

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☐ Definitive Proxy Statement

☒ Definitive Additional Materials

☐ Soliciting Material Pursuant to § 240.14a-12

**Bank of America Corporation**

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(Name of Registrant as Specified in its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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# Bank of America Corporation

Overview of Our Responsible Growth Strategy,  
Corporate Governance and Executive Compensation  
Practices, and Environmental and Social Initiatives

March 2017

**Bank of America** 

Bank of America Merrill Lynch U.S. Bank of America  
America Lynch Trust Merrill Lynch

## Executive Summary

- Successful execution of our [responsible growth strategy](#) through a [less complex, more straightforward business model](#), underpinned by a [sound capital structure and reduced risk](#), has enabled us to establish and maintain [industry-leading positions](#) across our businesses
- Commitment to our [Board-driven stockholder engagement program](#) and to evaluating and reviewing input from our stockholders as we execute our long-term strategy
- Our Board is comprised of [highly-engaged members whose expertise and experience are directly relevant to the needs of our business, long-term strategy, and evolving industry](#)
- Our [Board has created a robust process to provide objective, independent Board leadership and oversight](#) and regular Board refreshment
- Our [disciplined compensation program and performance assessment process](#) aligns pay with performance and encourages long-term focus
- Our [environmental, social, and related governance \(ESG\) initiatives](#), including more recent improvements to our human capital management practices (e.g., increasing minimum wage requirements to \$15 an hour for U.S. employees and enhancing parental leave policy), are integrated into our eight lines of business so that [we are growing the right way](#)



Our Board recommends voting [for](#) all management proposals and [against](#) all stockholder proposals

## Integrated Business Model & Industry Leading Positions Across Our Eight Lines of Business



<sup>1</sup> Defined as GWIM.

<sup>2</sup> Source: June 2016 FDIC deposit data, adjusted to remove commercial balances.

<sup>3</sup> Source: Competitor 4Q16 earnings releases.

<sup>4</sup> Source: Greenwich Associates.

<sup>5</sup> Source: Institutional Investor Magazine 2016.

# Transformed and Simplified Company

## Reorganized to Focus on Customers' Core Needs

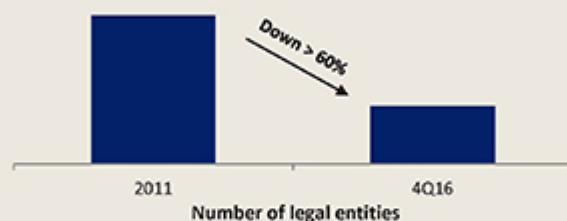
\$74B

- Sold/divested over \$74B in non-core operations and assets<sup>1</sup> including:
  - Equity interests in other financial institutions
  - Non-core credit card portfolios
  - Ancillary mortgage businesses
  - International wealth management
  - Correspondent / wholesale lending
  - Proprietary trading
- Prioritized resources within Global Banking and Global Markets towards developing long-term relationships with our key clients

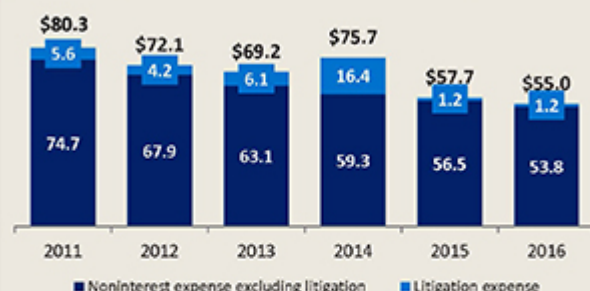
## Simplified Product Set Offered to Consumers

- Simplified consumer products to engage clients around their life priorities
- Eliminated 150+ products offered across:
  - Checking
  - Credit Card
  - Savings
  - Home Loans
  - Business Loans
  - Auto Loans

