Bank of America Reports Record Quarterly Earnings of $7.3 Billion, EPS $0.74
18th Consecutive Quarter of Positive Operating Leverage

On Wednesday, July 17, 2019, Bank of America reported net income of $7.3 billion or diluted earnings per share of $0.74 compared with $6.8 billion or $0.63 per diluted share in the year ago period.

“Our commitment to responsible growth resulted in the best quarter and first-half year of earnings in our company’s history. In the second quarter, we generated $7.3 billion in earnings and delivered $7.9 billion back to shareholders. Our return on assets was over 120 basis points and our return on equity was well above the firm’s cost of capital,” said Chairman and Chief Executive Officer Brian Moynihan.

“Our view of the economy reflects the activity by the one-in-two American households we serve, which points to a steadily growing economy. We see solid consumer activity across the board, with spending by Bank of America consumers up 5% this quarter over the second quarter of last year.

“Our customers gave us more of their assets to handle for them. That includes an increase of $75 billion in deposits, with $37 billion from consumers. And customers gave us more of their investment dollar, as we reached $2.9 trillion in balances. This quarter, we also regained the leading U.S. market share in lending to the important small business economy. These customers continue to engage in solid activity to build their businesses. We also see consistent borrowing and activity from our commercial and corporate clients, who are well positioned to take advantage of opportunities that arise as trade and other open issues are resolved. Importantly, we have seen improvement in our investment banking market share as we have repositioned that business.”

“Diluted EPS grew 17% from the year-ago quarter, aided in part by the repurchase of 7% of our shares in the past twelve months as book value per share grew 10% and capital and liquidity measures strengthened,” said Chief Financial Officer Paul Donofrio. We have recorded eighteen consecutive quarters of positive operating leverage while consistently making significant investments in the franchise. In the next twelve months, we plan to return $37 billion to shareholders through common dividends and share repurchases.”

Visit the Bank of America Newsroom for the full news release and supplemental second-quarter Financial Information, including information about the non-GAAP financial measures contained herein.
Financial Highlights

• Net income of $7.3 billion rose 8%, driven by continued positive operating leverage and strong asset quality
• Diluted earnings per share of $0.74 rose 17%
• Revenue, net of interest expense, of $23.1 billion increased 2%
  – Net interest income (NII) rose 3% from increased interest rates and growth in loans and deposits; noninterest income increased nearly 2%
• Net interest yield (FTE basis) of 2.44%, up 3 bps
• Provision for credit losses stable at $857 million
  – Net charge-off ratio remained low at 0.38%
• Noninterest expense up modestly to $13.3 billion; efficiency ratio improved to 57%
• Average loan and lease balances in business segments rose $34 billion, or 4%, to $906 billion
  – Consumer and commercial loans each up 4%
• Average deposit balances rose $75 billion, or 6%, to $1.4 trillion
• Repurchased $6.5 billion in common stock and paid $1.4 billion in common dividends
  – Returned 112% of net income available to common shareholders
• Book value per share increased 10% to $26.41 per share

Business Highlights

Consumer Banking
• Net income rose 13% to $3.3 billion
• Loans up 6% to $296 billion
• Deposits up 3% to $707 billion
• Consumer investment assets up 15% to $220 billion
• Efficiency ratio improved to 45%
• 27.8 million active mobile banking users

Global Wealth and Investment Management
• Net income rose 11% to $1.1 billion
• Record pretax margin increased to 29%
• Total client balances of $2.9 trillion
• Loans up 3%; deposits up 7%
• Year-to-date net new Merrill Lynch households up 45%

Global Banking
• Net income decreased 9% to $1.9 billion
• Firmwide investment banking fees of $1.4 billion (excludes self-led)
• No. 1 in U.S. IPOs by both volume and deals
• Loans increased 5% to $373 billion
• Deposits increased 12% to $363 billion

Global Markets
• Sales and trading revenue of $3.2 billion, including net debit valuation adjustment (DVA) losses of $31 million
• Excluding net DVA, sales and trading revenue down 10% to $3.3 billion1
  – FICC down 8% to $2.1 billion1
  – Equities down 13% to $1.1 billion1

1 Represents a non-GAAP financial measure. See Appendix A for reconciliation of non-GAAP financial measures.
Bank of America Announces Planned Capital Distributions

Bank of America today announced that its board of directors has approved plans to increase capital returns to shareholders. The announcement follows completion of the Federal Reserve’s 2019 Comprehensive Capital Analysis and Review.

