

Quarterly Newsletter

Issue IX — July 2021

Bank of America Reports Q2 Net Income of \$9.2 Billion, EPS of \$1.03



Financial Results Q2 2021

On Wednesday, July 14, 2021, Bank of America reported net income of \$9.2B or diluted earnings per share of \$1.03 compared with \$3.5B or \$0.37 per diluted share in the year ago quarter.

“We delivered solid earnings and returned more capital to shareholders during the quarter as we moved to a more open economy. Our team continued to do a great job serving clients, as shown by the increased levels of client activity across all of our businesses,” said Chairman and Chief Executive Officer Brian Moynihan.

“More than 85% of our buildings and offices are open, and we’re welcoming our teammates back. This means more face-to-face meetings; helping to increase sales of Consumer products and drive strong household growth in Wealth Management, and increased prospect calling in Commercial Banking.

“Consumer spending has significantly surpassed prepandemic levels, deposit growth is strong, and loan levels have begun to grow.”

“Despite the continued challenge of low interest rates, the diversity and leadership positions of our eight lines of business enabled us to benefit from a faster economic recovery this quarter. We believe our continued focus on client selection and responsible growth has positioned us well,” said Chief Financial Officer Paul Donofrio. “Total loan balances grew for the first time since the first quarter of 2020 even as we recorded the lowest credit loss rates in 25 years.

“At the same time, our balance sheet remains a source of strength, as supported by our performance in the most recent stress tests, which showed significant excess capital. We returned nearly \$6 billion this quarter in common dividends and share repurchases and we expect to return a higher amount in the coming quarters, while we continue to deliver for our clients and the communities that we are so fortunate to serve.”



Visit the [Bank of America Newsroom](#) for the full news release and supplemental Q2 2021 Financial Information, including information about the non-GAAP financial measures contained herein.

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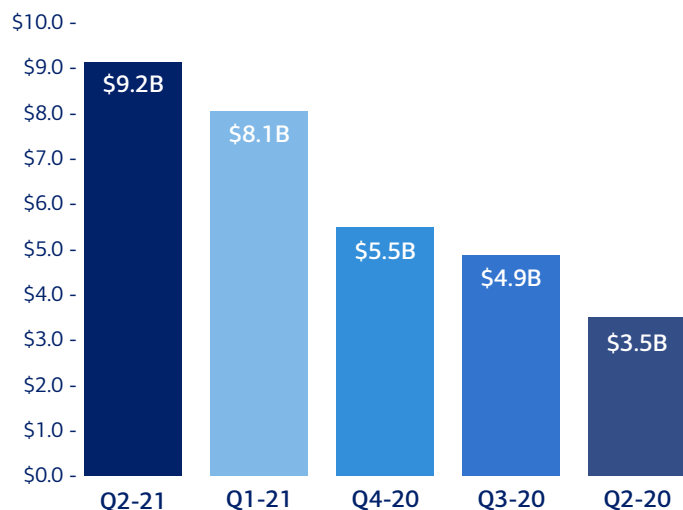
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Q2 2021 Financial Highlights¹

- Net income of \$9.2 billion, or \$1.03 per diluted share, including:
 - \$1.6 billion provision for credit losses benefit^(C)
 - \$2.0 billion positive tax adjustment related to revaluation of UK deferred tax assets
- Revenue, net of interest expense, decreased 4% to \$21.5 billion
 - Net interest income (NII)^(D) declined 6% to \$10.2 billion, driven primarily by lower interest rates
 - Noninterest income down 2% to \$11.2 billion, driven by lower sales and trading revenue and the absence of a \$704 million gain in the year ago quarter, partially offset by higher Consumer and Wealth Management revenues
- Provision for credit losses decreased \$6.7 billion to a benefit of \$1.6 billion, reflecting a reserve release of \$2.2 billion amid an improved macroeconomic outlook^(C)
- Noninterest expense rose \$1.6 billion, or 12%, to \$15.0 billion, including higher compensation and benefits costs, a \$500 million contribution to the Bank of America Foundation to support ESG initiatives, and \$300 million associated with processing transactional card claims related to state unemployment benefits
- Average loan and lease balances in business segments declined 11% YoY to \$889 billion but increased \$1.8 billion QoQ; excluding Paycheck Protection Program, loan balances grew \$5.1 billion QoQ
- Deposits rose \$231 billion, or 14%, to \$1.9 trillion
- Average Global Liquidity Sources rose \$267 billion, or 34%, to a record \$1.1 trillion, reflecting strong deposit balance growth^(E)
- Common equity tier 1 (CET1) ratio strong at 11.5% (Standardized)^(A)
- Returned \$5.8 billion to shareholders through common dividends and share repurchases

Bank of America Net Income



See page 11 for endnotes

¹ Financial Highlights and Business Segment Highlights are compared to the year-ago quarter unless noted. Loan and deposit balances are shown on an average basis unless noted.

