



October 14, 2020

## **BANK OF AMERICA CORPORATION FILED A FORM 8-K**

CHARLOTTE, N.C.– (BUSINESS WIRE) – October 14, 2020 – Bank of America Corporation (the "Corporation") informed its securities holders that it has filed a Current Report on Form 8-K with the U.S. Securities and Exchange Commission ("SEC") on October 14, 2020, announcing financial results for the third quarter ended September 30, 2020, reporting third quarter net income of \$4.9 billion, or \$0.51 per diluted share.

### ***Q3-20 Financial Highlights<sup>1</sup>***

- Net income of \$4.9 billion, or \$0.51 per diluted share
- Provision for credit losses increased to \$1.4 billion, driven by COVID-19 impacts in commercial
- Revenue, net of interest expense, decreased 11% to \$20.3 billion
  - Net interest income (NII) down 17% to \$10.1 billion, driven by lower interest rates
  - Noninterest income declined 4% to \$10.2 billion, primarily reflecting lower consumer fees as well as improved trading and investment banking results
- Noninterest expense decreased 5% to \$14.4 billion as higher net costs related to COVID-19 and higher litigation expense were more than offset by the absence of a \$2.1 billion Merchant Services impairment charge recorded in the year-ago quarter
- Loan and lease balances in the business segments rose \$27 billion, or 3%, to \$950 billion
- Deposits rose \$320 billion, or 23%, to \$1.7 trillion
- Common equity tier 1 (CET1) ratio increased 50 basis points to 11.9% (Standardized approach), versus 9.5% required minimum
- Book value per common share rose 5% to \$28.33; tangible book value per common share rose 5% to \$20.23<sup>2</sup>

### ***Q3-20 Business Segment Highlights<sup>1,3</sup>***

#### *Consumer Banking*

- **Net income of \$2.1 billion**
- Loans up 5% to \$319 billion; deposits up 21% to \$861 billion
- Consumer investment assets up 20% to \$267 billion, driven by flows of \$24 billion since Q3-19

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<sup>1</sup> 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.

<sup>2</sup> Tangible book value per common share represents a non-GAAP financial measure.

<sup>3</sup> The Corporation reports the results of operations of its four business segments and All Other on a fully-taxable equivalent (FTE) basis.

- **Client Support Actions:**
  - ~ 343,000 Paycheck Protection Program loans to small business owners YTD; ~\$25 billion in outstanding balances
  - Processed ~ 1.8 million payment deferrals YTD, of which ~100,000 were still in place as of September 30

#### *Global Wealth and Investment Management*

- **Net income of \$749 million**
- Record client balances of \$3.1 trillion, up 6%, driven by higher market valuations and client flows
- Loans up 9% to \$186 billion; deposits up 15% to \$292 billion
- Merrill added ~ 17,000 net new households YTD, and Private Bank added more than 1,400 net new relationships YTD
- **Client Support Actions:**
  - 77% of Wealth Management clients used online or mobile platform
  - Record 100,000+ WebEx meetings hosted by Merrill Lynch Wealth Management Financial Advisors, up nearly 7 times vs. Q3-19
  - Private Bank teams averaged 1,850 client interactions/day YTD

#### *Global Banking*

- **Net income of \$926 million**
- Firmwide investment banking fees (excl. self-led) up 15% to \$1.8 billion; second-best quarter in firm's history
- No. 3 ranking in investment banking fees YTD
- Loans down 1% to \$373 billion; deposits up 31% to \$471 billion
- **Client Support Actions:**
  - Raised \$617 billion in capital YTD on behalf of clients
  - Issued \$2 billion Equality Progress Sustainability Bond to help reduce inequalities in Black and Hispanic/Latino communities

#### *Global Markets*

- **Net income of \$857 million**
- Sales and trading revenue of \$3.2 billion, including net debit valuation adjustments (DVA) losses of \$116 million
- Excluding net DVA, sales and trading revenue increased 4% to \$3.3 billion
  - FICC increased 3% to \$2.1 billion
  - Equities increased 6% to \$1.2 billion
- **Client Support Actions:**
  - Supported clients by providing liquidity and a strong and resilient trading platform

Bank of America Corporation makes available all of its SEC filings on its website: <http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-irhome>.

The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's website at <http://www.sec.gov>. A copy of the document will

also be available on the National Storage Mechanism's website at:  
<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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