BANK OF AMERICA

UK PILLAR 3 REMUNERATION DISCLOSURES

Performance Year ended 31 December 2019

Pillar 3 Public Disclosures for Performance Year 2019

Introduction

The following remuneration disclosure sets forth a summary of the remuneration principles and programmes operated by Bank of America Corporation ("Bank of America" or the "Company"), as applicable to Merrill Lynch International (including its branches) and Bank of America, N.A. London Branch, as at 31 December 2019. Additionally, the disclosure sets forth information regarding the remuneration of staff identified as UK Material Risk Takers ("MRTs"), taking into account the qualitative and quantitative criteria to identify categories of staff whose professional activities may have a material impact on an institution's risk profile developed by the European Banking Authority (the "EBA") contained in Commission Delegated Regulation (EU) No 604/2014.

This document therefore incorporates the qualitative disclosure requirements under paragraphs (a) to (f) of Article 450(1) of the Capital Requirements Regulation (Regulation (EU) No 575/2013 – the "CRR"), and the quantitative disclosure requirements under paragraphs (g) to (i) of Article 450(1) of the CRR.

The Company applies prudent risk management practices to its incentive remuneration programmes across the enterprise and is committed to a remuneration governance structure that effectively contributes to its overall risk management policies.

In order to provide an appropriate balance of risk and reward, incentive remuneration plans are developed in accordance with the Company's Global Compensation Principles:

> Principle 1. Compensation should be comprised of an appropriate mix of salary, benefits and incentives paid over time that properly aligns employee and stockholder interests.
>
> Principle 2. Criteria for payment of incentive compensation should take into account Company-wide, business unit and individual factors.
>
> Principle 3. Compensation should be determined on the basis of a combination of financial and non-financial factors that reflect both the current period and a longer period.
>
> Principle 4. Compensation programmes should incorporate appropriate governance processes and procedures.

These principles work in conjunction with broader remuneration practices, including the Company's overall commitment to pay for performance, remuneration policies and risk management processes set forth in the Company's Risk Framework.

Governance and the Decision-making Process for Determining the Remuneration Policy

The Company applies its remuneration policy on a global basis and has four primary levels for the governance of incentive remuneration plans:

(i) the Board of Directors (the "Board"),

(ii) the Board of Directors Compensation and Human Capital Committee (the "Committee"), which is wholly made up of independent directors and functions as the Company's global Remuneration Committee,

(iii) the Management Compensation Committee ("MCC"), and

(iv) governance by line of business management and independent control functions aligned to the line of business and local governance (remuneration) committee(s).

The Committee oversees the establishment, maintenance and administration of the Company's remuneration programmes and employee benefit plans, including approving the remuneration of the direct reports of the Chief Executive Officer (the "CEO") and approving and recommending the remuneration of the CEO to the Board for its further approval. Under supervision of the Committee, oversight, review and responsibility for remuneration decision-making is allocated to the appropriate level of the Company's structure so that the most relevant level of management makes remuneration decisions with documented input from the Company's independent control functions.

The Committee has adopted and annually reviews (most recently in September 2019) the Bank of America Compensation Governance Policy ("CGP") to govern incentive remuneration decisions and define the framework for design oversight of incentive remuneration programmes across the Company. The CGP is designed to be consistent with global regulatory initiatives so that the Company's incentive remuneration plans do not encourage excessive risk-taking.

The Committee receives, from time to time, direct feedback from the independent control functions on remuneration programmes. For performance year 2019, in addition to reviewing the individual incentive remuneration awards for executive officers and other senior executives who report directly to the CEO, the Committee also reviewed the outcomes of the Company's robust control function feedback process, conduct reviews and individual incentive remuneration awards for certain highly compensated employees and MRTs. As part of its governance routine, the Committee meets with the heads of the Company's independent control functions (including the Chief Risk Officer ("CRO")) and lines of business to discuss their feedback on the pay-for-performance process, including their experience managing risk and conduct matters. In addition, the Company's CRO also certifies all incentive plans across the Company as part of the MCC's governance process.

As a result of these processes and reviews, and in combination with the risk management and clawback features of the Company's remuneration programmes, Bank of America believes that its remuneration policies and practices appropriately balance risk and reward in a way that does not encourage excessive or imprudent risk-taking or create risks that are reasonably likely to have a material adverse effect on the Company. Moreover, oversight by the Committee, MCC, independent control functions, and line of business management helps the Company maintain a remuneration program that is intended to mitigate the potential for conflicts of interests.