“By driving responsible growth, we have generated record earnings and consistent returns that allow us to invest in our company, deliver solid returns to shareholders, and also address some of the world’s most pressing priorities,” said Brian Moynihan. “Today’s announcement includes a plan to prudently return a portion of our excess capital above what is needed to grow the company.”

The board approved plans for the company to return as much as $37 billion to common stockholders over the next four quarters through an increased quarterly common stock dividend and common stock repurchases, based on the company’s current number of outstanding shares and share price. The company plans to increase by 20% its quarterly common stock dividend, to $0.18 per share, beginning in the third quarter of 2019. It has been authorized to repurchase approximately $30.9 billion in common stock from July 1 through next June 30. The buybacks would include approximately $0.9 billion in repurchases to offset shares awarded under equity-based compensation plans during the same period.

Since the beginning of 2015, the company has earned $87 billion in net income and returned $62 billion to common stockholders. This is in addition to other uses of capital previously announced by the company, which have included:

- Helping to support the economy by increasing loans by $195 billion across our lines of business since the end of 2014, growing 6% on an annualized basis,
- Sharing our success by awarding special bonuses to employees in each of the past two years, which covered more than 90% of our workforce,
- Raising our minimum wage to $17 per hour on the way to $20 per hour to be paid in 2021,
- Increasing our investment in low-carbon business activities by mobilizing an additional $300 billion by 2030 to bring to $445 billion our total commitment since 2007; we have deployed more than $126 billion over the past 12 years in support of environmental business efforts across the globe,
- Committing $5 billion to an affordable homeownership initiative for low- to moderate-income and multicultural home buyers and communities across the country.

“By driving responsible growth, we have generated record earnings and consistent returns that allow us to invest in our company, deliver solid returns to shareholders, and also address some of the world’s most pressing priorities.”

— Brian Moynihan, Chairman and Chief Executive Officer

Denise Ramos

The Bank of America Corporation Board of Directors appointed Denise L. Ramos as a director, effective immediately. Ramos, 62, retired in 2019 as the CEO, president and a director of ITT Inc., after serving in those roles since 2011. She joined the company in 2007, serving as the senior vice president and CFO before becoming CEO. Under her tenure as CEO, market capitalization for the company increased nearly three times to more than $5 billion.

Currently, Ramos is on the boards of directors for Phillips 66 and United Technologies Corp. She previously served on the board of Praxair, Inc. from 2014 to 2016.

“Denise’s leadership in multiple industries — engineering, aerospace and technology, energy and sustainability — brings additional diversity and executive perspective to our board,” said Brian Moynihan, chairman and chief executive officer.

Ramos has been appointed to the Audit, and Compensation and Benefits Committees of the Bank of America Board of Directors.

“Denise will bring great insights across a wide range of experiences and deep business acumen to the board,” said Jack Bovender, lead independent director.

Ramos was named fifth by Fortune on its 2014 Businessperson of the Year list, and that same year was honored by the New York Hall of Science with its Distinguished Leadership Award for her leadership in 21st-century science, technology, engineering and mathematics (STEM) learning, workforce development and commitment to establishing diversity throughout the STEM fields.

For more than two decades prior to joining ITT, Ramos held leadership positions in the oil and gas industry and also has significant retail and customer-centric experience. Her career began at Atlantic Richfield Company (ARCO), and she also served as senior vice president and corporate treasurer for Yum! Brands, CFO for the U.S. Division of KFC Corporation and CFO for Furniture Brands International.

She is a member of Phi Beta Kappa and received an MBA from the University of Chicago.
Apple Watch App to Be Integrated into Cashpro®

Bank of America Merrill Lynch has taken another step on its digital transformation journey with the introduction of Apple Watch capabilities into the CashPro® ecosystem. With this development, CashPro Mobile users will be able to pair their Apple Watch with their mobile token and generate a one-time password, delivering even greater convenience by:

• Making the security of a token available directly from Apple Watch.
• Eliminating the need to keep a physical token.
• Accelerating the ability to securely approve transactions.

Companies use the CashPro platform to manage their everyday treasury and lending needs. CashPro has more than 487,000 active users among the bank’s corporate, commercial and business banking clients. The CashPro Mobile app’s popularity continues to grow. In the first quarter of 2019, clients used the app to approve more than 300,000 payments, representing over $30 billion in value, a jump of 904% from the same period in 2018.

