



January 16, 2019

BANK OF AMERICA CORPORATION FILED A FORM 8-K

CHARLOTTE, N.C.– (BUSINESS WIRE) – January 16, 2019 – 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 January 16, 2019, announcing financial results for the fourth quarter and year ended December 31, 2018, reporting fourth quarter net income of \$7.3 billion, or \$0.70 per diluted share, and net income for the year of \$28 billion, or \$2.61 per diluted share.

Q4-18 Financial Highlights¹

- Net income of \$7.3 billion rose 208% (39% adjusting for the impact of the Tax Act in 2017)², driven by continued strong operating leverage and asset quality, as well as the benefit of tax reform impacting 2018
- Diluted earnings per share of \$0.70 rose 250% (49% on an adjusted basis)²
- Pretax income of \$8.7 billion rose 41% (22% on an adjusted basis)²
- Revenue, net of interest expense, increased 11% (6% on an adjusted basis)² to \$22.7 billion led by net interest income (NII), reflecting benefits from higher interest rates as well as loan and deposit growth
- Net interest yield (FTE basis) of 2.48%, up 9 bps
- Provision for credit losses decreased \$96 million to \$905 million
 - Net charge-off ratio declined to 0.39%
- Noninterest expense declined \$141 million, or 1%, to \$13.1 billion; efficiency ratio improved to 58%
- Average loan and lease balances in business segments rose \$25 billion, or 3%, to \$881 billion
 - Loans to consumers up 4% and commercial up 2%
- Average deposit balances rose \$51 billion, or 4%, to \$1.3 trillion
- Repurchased \$20.1 billion in common stock and paid \$5.4 billion in common dividends during 2018

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

² On December 22, 2017, the Tax Cuts and Jobs Act (the Tax Act) was enacted, which included a lower U.S. corporate tax rate effective in 2018. The Tax Act reduced Q4-17 net income by \$2.9 billion, or \$0.27 per diluted common share, which included a \$0.9 billion pretax charge in other noninterest income predominantly related to the revaluation of certain tax-advantaged energy investments, as well as \$1.9 billion of tax expense principally associated with the revaluation of certain deferred tax assets and liabilities. Adjusted net income, diluted earnings per share, pretax income and revenue are non-GAAP financial measures and exclude the Q4-17 impact of the enactment of the Tax Act.

Q4-18 Business Segment Highlights^{1,3}

Consumer Banking

- Net income rose 52% to \$3.3 billion
- Loans up 5% to \$290 billion
- Deposits up 3% to \$687 billion
- Full-year Merrill Edge brokerage client flows of \$25 billion
- Efficiency ratio improved to 45%
- 26.4 million mobile banking users, up 9%
- Consumer payments \$721 billion, up 7%

Global Wealth and Investment Management

- Net income rose 43% to \$1.1 billion
- Pretax margin increased 29%
- Full-year client balance flows of \$56 billion
- Loans increased 4% to \$164 billion
- 2018 organic growth of new ML households more than 4 times 2017

Global Banking

- Net income rose 25% to \$2.1 billion
- Firmwide investment banking fees of \$1.3 billion (excludes self-led)
- Loans increased 2% to \$357 billion
- Deposits increased 9% to \$360 billion
- Efficiency ratio remained low at 42%

Global Markets

- Net income rose 20% to \$493 million
- Sales and trading revenue of \$2.6 billion, including net debit valuation adjustment (DVA) gains of \$52 million
- Excluding net DVA, sales and trading revenue up 6% to \$2.5 billion
 - Equities up 11% to \$1.1 billion
 - FICC down 15% to \$1.4 billion

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: <http://www.morningstar.co.uk/uk/NSM>.

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

CONTACT: Amanda D. Daniel, North Carolina Certified Paralegal, Bank of America, Office
+1 980.388.5923.