As authorized under its charter, the Committee has engaged Farient Advisors, LLC as its independent remuneration consultant. The independent remuneration consultant meets regularly with the Committee outside the presence of management and alone with the Committee Chair, and also reviews management's incentive plan certifications with the Committee.

During performance year 2019, the Committee held seven (7) meetings. Additional information regarding the Committee is included in the annual Proxy Statement available on Bank of America's Investor Relations website.

The Link Between Pay and Performance

The cornerstone of Bank of America's remuneration philosophy across all lines of business is to pay for performance – Company, line of business and individual performance. Through the Company's Performance Management process, employees understand performance expectations for their role through ongoing dialogue with their manager. The Performance Management process is designed and monitored by the Leadership Development function in Human Resources. This process is reviewed periodically so that it meets the needs of managers to assess and communicate performance expectations. Throughout the year, employees receive coaching on their performance and ultimately receive a rating for their full year of performance based upon their achievement of goals for their job.

In addition, the Company does not remunerate or assess employees' performance in a way that encourages employees to act in a manner that conflicts with the duties owed to the Company's clients. Each employee’s performance is assessed on quantitative and qualitative objectives as well as specific behaviours, and performance is factored into each employee’s incentive remuneration award. Depending on the employee, quantitative performance objectives may be focused on Company-wide, line of business, or product results. Qualitative performance objectives may include quality and sustainability of earnings, successful implementation of strategic initiatives, adoption of risk culture/adherence to the Risk Framework and operating principles in relation to conduct risk, adherence to the Company’s Code of Conduct, and other core values of the Company.

Employees receive two ratings – a Result rating (based on factors such as business performance) and a Behaviour rating (based on factors such as conduct, broader contributions to the Company, leadership, teamwork, etc.). The scale for both ratings is Exceeds Expectations, Meets Expectations, and Does Not Meet Expectations. Both the Result and Behaviour ratings are used in determining employees’ remuneration. As a result, an employee’s remuneration can be influenced not only by what the employee achieves, but how the employee achieves it and the employee may receive no variable award if performance is not sufficiently strong.

The Company’s pay-for-performance program also requires that all employees complete annual mandatory risk and compliance training.

Risk Management and Incentive Plans

Risk is inherent in every material business activity that the Company undertakes. The Company’s business exposes it to strategic, credit, market, liquidity, compliance, operational and reputational risks. The Company must manage these risks to maximize its long-term results by ensuring the integrity of its assets and the quality of its earnings. To support the Company’s corporate goals and objectives, risk appetite, and business and risk strategies, the Company maintains a governance structure that delineates the responsibilities for risk management activities, as well as governance and oversight of those activities, by management and the Company’s Board.

Executive management develops for Board approval the Company’s Risk Framework, which defines the accountability of the Company and its employees in managing risk; the Company’s Risk Appetite Statement, which defines the parameters under which the Company will take risk; and the Company’s strategic and financial operating plans. Management monitors, and the Board oversees directly and through its committees, the Company’s financial performance, execution against the strategic and financial operating plans, compliance with the risk appetite metrics and the adequacy of internal controls.

The Company believes that prudent risk management practices are applied to its incentive remuneration programmes across the enterprise. The Company continually evaluates the design of its remuneration programmes in accordance with the Risk Framework. The Committee is committed to a remuneration governance structure that effectively contributes to the Company’s broader risk management policies.

The Company's incentive plans are designed to compensate employees based on their performance ratings for results against their individual performance plan and behaviours, as well as overall Company and line of business performance.

Annual budgets for incentive pools are established as part of the overall financial planning process so that planned incentives align to the overall anticipated performance of the Bank. Incentive pools are based on a combination of financial, risk and non-financial measures and performance. The determination of incentive pools is also subject to management discretion, taking into account overall performance, inclusive of risk, of the Bank and /or specific lines of business and other factors including the achievement of strategic objectives and a qualitative assessment of the quality and sustainability of earnings over time. Incentive pools may be adjusted to reflect long-term risk arising through lines of business and product performance.

Risk is also taken into account and managed in connection with the Company's incentive remuneration programmes through arrangements permitting performance adjustment of deferred variable remuneration. Employees in positions where the greatest risk is being taken are generally subject to higher levels of deferral and potential performance adjustments.

The remuneration of the independent control functions is determined independently from the line of business supported. The funding of the incentive pool for these employees is based upon overall Company performance with the actual employee awards determined based upon individual performance against predetermined objectives.

Employee Pay

Bank of America compensates its employees using a balanced mix of fixed remuneration, benefits, annual cash incentives and deferred incentives (which are delivered in equity, equity-based instruments or cash). In general, the higher an employee's management level or amount of incentive compensation award, the greater the proportion of incentive compensation should be (i) subject to deferral and (ii) delivered in the form of equity-based compensation.

