

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attached

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ See Attached

Multiple horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached

Multiple horizontal lines for providing details for question 19.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *William McNairy* Date ▶ *Dec. 13, 2018*

Print your name ▶ **William McNairy** Title ▶ **Senior Vice President**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Bank of America Corporation

Attachment to Form 8937

Date of Organizational Action: December 7, 2018

Adjustment to the Exercise Price and Warrant Share Number for the A Warrants

The information contained herein does not constitute tax advice and does not purport to be complete or describe the consequences that may apply to all categories of holders of A warrants. Each holder is advised to consult his or her tax advisor regarding the tax treatment of the warrant adjustments. Further information regarding the warrant adjustments, including information regarding past adjustments, can be found on the Bank of America Investor Relations webpage under "Warrant Information" (available at: <http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-warrantinfo#fbid=kxJCDKUgATU>)

Part II Box 14

Pursuant to the Warrant to Purchase Common Stock ("Warrant Certificate") dated January 16, 2009 and Treasury Regulations, the "organizational action" is an adjustment to the Exercise Price and Warrant Share Number for the A Warrants of Bank of America Corporation ("BAC"). The Warrant Share Number and the Exercise Price (each as defined in the Warrant Certificate) for the A Warrants are subject to adjustment upon the occurrence of certain events, including in the event BAC fixes a record date for and pays a regular quarterly cash dividend to holders of BAC's common stock in excess of \$0.01 per share (as adjusted for any stock split, reverse stock split, reclassification or similar transaction).

On October 24, 2018, BAC announced that the Board of Directors of BAC declared a quarterly common stock dividend of \$0.15 per share payable on December 28, 2018 to stockholders of record as of December 7, 2018. Immediately after the record date of December 7, 2018, the Exercise Price for the A Warrants was reduced from \$12.609 to \$12.544. The October 24, 2018 common stock dividend declaration did not result in a change in the Warrant Share Number for the A Warrants, however the Warrant Share carryforward amount was increased from 0.05344 to 0.05862.

Part II Box 15

Bank of America expects the adjustments to the A Warrants to be treated for U.S. federal income tax purposes as a taxable dividend distribution in an amount equal to the fair market value of the incremental stock rights attributable to the adjustment to the Exercise Price and Warrant Share Number.

As a result of the treatment of the adjustments to the A Warrants as a dividend distribution, a holder's tax basis in their A Warrants should increase by the amount of such dividend distribution. Further, the amount of such dividend distribution and the increase to basis in the A Warrants is calculated to be \$0.197 per warrant as described below.

Part II Box 16

Consistent with the Proposed Treasury Regulations Section 1.305-7(c)(4), the calculation of the deemed dividend amount and the corresponding change to basis per A Warrant is determined to be the excess of (i) the fair market value of an A Warrant immediately after the adjustments over (ii) the fair market value of an A Warrant as if no adjustments had occurred.

The fair market value of an A Warrant immediately after the adjustments is determined in reference to a December 7, 2018 calculated price using a Black Scholes option pricing model with pricing inputs, including volatility, the risk free return, BAC's stock price, BAC's dividend yield, and the remaining term of the Warrants as of December 7, 2018 including both the adjusted Exercise Price and the adjusted Warrant Share carryforward amount receivable upon exercise. The fair market value of an A Warrant without the applicable adjustments is determined in reference to that same model with the option pricing inputs held constant but using the Exercise Price and Warrant Share number carryforward without the December 7, 2018 adjustment.

Part II Box 17

Section 305(c) of the Internal Revenue Code of 1986, as amended.

Part II Box 18

No loss can be recognized.

Part II Box 19

The warrant adjustments were effective immediately after December 7, 2018. Consequently, the reportable taxable year for the holders of the A Warrants for reporting the dividend income is the taxable year that includes December 7, 2018. Basis adjustment occurs in the same year but the effect of the basis adjustment will be recognized in the year in which the holder disposes of the warrants or the warrants lapse.

The following table summarizes the impact to the tax basis of each warrant for the warrant holder of record on the adjustment date for 2016 forward:

Adjustment Date	Amount of Basis Adjustment
March 4, 2016	\$0.059
June 3, 2016	\$0.017
September 2, 2016	\$0.036
December 2, 2016	\$0.119
March 3, 2017	\$0.034
June 2, 2017	\$0.035
September 1, 2017	\$0.171
December 1, 2017	\$0.051
March 2, 2018	\$0.232
June 1, 2018	\$0.049
September 7, 2018	\$0.060
December 7, 2018	\$0.197