² The Corporation reports the results of operations of its four business segments and All Other on a fully taxable-equivalent (FTE) basis.

³ Source: Dealogic as of July 1, 2021

⁴ Source: Dealogic as of July 1, 2021. Global Capital Raise includes Equity, Debt, Loans (MBS, ABS, and self-funded deals are excluded). Shown on a proportional share basis.

Q2 2021 Business Segment Highlights^{1,2(B)}

Consumer Banking

- **Net income of \$3.0 billion**
- Deposits up 21% to a record \$979 billion
- Consumer investment assets up \$100 billion, or 40%, to a record \$346 billion, driven by market valuations and client flows of \$21 billion since Q2-20
- **Accelerated Client Activity**
 - Combined credit and debit card spend up 16% QoQ to \$200 billion
 - Total mortgage originations up 36% QoQ to \$21.4 billion
 - 70% of overall households actively using digital platforms

Global Wealth and Investment Management

- **Net income of \$991 million**
- Record client balances of \$3.7 trillion, up \$725 billion, or 25%, driven by higher market valuations and positive client flows; including Consumer Investments, total client balances of \$4.1 trillion, up 26%
- Deposits up 16% to \$333 billion
- Pretax margin of 26%
- **Accelerated Client Activity**
 - Record quarterly loan balance growth of \$8.3 billion, ending balances up 8% to \$198 billion
 - Merrill Lynch Wealth Management added ~6,000 net new households; Private Bank added ~475 net new relationships

Global Banking

- **Net income of \$2.4 billion**
- Total investment banking fees (excl. self-led) of \$2.1 billion remained near record levels
 - No. 3 in investment banking fees⁽³⁾
- Deposits up 3% to \$507 billion
- **Accelerated Client Activity**
 - Total Commercial Committed Exposure increased \$24 billion QoQ to \$1.1 trillion
 - Raised \$500 billion in capital on behalf of clients YTD⁽⁴⁾

Global Markets

- **Net income of \$908 million**
- Sales and trading revenue of \$3.6 billion, including net debit valuation adjustment (DVA) losses of \$34 million, with FICC revenue of \$1.9 billion and Equities revenue of \$1.6 billion
- Excluding net DVA, sales and trading revenue down 19% to \$3.6 billion^(F); FICC down 38% to \$2.0 billion^(F); Equities up 33% to \$1.6 billion^(F)
- **Accelerated Client Activity**
 - Average assets increased \$134 billion to \$798 billion, driven by higher client balances in equities and loan growth

Supporting small businesses across the country through the Paycheck Protection Program

Over the past year, our company has helped assist clients impacted by the health crisis. This includes our own relief programs and our support of government relief programs, including the Paycheck Protection Program (PPP) that provided financial relief to U.S. small businesses impacted by the coronavirus.

Through the PPP, **we provided nearly 500,000 loans to small businesses across the country** — more than any other major bank participating in the program. These loans reflect **more than \$35 billion in funding** and have helped support the **more than 3.7 million employees of the small businesses we funded**.

“Through our support for the PPP, we have helped our small business clients navigate the challenges of the pandemic while keeping their employees on the payroll,” said CEO Brian Moynihan. “Ultimately, our efforts aided the recovery of the U.S. economy.”

More than 15,000 Bank of America teammates from all areas of the company have come together to address this urgent need and deliver these results.

Beginning in late March 2020, thousands of teammates worked to design, develop and deliver a digital platform for PPP applications. We began accepting PPP applications the day after the program details

were announced in early April and were the first major bank to do so.

Many more teammates performed loan application processing and other critical functions to help us meet record client demand for PPP loans.

Others assisted with client outreach and inbound calling, helping us communicate important PPP information to clients hundreds of millions of times over the course of the program.

Our teammates’ combined efforts helped deliver critical funding to small businesses across the country, and support the economic wellbeing of the communities in which they operate. Of all PPP loans provided to Bank of America clients:

- Our average PPP loan amount is approximately \$72,000.
- 80% have gone to businesses with less than 10 employees.
- Nearly 40% have gone to businesses in majority-minority communities.
- 25% have gone to low- to moderate-income (LMI) communities.

Although the Small Business Administration is no longer accepting PPP loan applications, many of our teammates continue to support clients through the



ongoing loan forgiveness phase of the program. To date, we have helped nearly 260,000 clients — and counting — receive forgiveness on their PPP loan. And we continue to deliver all of our capabilities and support to help our small business clients — including those who received a PPP loan — move forward.

Bank of America’s industry leading high-tech and high-touch approach recognized by J.D. Power

J.D. Power, a global leader in consumer insights, advisory services and data and analytics, named Bank of America No. 1 in customer satisfaction among national banks in both online* and mobile banking.