## Decreased Complexity



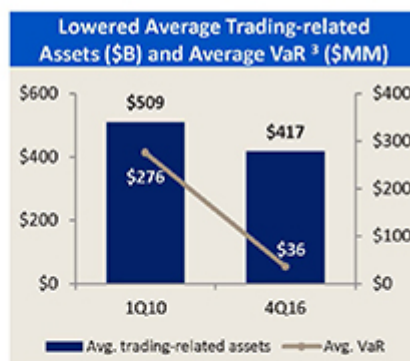
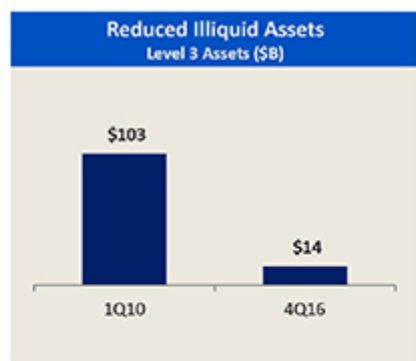
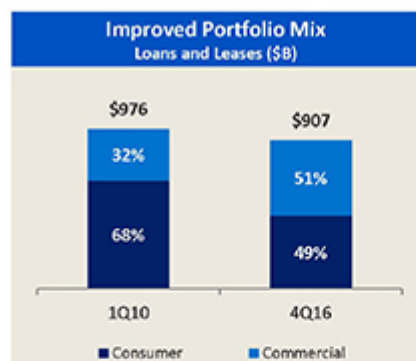
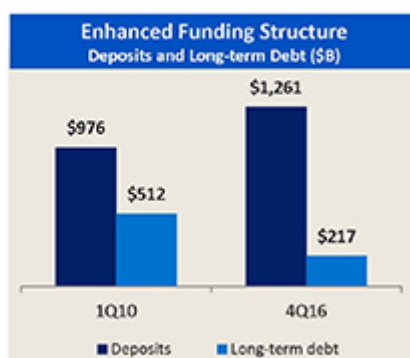
## Significantly Improved Cost Structure (\$B)<sup>2</sup>



<sup>1</sup> Since 2010.

<sup>2</sup> Noninterest expense for 2011 would be \$77.1B if goodwill impairment of \$3.2B in 2011 was excluded, which represents a non-GAAP financial measure.

# Strengthened Balance Sheet and Reduced Risk <sup>1</sup> (end-of-period, except as noted)

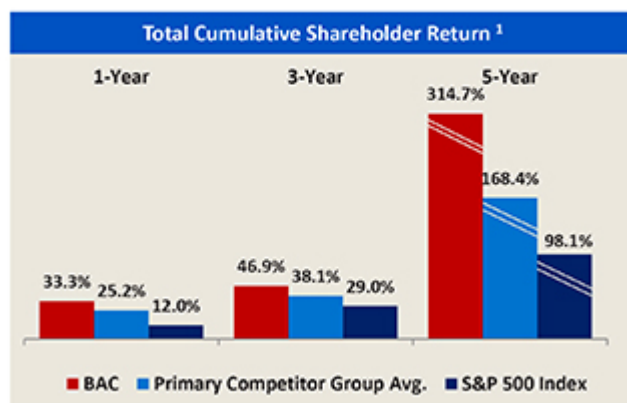
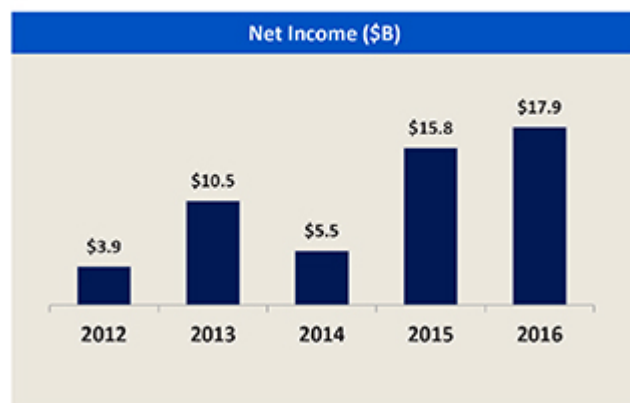


<sup>1</sup> 1Q10 used for comparison purposes as 1Q10 was the first period following adoption of Financial Accounting Standards Board Statements 166/167.

<sup>2</sup> The common equity ratio is defined as common shareholders' equity (total shareholders' equity minus preferred stock) divided by total assets. The tangible common equity ratio, which is a non-GAAP financial measure, was 5.2% for 1Q10 and 8.1% for 4Q16. The tangible book value per share, which is a non-GAAP financial measure, was \$11.70 for 1Q10 and \$16.95 for 4Q16. See reconciliation to GAAP financial measures in Appendix.

<sup>3</sup> Defined as value at risk; VaR model uses historical simulation approach based on three years of historical data and an expected shortfall methodology equivalent to a 99% confidence level.

## Long-Term, Sustainable Growth



<sup>1</sup> As of December 31, 2016. Includes stock price appreciation as well as dividends. Primary competitor group includes Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo.

<sup>2</sup> ROAAC defined as return on average allocated capital.

<sup>3</sup> Efficiency ratio and line of business revenue shown on a fully taxable equivalent (FTE) basis.



