities committed to maintaining quality affordable housing. The bank also provided funding for supportive services and community resources.

The Springs — *Arlington, VA*

The Springs Apartments, a multifamily, new-construction development, was built in Arlington, Virginia, creating 104 units, 98 of which are affordable housing for families. In addition, nonprofit developer Arlington Partnership for Affordable Housing built its new headquarters on the site. Bank of America provided \$22 million in direct equity. The development features a community room, fitness studio, business center, courtyards and more.

Brinkley Hill — *Fort Washington (Prince George's County), MD*

Bank of America provided \$15.45 million in direct LIHTC equity for the development of Brinkley Hill Associates in Fort Washington, Maryland. This new-construction property is a 64-unit mixed-income townhouse community, with 89% of the units reserved as affordable housing for families, including 57 two- and three-bedroom units and five units benefiting from a Section 811 Supportive Housing subsidy.

Apollo Dye — *Paterson, NJ*

Apollo Dye consists of 63 affordable housing units for seniors. It is the second phase of the Freedom Village senior living complex, which was formerly a vacant and abandoned dye factory. Bank of America provided \$15.8 million in direct LIHTC equity to help provide much-needed affordable housing and an economic catalyst for the neighborhood. In addition to housing, the project will provide additional retail space that serves residents and the surrounding community.

Raza Development Fund

Bank of America provided a \$15 million loan to the Raza Development Fund, a Community Development Financial Institution that invests capital and creates financing solutions to increase opportunities for the Latino community and low-income families in the Pacific Northwest, Southwest and East Coast. Some of the properties that Raza has financed include:

- Tiburcio Vasquez Health Center in San Leandro, CA.
The health center delivers multicultural and linguistically appropriate health care services to the uninsured and under-insured population in South Alameda County, including delivering primary care, dental care, health education and other medical services.
- Brilla College Preparatory Charter School in the Bronx, NY. The project involved the renovation of a 28,748 square foot school building for a startup K-8 college preparatory charter school. The school serves 532 students and created 52 permanent jobs in teaching and administration.
- Adelante Healthcare, a 42,500 square foot, single-story comprehensive medical office building located in Mesa, Arizona, expected to serve 22,800 patients annually. Services are to include primary care for all ages, dental care and behavioral health. Adelante administers the WIC (Women, Infants and Children) program which provides federal nutrition and health care assistance for low-income women and children, a pharmacy, laboratory services and an on-site healthy cafe. Targeted recipients are residents of Mesa and southwest Maricopa County with incomes below 200% of the federal poverty level who lack access to primary care services.

Adjacent to the METRO light rail stop, Adelante Healthcare, Inc., is a transit-oriented development promoting equitable and sustainable development along high capacity public transportation routes. Adelante is also the first LEED certified Gold Status Health Center in the state of Arizona.



Bank of America Corporation

Social Bond Issuance

Use of Proceeds Attestation Report of Independent Accountants

As of June 30, 2019

To the Board of Directors of Bank of America Corporation (“the Company”)

We have examined the Company’s assertion that an amount equal to the proceeds from the January 25, 2019 issuance of 3.335% Fixed/Floating Rate Senior Bank Notes Due January 2023, included on the Social Bond Use of Proceeds Statements dated June 30, 2019 were allocated to the financing or refinancing, in whole or in part, of existing and future Eligible Social Investments or held in overnight or other short-term financial instruments in accordance with the Eligible Social Investments and overnight/short term financial instrument criteria set forth in Appendix A. Bank of America Corporation management is responsible for its assertion. Our responsibility is to express an opinion on management’s assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Company’s assertion that an amount equal to the proceeds from the January 25, 2019 issuance of 3.335% Fixed/Floating Rate Senior Bank Notes Due January 2023, included on the Social Bond Use of Proceeds Statements dated June 30, 2019 were allocated to the financing or refinancing, in whole or in part, of existing and future Eligible Social Investments or held in overnight or other short-term financial instruments in accordance with the Eligible Social Investments and overnight/short term financial instrument criteria set forth in Appendix A is fairly stated, in all material respects.