The addition of Apple Watch into CashPro follows a series of the bank’s technology improvements to the mobile experience, beginning with the CashPro Mobile app itself in 2017. Bank of America was the first bank to introduce a digital token, and last year, the company integrated that feature into the CashPro Mobile app, eliminating the need for users to toggle between screens. Other recent investments include biometrics, simpler navigation, enhanced user interface, a personalized home view that allows clients to take action on their most critical to-dos, and the ability to send feedback directly from the app.

To generate the token, the CashPro app must be installed on Apple Watch.

“Many people still carry their physical token on a key chain along with other banking tokens, which are bulky,” said Tom Durkin, head of Global Transaction Services (GTS) Channels at Bank of America Merrill Lynch. “Now, executives will no longer have to worry about forgetting to take their physical token when they are on the go, travelling for work or vacation. They’ll have everything they need on their iPhone and Apple Watch."

“We’re committed to expanding our digital capabilities,” said Julie Harris, head of Global Banking Digital Strategy at Bank of America Merrill Lynch. “Mobility — which offers the convenience of banking anywhere, anytime — is a critical priority for our clients, and that means it’s a critical priority for us. With the CashPro app now available on Apple Watch, we’re pleased to continue our innovative improvements on how and when clients can access tokens.”

Two Million Clients Have Maximized Their Cash Back by Choosing How They Earn Rewards

“Rather than providing the same rewards categories as competitors, we analyzed our clients’ spending habits to understand their spending priorities,” said Jason Gaughan, Bank of America credit card executive. “Our research and direct client feedback helped us identify six rewards categories popular with consumers: gas, online shopping, dining, travel, drug stores and home improvement and furnishings.”

As a result of the feedback, we introduced the new Bank of America Cash Rewards credit card. It gives our clients the opportunity to earn 3% cash back on gas, or change it to one of five other popular categories as often as once each calendar month — an offering unmatched in the credit card industry.

Early Results

Since launching in January, more than two million people have already taken advantage of the flexibility to select their 3% choice category at least once. So far, Online Shopping and Dining represent the most popular category selections.

While at the same time adding the feature of selecting their earning category, we are continuing to offer the perks our clients love, including automatically earning 2% cash back at grocery stores and wholesale clubs and unlimited 1% cash back on all other purchases. Plus, Preferred Rewards members can earn 25%-75% more cash back on every purchase. That means they could earn up to 5.25% cash back in their choice category.
Mobile Banking Enhancements Deliver Industry-Leading Functionality to 28 Million Clients

Our 28 million Mobile Banking clients now have the ability to do more of their banking on the go.

The latest updates to our award-winning Mobile Banking app include several digital features to make banking easier and more convenient.

Introducing the Digital Debit Card
Now, our clients can request a digital debit card through our Mobile Banking app. The digital debit card has the same protections and benefits of a physical debit card, is available for immediate use, and can be added to mobile wallets like Apple Pay®, Samsung Pay and Google Pay.

Through the mobile app, eligible clients can request a digital debit card for a new or replacement debit card and then can instantly and securely:
- Pay in stores, through apps and online using a mobile wallet.
- Shop online by accessing all necessary card details in Mobile Banking.
- Get cash and make deposits at Bank of America’s cardless ATMs.

“Our goal in digital banking is to bring never-before-possible convenience to clients,” said David Tyrie, head of Advanced Solutions and Digital Banking. “With our new digital debit card, clients can transact immediately and avoid waiting for their permanent card. This feature is one of several new digital offerings that reinforce our commitment to making clients’ financial lives easier.”

Additional Enhancements to Help Manage Finances On the Go
Zelle® for your business — Small Business clients now have a digital payment alternative to cash and checks. Last month, Zelle for your business launched in Online Banking and is now available in the Mobile Banking app. Zelle helps Small Business clients to send payments, receive payments, request money and split a request.

Consumer Card Balance Transfer and Direct Deposit Cash Advances — Consumer credit card holders are now able to access flexible borrowing solutions right from their phone. The new Transfer Balance or Get Cash feature from Account Details provides the ability to:
- View promotional offers and submit Balance Transfer or Direct Deposit Cash Advance requests.
- Use a simple savings calculator to illustrate potential savings from a Balance Transfer.
- View Transfer History to monitor the status of requests.

Mobile Orders — This feature, available in the coming weeks, allows those traveling internationally to plan ahead and order foreign currency, with the ability to choose a specific financial center for pickup or have it delivered to their home — receiving mobile notifications every step of the way. Small business clients can take advantage of Mobile Orders to preorder bills and coins in the denomination they need to keep their business moving. Clients can select a specific financial center for pickup and track their orders with real-time alerts and updates.