## Solid Progress Towards Long-term Financial Targets

### Bank of America Long-Term Financial Targets

1% ROA <sup>1</sup>

12% ROTCE <sup>2</sup>

~60% Efficiency ratio

Increase capital return to shareholders

#### 2016 Results

- ROA of 0.82%
- ROE of 6.7% (ROTCE of 9.5% <sup>3</sup>)
- Efficiency ratio of 66%
- Distributed \$7.7B in capital through common stock gross repurchases and dividends
- Common equity tier 1 (CET1) ratio of 11.0%, fully phased-in CET1 ratio of 10.8%; <sup>4</sup> exceeds 2019 required minimum of 9.5%

#### Common Dividends and Gross Share Repurchases (\$B)



Note: Amounts may not total due to rounding.

<sup>1</sup> ROA is defined as return on assets.

<sup>2</sup> ROTCE is defined as return on average tangible common equity and is calculated as net income applicable to common shareholders divided by average tangible common shareholders' equity.

<sup>3</sup> 2016 ROTCE result is a non-GAAP financial measure. See reconciliation to GAAP financial measures in Appendix.

<sup>4</sup> Fully phased-in CET1 ratio is a non-GAAP financial measure. See reconciliation to GAAP financial measures in Appendix.

# Commitment to Board-Driven Stockholder Engagement

*Our commitment to stockholder outreach, and the Board's oversight of this engagement, is codified in our Corporate Governance Guidelines and Corporate Governance Committee charter*

## Bank of America Stockholder Engagement Activities (Fall 2016—Early 2017)

Outreach	Engagement	Proactive Communication	Evaluation and Response
<ul style="list-style-type: none"><li>✓ <b>Updated top 100 stockholders</b>, who own more than 50% of our outstanding shares, and key stakeholders with company news and recent events</li><li>✓ <b>Attended conferences to meet with governance representatives</b> from key stockholders and stakeholders</li></ul>	<ul style="list-style-type: none"><li>✓ <b>Met stockholders and key stakeholders</b> owning approx. 34% of our outstanding shares</li><li>✓ <b>Independent directors, including our Lead Independent Director</b>, joined meetings with stockholders owning approx. 29% of our outstanding shares</li></ul>	<p>During engagement discussions, listened to comments and addressed issues of importance to stockholders and stakeholders, including:</p> <ul style="list-style-type: none"><li>✓ ESG framework and linkage with business strategy</li><li>✓ Board refreshment and policies restricting overboarding</li><li>✓ Board leadership and role and duties of Lead Independent Director</li><li>✓ Human capital management practices</li><li>✓ Consumer business practices</li></ul>	<ul style="list-style-type: none"><li>✓ Board and its committees regularly updated with feedback</li><li>✓ <b>Enhanced proxy statement disclosures</b> to respond to identified topics</li><li>✓ Board and its committees plan to further <b>examine certain identified topics</b> during 2017, including director retirement age and tenure</li></ul>

## Governance Practices Informed by Stockholder Feedback

### Governance and Compensation Practices Reflect Ongoing Board Review of Best Practices and Stockholder Input

<b>Stockholder Rights &amp; Director Accountability</b>	<ul style="list-style-type: none"> <li>• Robust, well-defined Lead Independent Director role</li> <li>• Outside directorships limited to 4 (including our Board) and 3 for public company chief executive officers</li> <li>• One of the first public companies to establish a proxy access right (3%/3 year ownership threshold)</li> <li>• Special meeting right at 10% ownership threshold</li> <li>• Annual election of directors with a majority vote standard</li> <li>• No Supermajority provisions; no Dual-class voting shares</li> </ul>
<b>Compensation Governance Best Practices</b>	<ul style="list-style-type: none"> <li>• Three separate and distinct clawback &amp; cancellation features apply to all executive officer equity awards</li> <li>• Incentive Compensation Forfeiture &amp; Recoupment Disclosure Policy</li> <li>• Robust stock ownership and retention requirements: CEO               <ul style="list-style-type: none"> <li>◦ must own at least 500,000 shares; and</li> <li>◦ retain 50% of net after-tax shares received from equity awards until one year after retirement</li> </ul> </li> <li>• Review feedback from independent control functions in performance evaluation and compensation decisions</li> <li>• Historical Say on Pay support ranging from 92.9% to 94.8%</li> </ul>
<b>ESG Leadership</b>	<ul style="list-style-type: none"> <li>• Published a Business Standards Report in early 2016 to provide increased transparency on processes and standards, culture, governance, risk management, and business practices</li> <li>• Enhanced our ESG disclosure               <ul style="list-style-type: none"> <li>◦ 2016: ESG Addendum to the Business Standards Report, which contains information about our key ESG initiatives, considerations, goals, and achievements</li> <li>◦ 2017: Environmental, Social and Governance Highlights for 2016</li> </ul> </li> <li>• Further expanded disclosures regarding political activities and lobbying in 2016 to include a more detailed discussion of our participation in the political process</li> </ul>