“We’re enhancing our digital channels on an ongoing basis to provide our clients a personalized experience across their entire relationship with us,” said David Tyrie, head of Digital. “Our 52 million digital clients are at the center of everything we do, and the J.D. Power ranking reinforces our commitment to serve them — anytime, anywhere they choose.”

Additionally, Bank of America was ranked No. 1 nationally for retail banking advice by J.D. Power.

“This latest recognition demonstrates our commitment to helping clients establish a solid financial foundation, build their financial health, and succeed on their financial journeys,” said D. Steve Boland, president, Retail. “Our focus on financial literacy also plays a vital role in the lives of our clients, and in our efforts to support local communities.”

J.D. Power’s 2021 U.S. Banking Mobile App Satisfaction, U.S. Online Banking Satisfaction studies measured overall satisfaction with banking digital channels based on four factors: navigation; speed; visual appeal; and information/content. The Retail Banking Advice Satisfaction study measured retail banking customer satisfaction with the advice and guidance

provided by national and regional banks in the U.S. This year, the study was redesigned to also include a series of measures related to personal financial health and literacy.

For J.D. Power award information, visit jdpower.com/awards.

*Tied in the national segment of the J.D. Power 2021 U.S. Online Banking Satisfaction Study

Bank of America expands digital business-to-consumer payment offerings with Pay to Card



Pay to Card supports business clients' growing need to pay consumers quickly and digitally by depositing funds directly into a consumer or small business bank account. The solution uses the details of a bank card (excluding credit cards) associated with an account to process the transaction.

A major benefit of Pay to Card is speed. For domestic payouts, funds are typically available in near real time, within five minutes, while applicable cross-border payouts are often available within 30 minutes. Exemplifying the bank's leadership in emerging payments and foreign exchange, Pay to Card is expected to process payments to around 170 countries in more than 120 currencies.

The launch of Pay to Card comes at a time when companies are getting closer to their customer base and having to manage an increasing number of payment interactions. Use cases of Pay to Card transactions include:

- Payments to contractors and gig economy workers
- Refunds and rebates to customers
- Disaster relief payments
- Financial aid payments for higher education
- Insurance claim payments

In addition to speed, the key benefits of Pay to Card payments include:

Enhanced digitization. Clients want more digital B2C payment methods to reduce check volumes and the associated manual processes.

Greater certainty for cross-border payments. Bank of America can determine whether a beneficiary is eligible for a payment on the same day of payment instruction receipt by the Bank, avoiding uncertainty and reducing delays.

Security. Pay to Card payments are processed through tokenization. Further, corporates can send digital payments without needing to store a beneficiary's bank account and routing details.

Consistent global requirements. Debit cards have a standard number of digits, whereas bank account characteristics vary greatly from one country to another.

Pay to Card joins the bank's award-winning suite of payments capabilities including Global Digital Disbursements and Cross-Currency ACH. More payment innovations are expected later this year.

Erica® is core to serving clients

More clients than ever are using our award-winning digital services to stay on top of their finances.

Erica, our Artificial Intelligence (AI)-driven virtual financial assistant, serves as the central gateway for search, help and guided servicing in the Bank of America mobile app. Since launching in 2018, Erica has helped more than 21 million clients complete over 430 million requests. In 2020, seven million clients used Erica for the first time.

Erica delivers personalization at scale.

Our high-tech capabilities, together with our high-touch approach, deliver a more intuitive and efficient banking experience for our clients across all channels.

Through Erica, we're creating a richer, more efficient experience for our clients, while deepening our relationship with them through always-evolving enhancements tailored to their specific needs. Erica's Insights are a key differentiator for personalization in the enhanced Bank of America mobile app.

"Erica is a prime example of how we're helping clients stay more connected to their financial lives," said Christian Kitchell, head of Erica & AI Solutions.

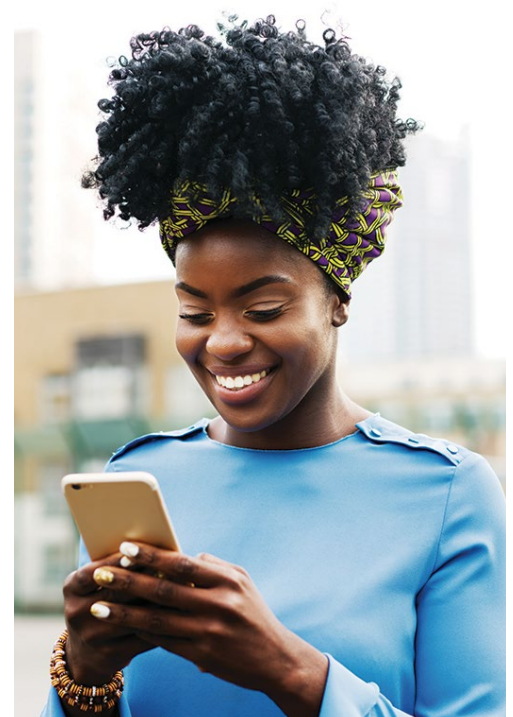
"We've made incredible progress in a relatively short amount of time, but this is not a one- to three-year exercise. We are in the second mile of a marathon, and just getting started."