Preferred Rewards mobile updates — Consumer clients eligible to enroll in Preferred Rewards will be able to activate their membership anywhere, anytime using their mobile device. In addition, Erica will let them know when they are closing in on qualifying for Preferred Rewards by showing progress toward eligibility and highlight the benefits and rewards for all tiers of the program.

Erica updates — In addition to the Balance Watch insight, Erica can also assist with common inquiries such as requesting an existing debit PIN be mailed, providing enhanced help to find transactions that are in process, and helping consumer and small business clients understand why their card was declined. Erica will also help guide clients to where they can find the new Mobile Orders, balance transfer, and Zelle for business functionality.

Clients Use Erica to Complete 55 Million Requests in Its First Year

Since launching nationally last June, more than seven million clients have used Erica, which incorporates the latest in artificial intelligence (AI), predictive analytics and natural language processing. More than 500,000 new users per month are signing up to use the virtual financial assistant.

Our clients have used Erica for more than 55 million requests, ranging from assistance with their everyday banking activities to more complex tasks like asking for the balance in an account. Erica’s capability to answer questions, which is called conversational knowledge, has doubled in size in a year. Clients can now ask Erica their financial questions up to 400,000 different ways and receive answers.

Providing Valuable Financial Insights
Late last year, we launched the proactive insights feature to give clients greater visibility into their full financial picture. Since then, daily engagement with the feature has doubled to 150,000 clients weekly.

Throughout the remainder of 2019, we will continue to expand and refine Erica’s capabilities. Next month, we will launch a Balance Watch insight that will notify clients when their typical spending has the potential to take their balance below $0 in the next seven days.

Additional enhancements are also planned that will provide our clients further insights and guidance on optimizing cash flow, managing debt, monitoring transactions, capitalizing on savings opportunities, and balancing competing priorities to reach critical financial goals.

The personalized, proactive and predictive nature of Erica’s guidance is what will continue to make the solution unique and powerful,” said David Tyrie, head of Advanced Solutions and Digital Banking. “It’s been a solid first year, but we’re just beginning to scratch the surface of Erica’s full potential to transform the experience we’re delivering and help our clients live their best financial lives.”

Learn more about Erica milestones.
Student Leaders gain perspective to improve local communities at 2019 summit

More than 90 members of Congress, 5,000 Red Cross relief kits, five national monuments, 283 student leaders. These are just some of the numbers that defined the 2019 Student Leaders Summit in Washington, D.C.

Since 2004, through our Student Leaders program, we’ve worked with nearly 3,500 high school students to help them develop workforce and leadership skills as part of our broader commitment to connect youth and young adults to training and jobs that will help them chart a path for success within the communities we serve.

In honor of the 15th year of the program, we have expanded Student Leaders to even more communities, making this year a record with the largest group of students ever in the program. This year, 283 students were offered paid internships at a local nonprofit and invited to attend a leadership summit in Washington, D.C.

One of the goals of the summit is to provide the students with perspective on how the private sector, government and nonprofits work together to create positive change. This year’s topics included how to build a more inclusive society, empathizing with the struggles of low- and moderate-income communities, and the importance of financial literacy through Better Money Habits®.

CEO and Chairman Brian Moynihan and Dimitri Rodriguez, a Student Leader alumnus now employed at the bank, discussed how these young leaders can continue to make an impact regardless of their career choices.

Participants attended a private tour of the Americans and the Holocaust exhibit at the United States Holocaust Memorial Museum.

During the summit, the students gained a new understanding of what it means to serve others and to stand as leaders within their own communities. Afterward, they returned to their nonprofit internships better equipped to lead and make change within their organizations using the skills they learned during this extraordinary week.

Bank of America Summer Internship Class Most Diverse on Record

This week, Bank of America welcomed its most diverse class of summer interns to the company. The global class of more than 1,500 interns is 47% female (up from 45% last year), and its U.S. class is 57% people of color (up from 55% last year).

Bank of America has a multi-faceted recruitment process that puts the focus on the candidate experience and recruiting the most diverse slate of talent into its programs. Through strong diversity partnerships and a global footprint, the company hires from more than 350 universities around the world, with on-campus sourcing at nearly 100 core schools. Over the past year, Bank of America has increased its work with Hispanic-Serving Institutions (HSIs) in key locations, including Puerto Rico, and has expanded its recruiting efforts at four Historically Black Colleges/Universities (HBCUs). The bank has also attracted students from a further 28 HBCUs through virtual and national efforts to reach previously untapped talent. In addition, since 2013, Bank of America has hired 168 interns from universities in Côte d’Ivoire, Egypt, Ghana, Kenya, Nigeria, South Africa, Togo, Uganda and Zimbabwe through its Africa Internship Program.