## Interconnected Governance Practices Continue to Strengthen Our Board's Effectiveness



- **Board continuously enhances the director recruiting and selection process**
  - Strives to achieve a proper **balance of perspectives** from new directors and those of longer-serving directors
  - Maintaining **robust, diverse pipeline** of candidates enables the Board to add skills and expertise needed as our business evolves; pipeline is supported by **two director search firms**
  - **Two new directors** added in 2016; they **bring deep experience** in financial services, technology, and consumer services to support our long-term strategy
- 
- **Lead Independent Director** responsibilities extend beyond those of a traditional lead director
  - Independent directors meet privately in executive session at each regularly scheduled Board meeting (13 executive sessions held in 2016)
  - **Board formally reviews CEO and senior management succession** and development plans at least annually, and **assesses candidates** during Board and committee meetings and in less formal settings
- 
- Board and its committees conduct **intensive annual self-assessments**
  - **Directors provide feedback annually on Board effectiveness**, focusing each year on areas including Board composition, culture, focus, and process
  - **Regular Board assessment of optimal leadership structure**
  - Discussion of **governance practices and enhancements** are informed by stockholder input

**Commitment to Board Service:** Only candidates who are “capable of devoting the necessary time to discharge their duties, taking into account memberships on other boards and other responsibilities” are nominated to the Board

- The **maximum number of public company boards** on which our directors may serve is **four (including our Board)** and the maximum number of public company boards is **three** for any public company chief executive officer
- Directors are expected to **seek approval from the Corporate Governance Committee** prior to joining the board of a public company

## Board Composition Provides the Right Skills and Experience to Oversee Our Business and Strategy

The Corporate Governance Committee regularly assesses Board composition to proactively recruit directors based on our long-term strategy, the needs of the business, and the evolving regulatory environment

### Valuable Range of Expertise, Diversity & Perspectives

Audit/Financial Reporting	Cybersecurity, Technology and Information Security	Government, Public Policy, and Regulatory Affairs	Public Company Board Service
Business Development	ESG; Human Capital Management	Leadership of Complex, Highly Regulated Businesses	Risk Management
Consumer, Corporate, and Investment Banking	Financial Services Experience	Marketing and Retail Distribution	Strategic Planning
Corporate Governance	Global Perspective	Operational Risk Management	Succession Planning

### Key Board Statistics<sup>1</sup>

**9** New independent directors joined Board since 2012 Annual Meeting

**13** Of 14 directors are independent

**9** Directors with CEO experience

### Gender, Racial, and Ethnic Diversity



4 are women

2 are African-Americans

1 is Hispanic

**5.6** Year average director tenure, well below the 8.3 year S&P 500 average<sup>2</sup>

**36%** Of directors have served as senior executives at financial institutions

<sup>1</sup> As of March 2017, except as otherwise noted.

<sup>2</sup> As of our 2017 annual meeting date. Source: 2016 Spencer Stuart Board Index.



## Lead Independent Director with Robust and Well-defined Responsibilities

The authority, duties and responsibilities of Jack Bovender, our Lead Independent Director, provide robust independent Board leadership and oversight

### Board Leadership

- Presides at all meetings when Chairman is not present
- Calls meetings of independent directors
- Provides leadership if CEO / Chairman's role may be in conflict

### Board Focus

- Helps provide that our Board focuses on key issues facing Bank of America
- Assists in promoting corporate governance best practices
- Contributes to annual performance review of CEO and participates in CEO succession planning

### Board Performance & Development

- Provides for efficient and effective Board performance and functioning
- Consults with Corporate Governance Committee on annual Board self assessment
- Provides guidance on ongoing director development
- Consults in identification and evaluation of director candidates, committee members and committee chairs

### Board Culture

- Serves as a liaison between CEO and independent directors
- Establishes relationship with CEO, providing support, advice and feedback
- Acts as a "sounding board" and advisor to CEO

### Board Meetings

- Plans, reviews and approves Board meeting agendas and schedules in coordination with CEO
- Advises CEO of Board information needs, and approves information sent to Board
- Develops discussion topics for Board executive sessions