Erica is now the most-used capability in our mobile app. At the onset of the pandemic, Erica was trained to understand over 60,000 coronavirus-related terms and questions.

Banker Assist, a digital assistant rolling out across Global Banking, is also powered by Erica technology. Banker Assist gives client-facing employees the ability to always be prepared to answer questions and make decisions.

"Erica is a prime example of how we're helping clients stay more connected to their financial lives."

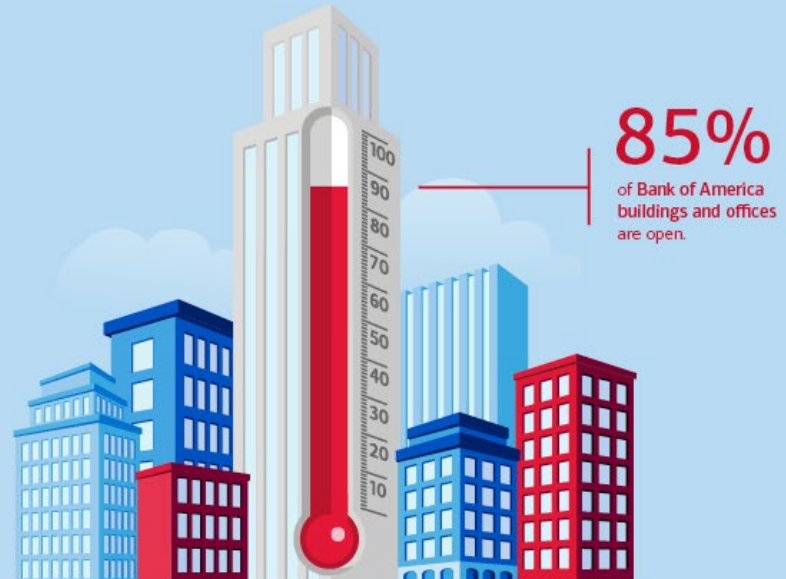
Christian Kitchell, head of Erica & AI solutions



An update on our return to the office plans for U.S. teammates

Throughout the past year and a half, our teammates around the world have come together in incredible ways to support our clients, communities, and each other. Now, thanks to the progress made in addressing the pandemic and momentum building around the world, we are returning to more normal activities across our company.

Below is the update we shared with U.S. teammates on both our progress and our next steps.



We are making very strong progress.

- **All 91 of our U.S. markets** are open for many business-as-usual activities, including in-person client meetings for eligible employees, based on our health and safety framework.
- The vast majority — **85%** — of our buildings and offices are now open.
- **More than 82,000 or 47% of U.S. employees have confidentially shared their vaccination status** in our Vaccination Status Tool.
- **Tens of thousands of our teammates are working in the office, with more returning every week** across our business lines and staff support areas, around the world.
- Our **financial center network is fully open** this month; **hundreds of Merrill and Private Bank offices are open with that number steadily expanding**; and the majority of our **senior and market leaders returned to the office this month**.

The feedback from teammates who have returned to the office has been overwhelmingly positive.

We keep moving forward, and all of our teammates will return to the office.

We are a company that thrives on connections and collaboration — whether it's with a client, community partner, or each other. Here are key updates on our plans for transitioning back to the office:

- **In our initial phase of returns, we are inviting back U.S. teammates who have been vaccinated and shared their status in our Vaccination Status Tool.** The current plan is for vaccinated teammates to have fully returned and be working in the office by the week of Labor Day. This timing will of course differ for employees working in specific office locations and buildings that are changing and/or being renovated.
- We continue to update our in-office health and safety protocols for teammates who have shared that they are fully vaccinated, consistent with the latest guidance from medical experts and the Centers for Disease Control and Prevention (CDC). Recently, we announced these employees can hold in-person meetings

with clients and with influencers outside of bank facilities, including local board meetings.

In July, we'll communicate these employees can return to client-driven business travel, consistent with business-as-usual LOB policies; and no longer need to wear face coverings on their work floor, practice physical distancing, or complete in-office coronavirus testing and daily health screenings before entering the office (except where any of these steps are required by state or local ordinances). More information will be shared with impacted employees as these requirements change, and the necessary precautions will stay in place in our financial centers for those teammates.

- **After this initial phase of returns, we will then welcome back the remainder of our teammates, including those who have not shared vaccination status.** Again, we will align to the latest guidance from medical experts and the CDC. Teammates who have not yet shared that they are fully vaccinated, in our Vaccination Status Tool, will be required to use face coverings, physical distancing, coronavirus testing two times per week, daily health screenings, designated work areas, and other protocols. These measures are necessary to help keep our teammates healthy and safe.