“Our Summer Internship Program is a primary source of hiring into full-time roles, so we seek the best and most diverse slate of candidates,” said Sheri Bronstein, chief human resources officer at Bank of America. “Over the course of our summer program, interns are surrounded by professionals who guide them as mentors, champions and advisors, helping us build a strong pipeline of future leaders.”

Hear from full-time employees, many of whom started out in Bank of America’s Summer Internship Program.

Over their 10 weeks with the company, interns will get a taste of how a full-time role at Bank of America could look. Through mentoring programs, leadership speakers and events, structured performance evaluations, training, development and community service days, candidates will expand their knowledge and hone their skills. Through a partnership with Thrive Global, this year, Bank of America has incorporated wellness training into the program to help the interns balance work, life and general well-being early in their careers, setting them up for future success. Students also have access to the bank’s unique Life Event Services team, a group of highly specialized professionals who provide personalized connections to resources and benefits by tapping internal and external experts in the moments that matter most in our teammates’ lives.
More People Want the Power to Buy a Home, So We’re Expanding America’s Home Grant® Enterprisewide

We expanded the America’s Home Grant® program to eligible clients in more than 750 cities and counties. The grant is a bank-funded lender credit of up to $7,500 that can be applied to nonrecurring closing costs, including permanent interest rate buy downs.

“We are thrilled to expand the reach of our America’s Home Grant program. Now we can help clients across the country who can afford a monthly mortgage payment, but need a hand with the upfront costs of homeownership,” said Neighborhood Lending Executive AJ Barkley.

We are seeing how our $5 billion affordable homeownership commitment is helping make homeownership a reality for more clients. Today, more than half of our home loans are from low- to moderate-income and multicultural clients, and 82% of clients who received an America’s Home Grant are first-time home buyers.

In addition to America’s Home Grant, we’ve introduced quite a few changes to support affordable homeownership throughout the last several months, including:

• A $0 Lender Origination Fee for clients who close a FHA, VA, Affordable Loan Solution® or Freddie Mac® Home Possible® mortgage with us. The offer is available on first mortgage applications taken until October 31. The offer is not available on subject properties in Arkansas, Georgia and Oregon.

• Guideline enhancements to Affordable Loan Solution®, Freddie Mac® Home Possible® and FHA mortgages.

• Enhanced pricing on affordable products in select markets where clients purchase or refinance properties located in low- to moderate-income census tracts.

• Our ongoing commitment to expand expertise in serving low- and moderate-income clients and communities by tripling the number of community lending officers this year.

“Providing a path to sustainable homeownership has been a long-standing tradition for Bank of America,” said Head of Consumer Lending D. Steve Boland. “The enterprise wide expansion of America’s Home Grant is another exciting step towards helping more clients achieve their homeownership dreams.”

We’re Expanding Our Environmental Operations Commitment Through the Onsite Solar Initiative

We are demonstrating our commitment to clean, renewable energy by announcing the expansion of our environmental operations commitment through our Onsite Solar Initiative.

Over the next three years, we will install solar panels across multiple locations, including financial centers, ATMs, office locations and other operational buildings. The initiative is expected to generate more than 25 megawatts of renewable electricity, which will directly power the bank’s operations in select locations with clean, renewable energy.

“Low-carbon energy programs like this demonstrate how Bank of America is working to meet our goal to use 100% renewable electricity by adding new solar sources and energy options to our operational footprint,” says Tom Scrivener, Global Real Estate and Enterprise Initiatives executive. “The Onsite Solar Initiative is a critical component that will directly offset the bank’s energy use and lower energy costs, resulting in an estimated savings of $50 million over 25 years.”

Going Solar Coast to Coast

To date, a total of six financial centers in California, Florida and Pennsylvania and two office locations, one each in Nevada and North Carolina, are already benefitting from the energy savings and low-carbon enhancement through the bank’s onsite solar installations. This year we plan to install solar panels at 15 financial centers and on 10 ATMs. Over the next three years, we expect to add more than 60 solar installations across our operations.

“Having solar energy onsite to power our facilities is part of our responsible growth strategy and reduces our operational impact on the environment,” said Andrew Plepler, global head of Environmental, Social and Governance. “This work, along with our LEED certifications at our financial centers and other locations, provides not only an innovative experience for our clients, but is key to our role in helping to accelerate the transition to a sustainable, low-carbon economy while supporting the communities where we work and live.”