### Stockholders & Other Stakeholders

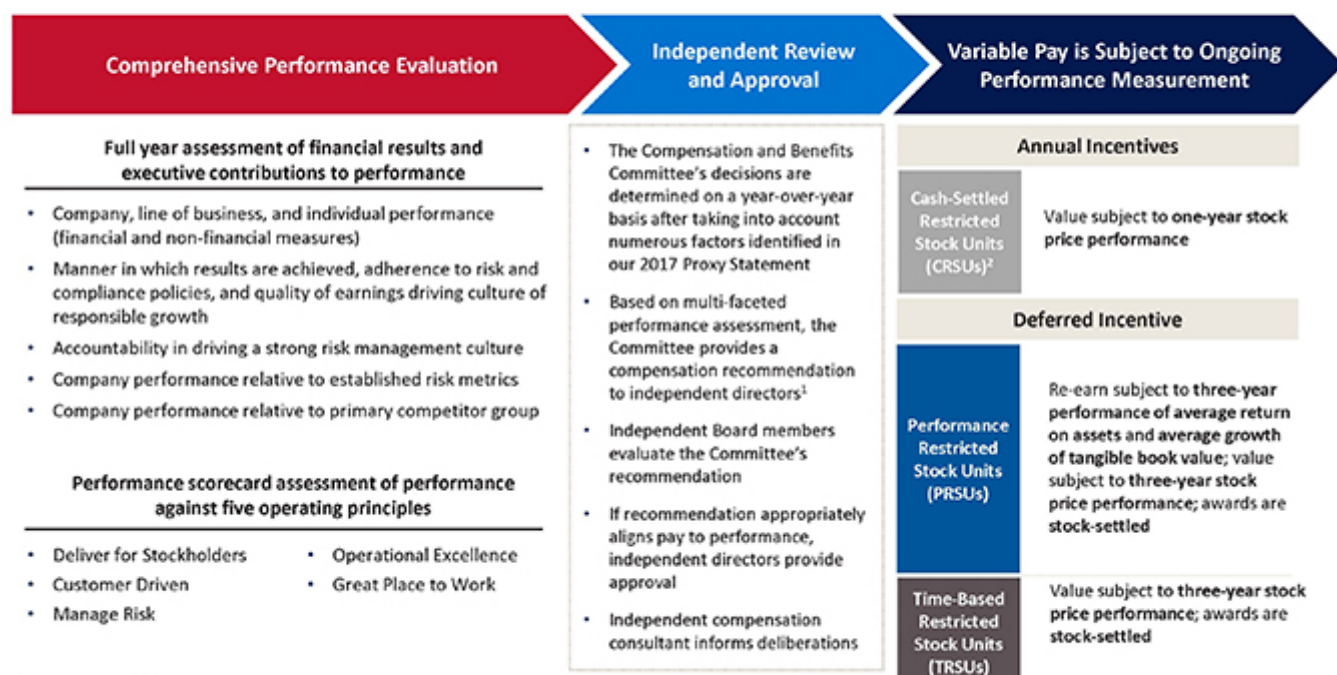
- Is available for consultation and direct communication, to the extent requested by major stockholders
- Regularly communicates with primary bank regulators to discuss appropriateness of Board's oversight of management and company

Highly Engaged  
Lead Independent  
Director

- Regularly speaks with our CEO and holds bi-weekly calls to discuss Board meeting agendas and discussion topics, schedules, and other Board governance matters
- Speaks with each Board member at least quarterly to receive input on Board agendas, Board planning matters, and related topics of management oversight
- Holds monthly calls with our primary bank regulators
- Meets at least quarterly with management members
- Plays a leading role in our stockholder engagement process; in 2016 and in early 2017, personally met with investors who own more than 20% of our outstanding shares

# Disciplined Performance Evaluation and Incentive Compensation Decision Processes

*Pay-for-Performance Philosophy and Compensation Risk Management Drive Evaluation Process and Compensation Structure*



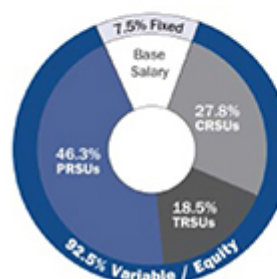
<sup>1</sup> Only CEO compensation requires approval from all independent directors; compensation for named executive officers (NEOs) is approved by the Committee only.  
<sup>2</sup> Only CEO receives CRSUs; other NEOs receive an annual cash incentive.