When it's time, each employee will receive a direct communication about his/her return to the office. This will include at least 30 calendar days' notice before the first day back in the office, and provide information on tools and resources to support the transition.

We continue to encourage teammates and families to make vaccination plans, especially as coronavirus variants are identified and evolve. Employees are also encouraged to contact their healthcare provider with any questions, and share when they've been vaccinated through the company's easy-to-use and confidential Vaccination Status Tool.

Together in our offices, centers and other facilities, we will be even better able to serve our clients, communities and each other.

Employee snapshots: Teammates around the world return to the office

As vaccinations bring us closer to our goal of getting back to in-person interactions with our friends, colleagues and communities, we are inviting more teammates back to the office where it's safe to do so.



Bank of America increases U.S. minimum hourly wage to \$25 by 2025

On May 18, Bank of America announced it will raise its U.S. minimum hourly wage to \$25 by 2025. In March last year, the company raised the U.S. minimum wage to \$20 per hour.

In addition, Bank of America announced that all its U.S. vendors are now required to pay their employees dedicated to the bank, at or above \$15 per hour. Today, over 99% of the company's more than 2,000 U.S. vendor firms and 43,000 vendor employees are at or above the \$15 per hour rate, as a result of the implementation of this policy.

"A core tenet of responsible growth is our commitment

to being a great place to work which means investing in the people who serve our clients," said Sheri Bronstein, chief human resources officer at Bank of America. "That includes providing strong pay and competitive benefits to help them and their families, so that we continue to attract and retain the best talent."

Bank of America's increase to paying \$25 per hour builds on the company's history of being an industry leader in establishing a minimum rate of pay for its U.S. hourly employees. Since 2010, the company's minimum hourly wage will have increased by more than 121% (an increase of nearly \$14 per hour). In

the last four years, Bank of America raised the minimum hourly wage to \$15; in 2019 it rose to \$17 and in 2020, to \$20 — one year ahead of schedule.

Bank of America's pay-for-performance philosophy reinforces the company's core values and culture by inspiring employees to do great work, encouraging and retaining talent, and building trust within teams. Our efforts have been recognized by a number of external organizations including LinkedIn and Fortune, as the only financial services company included in Fortune's "Best Big Companies to Work For" list for three consecutive years.



Update on our \$1.25 billion commitment to advance racial equality and economic opportunity

Our \$1.25 billion racial equality and economic opportunity commitment focuses on addressing and advancing social issues in minority populations, such as health, jobs, education, housing and capital inequality, and will facilitate benefits across multiple states and communities. To date, the bank has deployed more than \$350 million across equity investments and philanthropic grants. This commitment is expanding and accelerating work that has been underway across our company for many years.

Bank of America's most recent announcements focused on racial equality and economic opportunity include:

- [\\$500,000 grant to the Sweet Auburn Works \(SAW\) Retail Accelerator Fund](#) for investment in local entrepreneurs of color and equitable economic revitalization
- [Increased target for equity investment in minority-focused funds from \\$200 million to \\$350 million](#), having committed more than \$250 million to 90 investment funds across the U.S. in less than a year.
- Completed a total of 17 direct equity investments in minority depository institutions (MDI) and community development financial institution (CDFI) banks as part of our \$50 million commitment
- [\\$1.5 million](#) to advance racial equality and economic opportunity in Massachusetts
- [\\$4.2 million grant split between NPower and Urban Alliance](#) to expand tech career opportunities for students of color
- [\\$1 million anchor grant to Virginia Commonwealth University's \(VCU\) College of Engineering](#), the latest milestone in a partnership to increase access and participation in high-value engineering, data science and computer science education
- Partnerships with [the Black Future Co-op Fund](#) and [the University of Washington Foster School of Business' Consulting and Business Development Center \(CBDC\)](#) to build generational sustainability of Black-led businesses and nonprofits across Washington state



Bank of America to join Net-Zero Banking Alliance

Building upon our longstanding support for the Paris Climate Agreement and our goal to [achieve net zero](#) greenhouse gas (GHG) emissions in our financing activities, operations and supply chain before 2050, Bank of America is one of 43 banks from 23 countries to form the new Net-Zero Banking Alliance (NZBA). The alliance is convened by the United Nations Environment Programme Finance Initiative and co-launched by the Prince of Wales' Sustainable Markets Initiative (SMI) Financial Services Taskforce (FSTF).

The new Alliance is part of the Glasgow Financial Alliance for Net Zero (GFANZ), chaired by Mark Carney, UN special envoy on Climate Action and Finance. By bringing together both existing and new net zero finance initiatives in the financial sector, the alliance will coordinate action to unlock the trillions needed to achieve a net zero future. As announced on April 8, we have increased our [Environmental Business Initiative to \\$1 trillion by 2030](#) to finance and accelerate the transition to a sustainable economy. This is within a broader

\$1.5 trillion sustainable finance goal focused on both environmental transition and social inclusive development, aligned with the U.N.'s Sustainable Development Goals (SDGs).