The company’s total sourcing of renewable electricity in 2018 was 1.8 million megawatt hours (MWh), amounting to 91% of our global energy use — the equivalent of powering 153,000 homes for one year. The bank expects to directly use all of the renewable electricity we generate onsite from these solar installations for our operations.
We Asked Employees What They Would Like the Power to Do?
13 Outstanding Ideas Receive a $50,000 Grant

Every day, our employees help deliver on our purpose to make financial lives better, through the power of every connection. That’s why we recently invited all teammates to answer the question: “What would you like the power to do?” and share with us how they would put a $50,000 grant to work in their community.

Nearly 2,800 teammates took the time to consider and share their ideas. Responses came from around the world, each line of business and staff support area, and every U.S. local market. The ideas were thoughtful, diverse and incredibly powerful.

An executive selection committee led by Andrew Plepler, global head of Environment, Social and Governance (ESG), vetted submissions and identified 13 outstanding ideas contributing to economic mobility, the environment, and arts and culture that will each become a reality in partnership with an eligible local nonprofit, support from a work team within the bank, and a $50,000 grant.

“We are at our very best when we match our resources and the skills of our teammates with the needs in our communities,” said CEO Brian Moynihan. “The responses we received to this opportunity underscore how active teammates are in their communities and the passion they have to improve the lives of individuals and families in the communities they serve.”

Given the unprecedented volume and quality of submissions, additional employee ideas are being considered for recognition opportunities in the coming months. Meet the initial winners announced at the Global Town Hall and read about their ideas below.

Emily Boydston from Fort Worth, Texas — Helping victims of sexual assault
What would you like the power to do? I would like the power to empower victims of sexual assault and create an environment in which those victims can begin the healing process.

Karin Conroy from Charlotte — Enhancing the dignity of homeless persons
What would you like the power to do? I would like the power to provide the Charlotte homeless community dignity, motivation and hope to launch them into a better future.

Ravi Daga from Santiago, Chile — Helping girls in Latin America access STEM careers
What would you like the power to do? I would like the power to motivate and help more girls in Latin America to get into STEM fields.

David Gray from Lakeside Park, Kentucky — Giving back to veterans
What would you like the power to do? I would like the power to help guide military heroes to a brighter and better place.

Susan Harmon from Williamsburg, Virginia — Assisting people with disabilities
What would you like the power to do? I would like the power to help adults with disabilities overcome a simple obstacle to work.

Brian Hosage from Charlotte — Helping foster children attend college
What would you like the power to do? As a former foster child, I would like the power to help other foster children attend college.

Li-Wen Kang from Greater Maryland market — Providing children with exposure to the arts
What would you like the power to do? I would like the power to provide early exposure and advanced instruction in the arts to Baltimore City elementary and middle school children in dance, theatre, visual arts, music, and visual story telling.

Sanjay Mitra from Gurugram, India — Empowering women in careers and social change
What would you like the power to do? I would like the power to help provide young women in India with employable skills and capacity to advocate for social changes.

Ashton Ngwena from New York — Providing access to higher education for African children
What would you like the power to do? I would like the power to unlock higher education opportunities for African children from underprivileged financial backgrounds, starting in Zimbabwe.

Alexander Perry from New York — Helping homeless children
What would you like the power to do? I would like to give kids facing homelessness opportunity during the most crucial time in their lives.

Rob Whitehouse from London, UK — Assisting isolated, disadvantaged families
What would you like the power to do? I would like the power to provide funding to a local charity based in the borough of Westminster, London, that works with isolated, disadvantaged families.

Natalie Woods from Amarillo, Texas — Supporting children of incarcerated parents
What would you like the power to do? I would like to provide a “Road to Hope” for teens of incarcerated parents by assisting with post high school job training expenses or tuition, coupled with mentorship type support and encouragement.

Heather Ciminesi and the Tampa Bay My Environment team — Keeping waste out of waterways
What would you like the power to do? The Tampa Bay My Environment team would like the power to keep waste out of our waterways.
Furthering our Commitment to Diversity and Inclusion — A Courageous Conversation on Privilege and Power

As part of our commitment to diversity and inclusion, we invest in being a great place to work by giving our employees the support they need to make an impact and drive responsible growth. Let’s Get Real…® is a diversity and inclusion learning program focused on encouraging inclusive leadership behaviors and candid conversations on diversity topics.