# Executive Compensation Program Aligns Pay and Performance

## 2016 Compensation Elements

<b>Base Salary</b>	<ul style="list-style-type: none"> <li>Reflects job scope, experience, and market comparable positions</li> </ul>				
<b>Annual Incentive</b>	<table> <tr> <td><b>For CEO</b></td><td> <b>CRSUs</b> <ul style="list-style-type: none"> <li>Stock price performance measured over 1-year vesting period</li> </ul> </td></tr> <tr> <td><b>For all other NEOs</b></td><td> <b>Annual Cash Incentive</b> <ul style="list-style-type: none"> <li>Company and individual performance measured over applicable performance year</li> </ul> </td></tr> </table>	<b>For CEO</b>	<b>CRSUs</b> <ul style="list-style-type: none"> <li>Stock price performance measured over 1-year vesting period</li> </ul>	<b>For all other NEOs</b>	<b>Annual Cash Incentive</b> <ul style="list-style-type: none"> <li>Company and individual performance measured over applicable performance year</li> </ul>
<b>For CEO</b>	<b>CRSUs</b> <ul style="list-style-type: none"> <li>Stock price performance measured over 1-year vesting period</li> </ul>				
<b>For all other NEOs</b>	<b>Annual Cash Incentive</b> <ul style="list-style-type: none"> <li>Company and individual performance measured over applicable performance year</li> </ul>				
<b>Deferred Incentive</b>	<p><b>TRSUs</b></p> <ul style="list-style-type: none"> <li>Aligned with sustained longer-term stock price performance; vest ratably over 3 years</li> <li>50% of net after tax shares must be held until retirement (+1 year for CEO)</li> </ul> <p><b>PRSUs</b></p> <ul style="list-style-type: none"> <li>PRSUs are "re-earned" by achieving future performance goals and are forfeited if results are below minimum goals at the end of the performance period</li> <li>Performance metrics (50/50 weighting): average <u>Return on Assets</u> (ROA) and average <u>Growth in Adjusted Tangible Book Value</u> (TBV)</li> <li>3-year performance period</li> <li>Encourage the achievement of sustained stockholder value and responsible growth</li> <li>50% of net after tax shares earned must be held until retirement (+1 year for CEO)</li> </ul>				

## 2016 CEO Pay Mix



92.5% of CEO's total compensation is variable and directly linked to company performance

46.3% of CEO's total compensation—representing 50% of variable compensation—is earned based on 3-year performance of key metrics (TBV and ROA)

50% of shares earned (net of taxes) must be retained by CEO through one year after retirement

- PRSU goals are meaningful and aligned with strong company results - \$53B in net income would need to be earned over 2017-2019 to achieve 100% ROA goal of 80bps<sup>1</sup>
- PRSU results are not adjusted for the impact of legacy litigation, fines, penalties
- 3 of the 4 PRSUs that have completed their performance periods since the awards were introduced in 2011 earned below target, illustrating that pay is aligned with performance

<sup>1</sup> Under a hypothetical scenario that 2016 year end assets of \$2.2 trillion remains constant over 3 year performance period.



## ESG Is Core to Our Responsible Growth Strategy

Integrated across our Eight Lines of Business – our focus on ESG leadership reflects how we build and maintain trust and credibility as a company that people want to work for, invest in and do business with.



**Environmental** – Investing in the transition to a low carbon economy. Focus on providing financing for sustainable projects, energy efficiency, greenhouse gas emissions while lessening the impact of our own operational impact

- Delivered nearly \$50 billion over the last four years towards our goal of providing **\$125 billion by 2025 for low-carbon and sustainable businesses**
- Issued our third and largest green bond for \$1 billion to fund renewable energy projects
- Remain the **leading underwriter of green bonds** in the industry
- Aim to reduce our operational impact through aggressive targets such as **carbon neutral** and **purchase of 100% renewable electricity by 2020**



**Social** – Help communities and individuals thrive by **advancing economic and social progress and being a great place to work**

- **Invest in our people:** Over 50% of global workforce is female and 44% of U.S.-based workforce is from a racially or ethnically diverse background; expanded parental leave to 16 weeks for all new parents; minimum wage of \$15 per hour for U.S. employees
- **Invest in responsible products and services:** Piloting Community Financial Centers; SafeBalance® Banking; Affordable Loan Solution™ mortgage product; Secured Credit card; Better Money Habits®; more than \$11 billion of assets under management in Impact Investing
- **Invest in our communities:** Largest investor in Community Development Financial Institutions (CDFI), with over \$1 billion invested in 250 CDFIs; supported the inclusion of diverse suppliers across the company, resulting in more than \$2 billion of procurement spending with these businesses; more than \$173 million invested in non-profits organizations to help further economic mobility



**Governance** – **Hold ourselves accountable.** Enhance transparency on our business practices to our key stakeholders and provide regular updates on progress to our Board

- Management-level ESG Committee identifies and discusses issues core to our ESG approach, provides updates to Board of Directors
- Launched the Environmental and Social Risk Policy Framework—comprehensive view of how the company manages the environmental and social risks that are most relevant to our business

Note: Company goals are aspirational and not guarantees or promises that all goals will be met. Statistics and metrics included on this page are estimates and may be based on assumptions or developing standards.