"This commitment to net-zero by the SMI financial services leaders is an example of the leadership that the CEOs of SMI companies can generate by working together," said CEO Brian Moynihan, who also serves as co-chair of the SMI. "We will work closely with CEOs from other industry groups and others to continue to drive the other SMI priorities established by His Royal Highness in the Terra Carta earlier this year."

The Sustainable Markets Initiative (SMI)

Launched by His Royal Highness The Prince of Wales at Davos in January 2020, the Sustainable Markets Initiative is a network of global leaders working together to lead towards prosperous economies that generate long-term value through the balanced integration of natural, social and financial capital. Our CEO Brian Moynihan has the honor

of serving as SMI co-chair, and recently helped launch the Terra Carta. This charter provides an accelerated roadmap/recovery plan toward a sustainable future by 2030, building on the 10-point plan launched a year earlier, and putting Nature, People and Planet at the heart of global value creation. Bank of America is also a sponsor of RE:TV, which features short films, articles and case studies curated by HRH to showcase solutions working to accelerate a more sustainable future, like our client Little Leaf Farms.

How our climate strategy is accelerating finance towards net zero

During U.S. Climate Action Week, Vice Chairman Anne Finucane joined Ceres CEO Mindy Lubber, U.S. Climate Envoy John Kerry, and other leaders to talk about how our \$1 trillion Environmental Business Initiative will accelerate global energy transformation. "The private sector accepts the key role we have in helping to ensure a low-carbon, sustainable economy," said Anne. "It will be critical in mobilizing trillion of dollars annually that are desperately needed."



Brian Moynihan named to Barron's Top CEOs list

Brian's performance was featured in a write-up in the publication entitled, "Brian Moynihan Has Run Bank of America Conservatively. Shareholders Have Prospered."

In discussing Brian's focus on growth, the article states: "Brian Moynihan rarely mentions growth without attaching a word like 'responsible' or 'sustainable,' usually followed by a mention of risk management."

The payoff for that kind of focus is made clear in a quote from Brian: "We went through this crisis providing great support for our clients — two million customer deferrals, \$75 billion of panic borrowing, massive amounts of capital-markets and trading activity — and never had to worry about capital liquidity," he says.

In addition to noting our growth in the digital space, the article also highlights our \$1.25 billion, five-year commitment to advance racial equality and economic opportunity. "It is granular work and is designed to be profitable. As Moynihan puts it, 'This is capitalism done right.'"

Barron's has published its annual Top CEOs list since 2005. Placement on the list is driven by several factors, including investor returns and operating performance, and determined by a panel of the publication's editors and reporters.

Other CEOs joining Brian on the list include Microsoft's Satya Nadella, Pfizer's Albert Bourla, Mary Barra of General Motors and Elon Musk of Tesla.



Anne Finucane named to the inaugural Forbes 50 Over 50 list

Vice Chairman Anne Finucane was recognized as one of the women named to Forbes' inaugural 50 Over 50 list — alongside Vice President Kamala Harris, Shonda Rhimes, and others — for her leadership and expertise in shaping a better world while paving the way for future leaders.

In response to the recognition, Anne stated, "I was happy to join to the Forbes 50 Over 50 list with these incredible women. I've learned so

much over the years, but the lesson that still rings loudest for me is that just moving forward is the best measure of success."

This list spotlights diverse voices and work of female leaders over the age of 50. Selected from a pool of more than 10,000 nominees, this list was assessed based on three main criteria: achievements after turning 50; success at scale; and a pay-it-forward mindset.

Chief Administrative Officer Andrea Smith named an honoree for 2021 Outstanding Mother of the Year



Chief Administrative Officer Andrea Smith was recognized by the National Mother's Day Committee as an honoree for 2021 Outstanding Mother of the Year. During the virtual Outstanding Mother of the Year awards celebration, Andrea shared her thoughts on encouraging other companies to follow Bank of America's lead with benefits and programs that help women both stay and thrive in the workforce.

As a mom of three, Andrea's advice on how to balance family and work is to think of it as making choices every day. "You've got to figure out what's important to you and put those guardrails in place." She shared that those tradeoffs are very specific to each person and that there's no one answer.

The National Mother's Day Committee is an entity of the Father's Day/Mother's Day Council and exists for the sole purpose of conferring "Outstanding Mother" honors on contemporary lifestyle leaders of our society. The Council, a 501(c)(6) nonprofit, all-volunteer, noncommercial organization, donates through its committees funds raised with presentations of its Annual Awards to meaningful family-related philanthropies dealing with issues affecting mothers, fathers and families.