Recently Christy Knight, Diversity and Inclusion executive, led a conversation about privilege and power. She was joined by Luvvie Ajayi, award-winning author, speaker and digital strategist, who is committed to using her voice to promote gender and racial justice. During this session, Ajayi facilitated a “Privilege Walk” exercise to encourage understanding of how to use our privilege and power to find common ground with others and drive inclusion at work and in our communities.

What I love about the Let’s Get Real… sessions is that they promote inclusion,” said Knight. “The key to working well together is not only understanding that each of us has different life experiences and perspectives that make us who we are, but to respect each other even when we don’t agree. These conversations help us to better understand and appreciate who we are as individuals, colleagues, and who we are as a company.”

Oftentimes, privilege is something we have no control over like our race, ethnicity, or age. It could also be our education, geographical location and life experience.

Global Diversity & Inclusion Council — Investing in Talent

We’re committed to being a diverse and inclusive company, and leading the charge is our Global Diversity & Inclusion Council (GDIC). The council, which is comprised of leaders from every line of business and region, meets regularly to discuss how we continue to drive our global diversity and inclusion strategy, and ensure a focus on diversity and inclusion is incorporated into the priorities for each line of business and region.

CEO Brian Moynihan serves as Chair with Chief General Auditor Christine Katziff as Executive Vice Chair. Vice Chairs of the GDIC are D. Steve Boland, head of Consumer Lending, Lorna Sabbia, head of Retirement & Personal Wealth Solutions, and Puma Saggurti, chairman, Global Corporate & Investment Banking.

“Thanks to the GDIC, we continue to lead the industry in our diversity and inclusion efforts,” said Christine. “From the progress we’ve made in representation to the incredible engagement we have in our programs like courageous conversations and our Employee Networks, it’s clear that diversity and inclusion are ingrained into our culture, and core to our company’s strategy.”

Welcome New Members

Members of the GDIC represent all lines of business and regions where we have employees and serve clients. The Q2 meeting was an opportunity to welcome three new members to the GDIC.

Second Quarter Meeting Highlights

During the second quarter meeting, the GDIC discussed progress and opportunities related to representation of women and ethnically diverse talent. The council also heard from representatives from the new Asian Advisory Council and Global NextGen Council.

Priorities for the Asian Advisory Council, sponsored by Chief Risk Officer Geoff Greener, include a focus on increasing the visibility of Asian American Leaders at the company, engagement with our Asian Leadership Network to represent the Asian community in leadership forums, and influence business strategies to serve the Asian community.

The Global NextGen Council, sponsored by Dean Athanasia, president of Consumer & Small Business, is comprised of millennial talent that helps advise on what matters to the millennial generation to develop a strategy to recruit, develop and engage millennials throughout our company.
Happy Birthday, Opal! Celebrating with Our 112-Year-Old Retiree

On June 4, Opal Goode celebrated her 112th birthday at a party surrounded by family, friends, Bank of America employees and the local community, who were all there to honor our oldest-living retiree at our financial center in Ridgewood, Calif.

Local Market Manager Karen Zuber said, “Opal has been a steady and uplifting presence to this financial center. When I found out it was going to be her 112th birthday, we just had to plan a party for this incredible woman — who acts years younger than her age, I might add.”

The Beginning
Opal became a Bank of America employee in 1946. It all started when her neighbor, who worked at the bank facility located near the China Lake Naval Air Weapons Station, asked Opal to come work. Opal who was on her knees scrubbing her kitchen floor at the time, quipped, “I am working.”

Many of the local men were serving in the Navy and so, Opal explained, “there was no one to hire.” Many of the men were serving in the Navy and so, Opal explained, “there was no one to hire.” That day marked the beginning of Opal’s long-standing service with the bank, where she started as a part-time teller and retired 23 years later as branch manager. Not only was she breaking glass ceilings during her tenure, but she was also breaking down the four walls between the branch and her community.

Designate a Trusted Contact for Your Accounts

Bank of America is committed to making our clients’ financial lives better through the power of every connection. One way we’re doing that is by helping to protect our clients from fraud or abuse, especially our elderly or at-risk clients.

Recently, we became the first major financial institution to provide a trusted contact designation process for consumer clients. Similar to the process used by financial advisors for Merrill clients, consumer clients can now choose a designated person (age 18 or older) who the bank can speak to on their behalf, if necessary.

While a trusted contact is not authorized to conduct transactions on the account, they can:
- Address possible financial exploitation

In the Community
While Opal’s service at the bank is impressive, even more impressive is her impact on the community. Almost half a century later, she still attends work-related events in the community and regularly visits her local financial center. Opal’s dedication to the bank and community warrants celebration and recognition, and that’s exactly what she received.