## Our Responsible Growth Strategy Begins with Our People

We want Bank of America to be the best place to work. We listen to our employees to build on our programs and resources to enhance their experience, help them deepen their skill sets, and further their careers with us

### Growing Our Diverse & Inclusive Workforce

- **Global Diversity and Inclusion Council**, chaired by our CEO, is responsible for setting and upholding diversity and inclusion goals and practices
- Our Diversity and Inclusion processes are also supported by annual **goal setting**, where targets are set at the CEO and management team levels
- Global workforce is over 50% female; 44% of U.S.-based workforce brings a **racially or ethnically diverse** background
- Financial services industry **leader on female employee representation**. Five of our CEO's 12 direct reports (as of April 1) and four of our 14 Board members are women
- Most recent campus recruiting class was more than 50% diverse, as we focus on building the next generation of leaders

### Rewarding Performance That Balances Risk & Reward

- **Committed to fair and equitable compensation for all employees**; maintain robust policies and practices to reinforce commitment
  - **Promote gender wage equity internally and externally** through our recruiting initiatives, workplace policies and assessments, and partnerships
  - Utilize a **robust inspection process with an independent consulting firm for gender wage equity**, which gives us the opportunity to make appropriate adjustments before year-end compensation decisions are made
- **All compensation plans are reviewed and certified annually** by risk management function
- Enhanced **performance review process for senior leaders and employees who have the ability to expose the company to material risk**; since 2010, the number of senior leaders and employees who have been identified as "covered" employees has doubled

### Recognition for our focus on ESG and our commitment to promoting diversity in our workforce



- **No. 16 out of 50 companies on *Fortune Magazine's* Change the World List**. This annual list honors companies that are driving social change as part of their core business strategy

- Recognized in **2016 and 2017 Bloomberg Financial Services Gender-Equity Index** as a leader in financial services gender equality
- ***Euromoney's* World's Best Bank for Diversity**
- Signatory to the **Paradigm for Parity** coalition in the U.S. and the U.K. government's **Women in Finance Charter**



## Our Board recommends voting **FOR** each of the management proposals below:

### ☒ No. 1 – Election of 14 Directors

- Our Board is committed to regular renewal and refreshment; our Board has continuously enhanced the director recruitment and selection process, giving us an experienced and diverse group of nominees
- Our Board is committed to objective, independent leadership for our Board and each of its committees
- Our Board views the objective, independent oversight of management as central to effective Board governance, to serving the best interests of our company and our stockholders, and to executing our strategic objectives and creating long-term value

### ☒ No. 2 – Advisory “Say on Pay” Vote

- Our compensation philosophy ties our executive officers’ pay to company, line of business, and individual performance over the short and long term
- Our executive compensation program provides a mix of salary, incentives, and benefits paid over time that we believe aligns executive officer and stockholder interests
- A majority of total variable compensation granted to named executive officers is deferred equity-based awards, further encouraging long-term focus on generating sustainable results for our stockholders

### ☒ No. 3 – Advisory “Say on Frequency” Vote (Each Year Recommended)

- Our Board believes that continuing to conduct an advisory Say on Pay vote annually is the most appropriate policy for our company. This frequency will enable our stockholders to provide timely feedback on our executive compensation program based on the most recent information presented in our proxy statement
- An annual advisory vote on executive compensation also is consistent with our practice of having all directors elected annually and providing stockholders the opportunity to ratify the Audit Committee’s selection of our independent registered public accounting firm annually

### ☒ No. 4 – Ratification of Independent Registered Public Accounting Firm

- The Audit Committee has appointed PwC as our independent registered public accounting firm for 2017
- Our Board is seeking stockholders’ ratification of PwC’s appointment



## Our Board recommends voting **AGAINST** each of the stockholder proposals for the reasons below:

### **✗ No. 5 – Clawback Amendment**

- We already implemented:
  - a comprehensive compensation program that encourages long-term, sustainable performance, and appropriate conduct consistent with risk management and legal compliance standards
  - strong compensation recovery, and stock ownership and retention policies
- We are focused on compliance and continue to enhance our company-wide policies and programs to promote and monitor compliance with laws and regulations
- Adopting would inhibit our company's ability to attract and retain talented executive officers
- 93.5% of our stockholders voted against an identical proposal at our 2016 annual meeting

### **✗ No. 6 – Divestiture & Division Study Sessions**

- Since 2010, we have changed dramatically by reducing our size, scope of activities, and risk profile; strengthening capital and liquidity; streamlining operations; enhancing long-term stockholder value through our responsible growth strategy—a strategy we deliver on using an integrated business model
- Our Board believes that our responsible growth strategy is in the best, long-term interests of our stockholders
- Not necessary because our entire Board is already actively involved in developing and implementing our strategic plan, and our Recovery and Resolution Plans, all of which require ongoing analysis of our optimal structure and operations