Featured news for retirees



Retiree resources

Refresh your financial plan with tips from Better Money Habits®

Thinking about new activities you might take on during retirement — like starting your own business? Check out Better Money Habits, Bank of America's free financial education platform, for simple and relevant advice, tools and guidance that empower you to take control of your finances. Our resources help build know-how on topics like budgeting, saving, managing debt, homeownership, retirement and more — so you have the power to learn and take action.

No matter your financial goal, Better Money Habits offers articles and videos to help you learn. Visit [Better Money Habits](#) to learn more.



Helping our retirees live their best financial lives – explore Preferred Rewards

We're proud to provide Bank of America retirees with special offers on products, furthering our mission to connect people with relevant and valuable solutions so everyone can live their best financial life. Call 800.695.6262 or visit a financial center and identify yourself as a retiree to participate in or learn more about any of our retiree offers, including:

- Special access to Preferred Rewards Platinum tier benefits without the \$50K minimum balance requirement. All you need is an eligible checking account. Sign in to [Online Banking](#) to enroll.
- New Unlimited Cash Rewards credit card: With this card, you will automatically earn 1.5% cash back on all purchases, with no limit on the amount of cash back earned. When you're enrolled in Preferred Rewards as a retiree, the balance requirement is waived, and you can earn unlimited 2.25% cash back on every purchase as a Platinum tier member. [Learn more](#) about this new credit card and apply.
- Get a new two-year [AARP membership](#) for just \$20 — that's 38% lower than the standard rate — and enjoy savings on travel, shopping, dining, health and wellness.
- Order foreign currency via the Mobile Banking app or Online Banking to receive 2% off the published exchange rate and a waiver of the standard shipping fee. All you need is a Bank of America retiree identified checking or savings account.

[Learn more](#) about special offers available to Bank of America retirees on products, as well as more details about eligibility and product rules.

Recognition highlights Q2 2021

Delivering for our clients

- Corporate, Commercial and Business Banking recognized by J.D. Power for outstanding customer service for the 11th consecutive year
- Global Finance named Bank of America the Outstanding Financial Innovator 2021 — Global
- Bank of America Private Bank and Merrill awarded the Professional Wealth Management Wealth Tech Awards for Best Use of Technology and Best Use of Technology for Client Acquisition, both in North America
- Merrill recognized for "Advisor Focused" in the category of Digital Client Engagement at the Aite Group's Digital Wealth Management Impact Innovation Awards
- In Javelin Strategy & Research's 2021 Digital Banking Scorecards, Bank of America achieved "Best in Class" in both the mobile banking and online banking categories for the fifth year in a row
- Keynova ranked our small business digital banking solutions No. 1 in their digital scorecard

Delivering for our employees

- Bank of America was once again named to LinkedIn's Top Companies 2021: The 50 best workplaces to grow your career in the U.S.
- Forbes named Bank of America one of the Best Employers for New Grads
- BofA named one of the Best Places to Work for Disability Inclusion by Disability: IN
- BofA recognized as one of the Best Workplaces in New York and Best Workplaces for Millennials by Fortune
- Seramount (formerly Working Mother Media) listed Bank of America as one of their 2021 Best Companies for Multicultural Women for the third year in a row
- Bank of America named one of The Times Top 50 Employers for Women in the U.K.

Delivering for our communities

- Euromoney names Bank of America North America's Best Bank for Corporate Responsibility
- BofA ranked No. 3 on JUST Capital's 2021 Top 100 U.S. Companies Supporting Healthy Families and Communities list

Endnotes

- A** Regulatory capital ratios at June 30, 2021 are preliminary. The Corporation 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 for Common equity tier 1 (CET1) is the Standardized approach for June 30, 2021 and March 31, 2021 and the Advanced approaches for June 30, 2020. Supplementary leverage exposure at March 31, 2021 and June 30, 2020 excludes U.S. Treasury securities and deposits at Federal Reserve Banks.
- B** We present certain key financial and nonfinancial performance indicators (KPIs) that management uses when assessing consolidated and/or segment results. We believe this information is useful because it provides management and investors with information about underlying operational performance and trends. KPIs are presented in Balance Sheet, Liquidity and Capital Highlights and on the Segment pages for each segment.
- C** Reserve Build (or Release) is calculated by subtracting net charge-offs for the period from the provision for credit losses recognized in that period. The period-end allowance, or reserve, for credit losses reflects the beginning of the period allowance adjusted for net charge-offs recorded in that period plus the provision for credit losses recognized in that period.
- D** We measure net interest income on an FTE basis, which is a non-GAAP financial measure. FTE basis is a performance measure used in operating the business that management believes provides investors a more accurate picture of the interest margin for comparative purposes. We believe that this presentation allows for comparison of amounts from both taxable and tax-exempt sources and is consistent with industry practice. Net interest income on an FTE basis was \$10.3 billion, \$10.3 billion and \$11.0 billion for the three months ended June 30, 2021, March 31, 2021 and June 30, 2020, respectively. The FTE adjustment was \$110 million, \$111 million and \$128 million for the three months ended June 30, 2021, March 31, 2021 and June 30, 2020, respectively.
- E** Global Liquidity Sources (GLS) include cash and high-quality, liquid, unencumbered securities, inclusive of U.S. government securities, U.S. agency securities, U.S. agency MBS, and a select group of non-U.S. government and supranational securities, and other investment-grade securities, and are readily available to meet funding requirements as they arise. It does not include Federal Reserve Discount Window or Federal Home Loan Bank borrowing capacity. Transfers of liquidity among legal entities may be subject to certain regulatory and other restrictions.
- F** The following table includes Global Markets sales and trading revenue, excluding net DVA, which is a non-GAAP financial measure.