Fixed remuneration mainly consists of base salary, employer pension and benefits contributions and, for certain employees, fixed role-based allowances. Base salary and fixed role-based allowance levels reflect each employee's scope of responsibility, experience, market pressures and accountability within the Company and are intended to be part of a competitive total remuneration package. Employer pension and benefits contributions align to local market practice and legal requirements.

The portion of employees' remuneration that is variable, i.e., annual cash incentives and deferred incentives, as a percentage of total remuneration, generally increases for more senior positions. The remuneration mix is reviewed annually so that the Company operates a balanced and market-competitive program whilst in compliance with local regulations.

The Company believes equity-based awards are the simplest, most direct way to align employee interests with those of its stockholders. This serves two key objectives, which are to focus employees on long-term sustainable results and to subject remuneration awards to risk over an appropriate time horizon that can be easily communicated and understood. For individuals receiving variable compensation above the value of an internally defined threshold, a portion of incentive awards is provided as a deferred incentive that generally becomes earned and payable over a period of three years after grant, increasing to longer periods for certain MRTs to reflect local regulatory requirements as described below. Deferred incentives will be cancelled in case of detrimental conduct and, where applicable, may also be cancelled if the Company, line of business or business unit (as applicable) fails to remain profitable during the vesting period.

Bank of America offers guaranteed bonus payments only in exceptional circumstances to new hires, limited to the first year of employment. Where required, the Company may offer and structure severance payments in accordance with relevant employment law or regulatory requirements.

Material Risk Taker Pay

The Company operates an enterprise-wide approach in the identification of MRTs. MRTs are employees whose professional activities have a material impact on the risk profile of the Company's operations and are identified by taking into consideration local regulatory requirements. In the UK, the Company layers into its enterprise process the qualitative and quantitative criteria outlined in the EBA's Regulatory Technical Standards for the identification of MRTs (the "RTS") as well as additional criteria identified by the Company through internal governance routines. MRTs are determined based on the role and activities of the employee taking into consideration the size, internal organization and nature, scope and complexity of the activities of the UK entities.

For UK MRTs, in accordance with Article 94(1)(g) of the Capital Requirements Directive 2013/36/EU ("CRD IV"), the Company has obtained approvals from relevant shareholders to increase the maximum ratio of variable compensation to fixed compensation to 200% for each individual. Most recently, this was passed unanimously by relevant group holding companies in January 2016 and December 2019. Equivalent approvals have been obtained for Bank of America subsidiaries in other European jurisdictions as applicable.

Variable remuneration for UK MRTs is structured per the requirements outlined in UK Remuneration Code, CRD IV and the EBA Guidelines on Sound Remuneration Policies (the "EBA Guidelines"), and generally consists of a mixture of upfront (delivered in cash or restricted stock units ("RSUs")) and deferred payments. The equity-based component is a minimum of 50% of variable remuneration, made up of deferred and immediately vested remuneration. Deferred awards are delivered in the form of equity-based awards, typically in the form of RSUs which become earned and payable over a period of three, five or seven years after grant (as appropriate) and will be at least 40% or 60% of the total incentive award (as required). Variable remuneration delivered in immediately vested or deferred equity-based awards for UK MRTs is subject to a six or twelve month holding period after vesting. Deferred awards do not carry dividends or dividend equivalents during the deferral period, as required under relevant regulations.

The Company applies de minimis concessions as appropriate under relevant local and/or EU regulations. The deferral percentages applied to UK MRTs are no less than, and in many cases in excess of, what is required under the UK Remuneration Code.

Deferred awards will be cancelled in the case of detrimental conduct and may be cancelled if the Company, line of business or business unit (as applicable) fails to remain profitable during the vesting period. If risks taken as part of approved business strategies do not result in sustainable profits, or if the employee fails to behave according to Company standards or fails to meet the criteria set out in CRD IV and the UK Remuneration Code, the value of the deferred equity award may be impacted or adjusted downwards, and/or vested amounts may be clawed back.

By combining deferred awards with appropriate malus and clawback provisions, including the criteria set out in CRD IV, the EBA Guidelines and the UK Remuneration Code, the Company considers that it places a strong focus on sustainable long-term results and appropriate behaviours.

The recommendations for performance year 2019 incentive awards for UK MRTs were reviewed by the Committee in January 2020.

Disclosure Tables

This section contains the aggregated quantitative information required under paragraphs (g) to (i) of Article 450(1) of the CRR in relation to performance year 2019, as applicable to UK MRTs[1].

All remuneration data is shown in EUR 000s[2].