### **✗ No. 7 – Independent Board Chairman**

- The Board should retain the flexibility affirmed by the stockholder vote in 2015 to determine the most effective leadership structure based on applicable circumstances and needs
- Our Board leadership structure and governance practices already provide strong independent Board oversight
- The Board regularly evaluates and reviews the Board's leadership structure and seeks and considers feedback from stockholders
- No conclusive evidence demonstrating that an independent Chairman ensures superior governance or performance
- Board flexibility to determine the optimal leadership structure is the norm at other large companies

### **✗ No. 8 – Report Concerning Gender Pay Equity**

- We are committed to fairly and equitably compensating all employees and maintain robust policies and practices to reinforce our commitment, including a robust inspection process with an independent consulting firm for gender wage equity
- As a leader in the financial services industry with regard to female representation, gender equality is a widely recognized focus of ours and a reflection of our values. We promote gender wage equity internally and externally through our recruiting initiatives, workplace policies and assessments, and partnerships
- We annually disclose detailed information regarding the diversity of our global workforce and other human capital management practices

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## Appendix



## Reconciliation of Non-GAAP Financial Measures

(Dollars in millions, except per share amounts; shares in thousands)

Reconciliation of period-end common shareholders' equity to period-end tangible common shareholders' equity		
	31-Mar-10	31-Dec-16
Common shareholders' equity	\$211,859	\$241,620
Goodwill	(86,305)	(69,744)
Intangible assets (excluding MSRs)	(11,548)	(2,989)
Related deferred tax liabilities	3,396	1,545
<b>Tangible shareholders' equity</b>	<b>\$117,402</b>	<b>\$170,432</b>
Reconciliation of period-end assets to period-end tangible assets		
	31-Mar-10	31-Dec-16
Assets	\$2,338,700	\$2,187,702
Goodwill	(86,305)	(69,744)
Intangible assets (excluding MSRs)	(11,548)	(2,989)
Related deferred tax liabilities	3,396	1,545
<b>Tangible assets</b>	<b>\$2,244,243</b>	<b>\$2,116,514</b>
Ending common shares	10,032,001	10,052,626
Book value per share of common stock	\$21.12	\$24.04
Tangible book value per share of common stock	\$11.70	\$16.95
Net income applicable to common shareholders		2016
		\$16,224
Reconciliation of average common shareholders' equity to average tangible common shareholders' equity		
		2016
Shareholders' equity		\$241,621
Goodwill		(69,750)
Intangible assets (excluding MSRs)		(3,382)
Related deferred tax liabilities		1,644
<b>Average tangible common shareholders' equity</b>		<b>\$170,133</b>

## Reconciliation of Non-GAAP Financial Measures (contd.) (\$MM) <sup>1</sup>

<b>Regulatory Capital – Basel 3 transition to fully phased-in</b>	<b>4Q16</b>
Common equity tier 1 capital (transition)	\$168,866
Deferred tax assets arising from net operating loss and tax credit carryforwards phased in during transition	(3,318)
Accumulated OCI phased in during transition	(1,899)
Intangibles phased in during transition	(798)
Defined benefit pension fund assets phased in during transition	(341)
DVA related to liabilities and derivatives phased in during transition	276
Other adjustments and deductions phased in during transition	(57)
Common equity tier 1 capital (fully phased-in)	<u>\$162,729</u>
<b>Risk-weighted Assets – As reported to Basel 3 (fully phased-in)</b>	<b>4Q16</b>
As reported risk-weighted assets	\$1,529,903
Change in risk-weighted assets from reported to fully phased-in	(18,113)
Basel 3 Advanced approaches risk-weighted assets (fully phased-in) <sup>2</sup>	<u>\$1,511,790</u>
<b>Risk-weighted Assets – (fully phased-in)</b>	<b>4Q16</b>
Basel 3 Standardized approach risk-weighted assets (as reported)	\$1,399,477
Change in risk-weighted assets from reported to fully phased-in	17,638
Basel 3 Standardized approach risk-weighted assets (fully phased-in)	<u>\$1,417,115</u>
<b>Basel 3 Regulatory Capital Ratios</b>	<b>4Q16</b>
As reported Common equity tier 1 (transition)	11.0 %
Standardized approach Common equity tier 1 (fully phased-in)	11.5
Advanced approaches Common equity tier 1 (fully phased-in) <sup>2</sup>	10.8

<sup>1</sup> Bank of America reports regulatory capital ratios under both the Standardized and Advanced approaches. The approach that yields the lower ratio is used to assess capital adequacy, which is the Advanced approaches as of December 31, 2016.

<sup>2</sup> Basel 3 fully phased-in Advanced approaches estimates assume approval by U.S. banking regulators of our internal analytical models, including approval of the IMM. As of December 31, 2016, BAC did not have regulatory approval for the IMM model.