PricewaterhouseCoopers, LLP

November 7, 2019



Appendix A

Management's Assertion Regarding Eligible Social Investments Proceeds

Bank of America Corporation is responsible for the completeness, accuracy and validity of the Bank of America Corporation Management Use of Proceeds Statements as of June 30, 2019 (refer to Appendix B). Management asserts that the proceeds included on the Bank of America Corp. Management Use of Proceeds Reports dated June 30, 2019 were made to either qualifying Affordable Housing Projects, CDFI loans, or in overnight or short term financing instrument in accordance with the Eligible Social Investments and Overnight and Short Term Financial Instrument Criteria detailed below.

Eligible Social Investments

An amount equal to the net proceeds of the sale of the Notes will be used to finance or refinance, in whole or in part, existing and new, Eligible Social Investments. Each of the following will be deemed an "Eligible Social Investment":

1. Affordable Housing Projects: Investments in low income housing properties in the United States; that is, properties for which either:
 - a. At least 50% of the units are qualified low-income rental units; that is, units whose rents do not exceed 30% of the relevant income limit, where the relevant income limit is less than or equal to 60% of the area median gross income, as defined by the U.S. Department of Housing and Urban Development;
 - b. At least 40% of the units are both rent restricted and whose rents do not exceed 30% of an income equal to 60% 60% of the area median income;
 - c. The average rent of all the apartments within the property does not exceed 30% of an income equal to 60% of the area median income; or
 - d. At least 20% of the units are qualified as Low Income Qualified Census Tracts, as defined by the U.S. Department of Housing and Urban Development

Management has asserted that by filing Form 8609 with the IRS, they have validated that the Affordable Housing Project meets the criteria above.

2. CDFI Loans: Loans to, or investments in, organizations, including community development banks, credit unions, loan funds and venture capital funds, that have been certified by the U.S. Department of Treasury as a CDFI in recognition of their provision of financial services to low-income communities and to people who lack access to financing. In order to be certified as a CDFI by the U.S. Department of Treasury, and organization must:
 - a. Be a legal entity at the time of the CDFI application for certification;
 - b. Have a primary mission of promoting community development;
 - c. Be a financing entity;
 - d. Provide development services in conjunction with its financing activities;
 - e. Primarily service, and maintain accountability to, a defined market; and
 - f. Be a non-governmental entity and not under the control of any government entity (except tribal governments).

Management has asserted that Community Development Financial Institutions identified on the website for the U.S. Department of Treasury (www.cdfifund.gov), meet the criteria of a CDFI.

Eligible Social Investments include (i) existing projects with disbursements made during the 72 months preceding the issue date of the Notes, (ii) existing projects with disbursements made following the issue date of the Notes up to the maturity date and (iii) projects with commitments to be made following the issue date of the Notes up to the Maturity Date.

Overnight or Short Term Financial Instrument Criteria

Overnight or other short-term investments criteria is defined as items that would qualify as cash and cash equivalents from a US GAAP perspective.

Appendix B

Bank of America, N.A. Management Flow of Funds Report As of June 30, 2019 Amounts of USD Equivalent Millions

Net Proceeds from Note Issuance ⁽¹⁾	
Bank of America, N.A. 3.335% Note Due 1/25/2023	\$498.8
Use of Proceeds as of June 30, 2019	
Asset Area	Current Amount Funded (USD Equivalent) ⁽²⁾⁽³⁾
Community Development Banking	\$448.8
Community Development Banking	\$ 50.0
Total Use of Proceeds	\$498.8

⁽¹⁾ Bank of America, N.A. received net cash proceeds on January 25, 2019 from the issuance of 06050TMJ8 (CUSIP).

⁽²⁾ The Assets Funded from the note proceeds qualify as Eligible Social Projects if they meet Bank of America's eligible social investments and overnight and short term financial instrument criteria as defined in the Pricing Supplement for the Notes and Appendix A above.

⁽³⁾ For each Eligible Social Project the cash funded amounts from Bank of America or its wholly owned subsidiaries as of June 30, 2019