2019 Total Remuneration[3]

	Senior Management		Other MRTs		
	Management Body[4]	Other Senior Management[5]	Global Banking and Markets	Independent Control Functions	Corporate Functions
Number of beneficiaries[6]	10	11	478	67	37
Total remuneration	20,304	23,600	407,795	31,079	20,741
Fixed remuneration[7]	9,624	14,193	236,954	16,923	10,329
Variable remuneration[8]	10,680	9,407	170,841	14,156	10,412
Upfront cash	1,747	2,103	27,853	3,679	2,851
Upfront equity-based awards	2,525	1,932	16,936	2,458	2,411
Deferred equity-based awards	6,408	5,372	126,052	8,019	5,150

Deferred Remuneration[9]

	Senior Management		Other MRTs		
	Management Body	Other Senior Management	Global Banking and Markets	Independent Control Functions	Corporate Functions
Outstanding at 1 Jan 2019	22,815	44,128	408,122	23,152	16,147
Awarded in 2019	12,326	12,489	226,464	12,916	7,911
Vested, paid in 2019	7,550	16,731	183,398	10,347	7,082
Performance adjustment reductions in 2019	-	-	-	-	-
Outstanding at 31 Dec 2019	27,591	39,886	443,159	25,721	16,976
Vested outstanding	-	-	30,312	666	1,670
Unvested outstanding	27,591	39,886	412,847	25,055	15,306
Awarded in Feb 2020	6,018	6,154	143,790	8,094	5,719

Sign On and Severance Payments[10]

	Senior Management		Other MRTs		
	Management Body	Other Senior Management	Global Banking and Markets	Independent Control Functions	Corporate Functions
Total sign on payments	-	-	3,746	-	-
Number of beneficiaries	-	-	3	-	-
Total severance payments	-	170	7,102	538	169
Number of beneficiaries	-	1	25	3	1
Awarded and paid in 2019	-	170	5,795	538	169
Awarded and unpaid in 2019	-	-	1,307	-	-

2019 Total Remuneration[3,7,8] Above EUR 1 million

Total Remuneration Range	Number of MRTs
EUR 1 million to EUR 1.5 million	65
EUR 1.5 million to EUR 2 million	34
EUR 2 million to EUR 2.5 million	24
EUR 2.5 million to EUR 3 million	5
EUR 3 million to EUR 3.5 million	10
EUR 3.5 million to EUR 4 million	1
EUR 4 million to EUR 4.5 million	7
EUR 4.5 million to EUR 5 million	3
Over EUR 5 million	4

Notes

1. The UK MRT population includes staff of Merrill Lynch International (inclusive of its branch), Bank of America N.A. London Branch and Bank of America Merrill Lynch International Designated Activity Company London Branch. UK MRTs may also be MRTs of other European Entities and could therefore additionally be reflected in relevant regulatory reportings for these entities.
2. EUR:USD FX Rate 1.1225936.
3. Where applicable, for employees who are UK MRTs for part of the year, the relevant portions of performance year 2019 remuneration within the scope of this disclosure are shown.
4. Comprises Non-Executive and Executive Directors.
5. Comprises Senior Managers under the UK Senior Manager's Regime, excluding the Supervisory and Management Body, and any other UK MRTs considered to be senior management.
6. The number of beneficiaries refers to the number of MRTs who received the remuneration reported in the corresponding column
7. Comprises base salaries, fixed allowances and estimated pensions, benefits and on-going international mobility-related allowances, as relevant. No fixed remuneration is paid as equity-based awards or other instruments.
8. Variable remuneration in respect of performance year 2019. Comprises upfront awards (cash and equity-based awards) and deferred equity-based awards. Remuneration is included on a basis consistent with values used in complying with the maximum permitted ratio of fixed to variable pay where applicable. Any remuneration in the form of severance awards that fall outside of paragraph 154 (a)-(c) of the EBA Guidelines is counted for the purposes of such ratio.
9. All amounts of deferred remuneration, including MRT awards and awards granted in prior performance years, are shown in full, including for employees who held a UK MRT role for part of performance year 2019. Stock price for deferred remuneration value calculations: USD 34.85 as at 14 Feb 2020. All deferred remuneration is subject to performance adjustment and detrimental conduct provisions.
10. Awarded during 2019. Sign-on figures comprises guaranteed payments which are only made in exceptional circumstances to new hires and limited to first year of employment. Any severance awards that fall outside of paragraph 154 (a)-(c) of the EBA Guidelines are counted for the purposes of the maximum permitted ratio of fixed to variable remuneration. Highest single severance payment of EUR 2.571 million.