(Dollars in millions)	Three months ended		
	6/30/2021	3/31/2021	6/30/2020
Sales and trading revenue:			
Fixed-income, currencies and commodities	\$ 1,937	\$ 3,242	\$ 2,941
Equities	1,624	1,836	1,210
Total sales and trading revenue	\$ 3,561	\$ 5,078	\$ 4,151
Sales and trading revenue, excluding net debit valuation adjustment			
Fixed-income, currencies and commodities	\$ 1,965	\$ 3,251	\$ 3,186
Equities	1,630	1,829	1,226
Total sales and trading revenue, excluding net debit valuation adjustment	\$ 3,595	\$ 5,080	\$ 4,412

For the three months ended June 30, 2021, March 31, 2021 and June 30, 2020, net DVA losses were \$(34) million, \$(2) million and \$(261) million, FICC net DVA losses were \$(28) million, \$(9) million and \$(245) million, and Equities net DVA gains (losses) were \$(6) million, \$(7) million and \$(16) million, respectively.

Appendix A: Reconciliations to GAAP Financial Measures

The Corporation evaluates its business based on the following ratios that utilize tangible equity, a non-GAAP financial measure. Tangible equity represents an adjusted shareholders' equity or common shareholders' equity amount which has been reduced by goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible common shareholders' equity measures the Corporation's net income applicable to common shareholders as a percentage of adjusted average common shareholders' equity. The tangible common equity ratio represents adjusted ending common shareholders' equity divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Return on average tangible shareholders' equity measures the Corporation's net income as a percentage of adjusted average total shareholders' equity. The tangible equity ratio represents adjusted ending shareholders' equity divided by total assets less goodwill and intangible assets (excluding mortgage servicing rights), net of related deferred tax liabilities. Tangible book value per common share represents adjusted ending common shareholders' equity divided by ending common shares outstanding. These measures are used to evaluate the Corporation's use of equity. In addition, profitability, relationship and investment models all use return on average tangible shareholders' equity as key measures to support our overall growth goals.

See the tables below for reconciliations of these non-GAAP financial measures to the most closely related financial measures defined by GAAP for the three months ended June 30, 2021, March 31, 2021 and June 30, 2020. The Corporation believes the use of these non-GAAP financial measures provides additional clarity in understanding its results of operations and trends. Other companies may define or calculate supplemental financial data differently.

(Dollars in millions, except per share information)	2Q 2021	1Q 2021	2Q 2020
Reconciliation of average shareholders' equity to average tangible common shareholders' equity and average tangible common shareholders' equity			
Shareholders' equity	274,632	271,020	266,316
Goodwill	(69,023)	(68,951)	(68,951)
Intangible assets (excluding mortgage servicing rights)	(2,212)	(2,173)	(1,640)
Related deferred tax liabilities	915	910	790
Tangible shareholders' equity	204,312	200,806	196,515
Preferred stock	(23,684)	(24,180)	(23,427)
Tangible common shareholders' equity	180,628	176,626	173,088
Reconciliation of period-end shareholders' equity to period-end tangible common shareholders' equity and period-end tangible common shareholders' equity			
Shareholders' equity	277,119	274,000	265,637
Goodwill	(69,023)	(68,951)	(68,951)
Intangible assets (excluding mortgage servicing rights)	(2,192)	(2,134)	(1,630)
Related deferred tax liabilities	915	915	789
Tangible shareholders' equity	206,819	203,830	195,845
Preferred stock	(23,441)	(24,319)	(23,427)
Tangible common shareholders' equity	183,378	179,511	172,418
Net Income	9,224	8,050	3,533
Preferred stock dividends	260	490	249
Net income applicable to common shareholders	8,964	7,560	3,284
Book value per share of common stock			
Common shareholders' equity	253,678	249,681	242,210
Ending common shares issued and outstanding	8,487.2	8,589.7	8,664.1
Book value per share of common stock	29.89	29.07	27.96
Tangible book value per share of common stock			
Tangible common shareholders' equity	183,378	179,511	172,418
Ending common shares issued and outstanding	8,487.2	8,589.7	8,664.1
Tangible book value per share of common stock	21.61	20.90	19.90



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