Bank of America CEO Brian Moynihan and retired Bank America CEO Richard Rosenberg sent birthday cards to Opal, which were presented to her along with gifts from Congressman Kevin McCarthy. The mayor of Ridgecrest, local residents and retired bank colleagues also celebrated Opal, sharing fond memories of her throughout the years.

The Los Angeles Times, the local daily paper and three TV affiliates covered the milestone event.

Take Advantage of Special Retiree Banking Discounts

We are proud to offer our employees and retirees special benefits and relationship discounts. As a retiree, you can enjoy Preferred Rewards Platinum Tier Benefits as long as you have an active checking account with Bank of America.

You don’t need to meet the $50,000, three-month average balance requirement. Preferred Rewards Platinum status offers you many great benefits, for example:
- 50% Rewards Bonus on eligible Bank of America Credit Cards
- 10% Savings Interest Rate Booster on a Rewards Savings Account
- No-fee ATM transactions (withdrawals, balance inquiries and balance transfers)

with a Bank of America debit or ATM card at non-Bank of America ATMs in the U.S.
- Up to 30 free trades per month with Merrill Edge

Also, consider coming to Bank of America first when thinking about purchasing a new home or refinancing, as you can receive a reduction in the discount points on a home purchase or refinancing loan. You can use the 1.0 discount point to buy down the interest rate or apply it to offset closing costs.

Learn more about available discounts and how to apply.
Recognition Highlights Q2 2019

Great Place to Work

Euromoney magazine named Bank of America the World’s Best Bank for Diversity and Inclusion. The global D&I award goes to the firm that shows a strong track record for initiatives promoting diversity and inclusion within their own company, and the markets and industry more generally. In addition to this prestigious award, Bank of America also received four regional accolades for excellence in financing, digital, small- and medium-sized enterprises and corporate responsibility.

Business Capabilities

Bank of America ranked No. 1 in the Dynatrace Q2 2019 Online Banker Scorecard — our 21st consecutive first place finish. The No. 1 ranking was driven by top marks in seven of nine categories: functionality, ease of use, look up information, get service, quality & availability, learn & plan, and open accounts.

Money magazine named Bank of America the Best Bank for College Students, citing the Advantage SafeBalance account as the best for students for its lack of overdraft fee and reasonable out-of-network ATM fee.

For the 10th year, marketing firm J.D. Power certified our Corporate and Commercial Banking contact centers for providing “an outstanding customer service experience” to our Global Transaction Services (GTS) clients.

Service to Companies and Investors

The Banker

Bank of America Merrill Lynch was recognized in The Banker’s Deal of the Year Awards 2019 for several winning deals across the globe including in Europe, Africa, Asia and the Americas.

Global Finance named Bank of America as Best Bank in the United States for 2019 in its annual awards for the World’s Best Banks. The awards honor winners in 149 countries and seven global regions, as well as eight regions of the U.S.

Retiree Resources to stay up to date on Bank of America:

bankofamerica.com/retirees  bankofamerica.com/about

Appendix A: Reconciliation of GAAP and Non-GAAP Financial Measures

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter 2019</th>
<th>Second Quarter 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and trading revenue</td>
<td>$3,242</td>
<td>$3,451</td>
</tr>
<tr>
<td>Net DVA losses (gains)</td>
<td>31</td>
<td>179</td>
</tr>
<tr>
<td>Sales and trading revenue, excluding net DVA</td>
<td>3,273</td>
<td>3,630</td>
</tr>
<tr>
<td>Equities sales and trading revenue</td>
<td>$2,098</td>
<td>$2,132</td>
</tr>
<tr>
<td>Net DVA losses (gains)</td>
<td>30</td>
<td>184</td>
</tr>
<tr>
<td>Equities sales and trading revenue, excluding net DVA</td>
<td>2,128</td>
<td>2,316</td>
</tr>
<tr>
<td>Fixed-income, currency and commodities sales trading revenue</td>
<td>$1,144</td>
<td>$1,319</td>
</tr>
<tr>
<td>Net DVA losses (gains)</td>
<td>1</td>
<td>(5)</td>
</tr>
<tr>
<td>Fixed-income, currency and commodities sales trading revenue, excluding net DVA</td>
<td>1,145</td>
<td>1,314</td>
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</table>

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Investment products offered by Investment Banking Affiliates:
Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed
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