Bank of America

BANK OF AMERICA CORPORATION
2017 RESOLUTION PLAN SUBMISSION

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I. INTRODUCTION

Regulations are in place globally that require large financial institutions or their regulators to develop resolution plans, also known as “living wills.” In the United States (“U.S.”), these plans are required by Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act and are intended to reduce the economic impacts of a large financial institution’s failure on the economy and avert a widespread destabilization of the global financial system.

Bank of America Corporation (“BAC”) and its subsidiaries (collectively, the “Company,” “we,” “us,” and “our”) provides the Agencies with a comprehensive and credible Resolution Plan that aligns with our operating principles and values, and our responsible growth philosophy. As a Company, our purpose is to help make financial lives better by connecting those we serve with the resources they need to be successful. Our purpose and values form the foundation of our culture – a culture that is rooted in accountability and disciplined risk management, delivering together as a team.

Our responsible growth philosophy includes the implementation of strong risk management practices within a clear Risk Framework and Risk Appetite. This philosophy influences our resolution preparedness capabilities such that internal and external stakeholders – including regulators, depositors, creditors, counterparties, customers, clients, employees, and shareholders – have confidence that our Resolution Plan would result in an orderly restructuring of the Company.

The objectives of our Resolution Plan, which assumes a single point of entry resolution strategy pursuant to which only BAC would enter resolution proceedings under the U.S. Bankruptcy Code, are clear – to provide a roadmap and a set of capabilities that enable the Company to be resolved in a rapid and orderly fashion, while maintaining Critical Operations, and ultimately reducing the size of the Company without causing undue harm to the financial system or relying on government support or taxpayer funds. We have met these objectives in our Resolution Plan and summarize them in this public executive summary (this “Executive Summary”).

Who is required to file resolution plans?
Title I requires that bank holding companies with total consolidated assets of $50 billion or more and designated non-banks submit plans to the Board of Governors of the Federal Reserve System (“FRB”) and the Federal Deposit Insurance Corporation (“FDIC,” together, the “Agencies”) on an annual basis.

How does resolution planning fit into the Company’s responsible growth philosophy?
Growing our Company responsibly includes dedicating significant resources, taking definitive action, and making meaningful changes to our organization to develop and implement robust resolution preparedness capabilities in our business-as-usual activities.

If BAC declares bankruptcy, would the entire Company cease operations?
No, an essential part of our resolution strategy is that our Material Entities would continue to service customers through our Core Business Lines and Critical Operations without disruption.
In our prior Resolution Plan submission dated October 1, 2016 (the “2016 Resolution Submission”), we discussed key resolvability enhancements, including the remediation of two deficiencies and our progress to remediate three shortcomings the Agencies identified in feedback the Company received on April 12, 2016 on its Resolution Plan dated July 1, 2015 (the “2015 Resolution Plan”). See the Responsiveness to Regulatory Feedback section for more information on the status of our Resolution Plan.

Were the deficiencies identified by the regulators in April 2016 fully remediated?
Yes, on December 13, 2016, the Agencies jointly determined that our 2016 Resolution Submission adequately remediated the deficiencies identified in our 2015 Resolution Plan.

What about the shortcomings identified?
We believe we remediated the shortcomings identified by the Agencies, as discussed herein.

As a result of the work completed, including the key efforts discussed below, we are confident that the Company could be resolved in both an orderly and rapid fashion under the U.S. Bankruptcy Code.

We have taken the following key actions since 2011 to support our preferred, single point of entry resolution strategy:

**Capital**

- Enhanced the capability to estimate the amount of capital expected to be needed by each Material Entity to withstand severe economic stress and execute the resolution strategy.
- Appropriately positioned capital resources at the Material Entities.
- Implemented a capital management framework so that each Material Entity maintains more than adequate capital to meet regulatory requirements and market confidence.

**Liquidity**

- Enhanced the capability to estimate the amount of liquidity expected to be needed by each Material Entity to withstand severe economic stress and execute the resolution strategy.
- Appropriately positioned liquidity resources at the Material Entities.
- Embedded resolution liquidity risk management capabilities into our funding and liquidity framework.

**Governance Mechanisms**

- Strengthened our comprehensive risk management processes, along with associated governance mechanisms, to address financial stress events.
- Developed the Company’s Crisis Continuum which reflects the financial health of the Company, and calibrated appropriate triggers to indicate the Company’s movement along the Crisis Continuum.
- Developed various operational and tactical playbooks, including board governance playbooks (“Board Playbooks”), so that decisions and actions to address stress across the Crisis Continuum are timely, coordinated, and consistent.
Legal Preparation

- Executed a secured support agreement and a related security agreement (together, the “Secured Support Agreement”) which facilitates the funding and/or recapitalization of the Material Entities and the timely execution of BAC’s bankruptcy filing.

- Prepared an analysis of potential creditor challenges that identifies potential legal obstacles and discusses actions the Company has taken to mitigate the risk of such challenges.

- Developed a Bankruptcy & ISDA Protocol Playbook that sets forth a step-by-step bankruptcy execution plan that would satisfy the requirements of the 2015 Universal Resolution Stay Protocol (the “ISDA Protocol”).

Operational

- Formed a new central organization, the Enterprise Resolution Execution Office (“EREO”), to proactively monitor the global environment for potential threats and to coordinate the operational response and timely flow of information in the event of a crisis. In coordination with EREO, the Financial Systemic Event (“FSE”) team would lead the Company’s tactical response to any type of financial stress event.

- Enhanced the ability to deliver resolution-critical information to management and boards with improved management information systems (“MIS”).

- Developed the ability to identify high-risk interdependencies and implemented corresponding mitigation strategies by developing the capability to capture, analyze, and report interconnections of enablers (people, applications, vendors, financial market utilities (“FMUs”), and real estate) among Material Entities, Core Business Lines, Critical Operations, and Critical Services.

- Implemented contingency arrangements and a Shared Services Model to provide for continuation of Critical Services.

- Identified FMU and financial institution (“FI”) dependencies across Material Entities and developed continuity plans to reduce the potential for loss of access to payment, clearing, and settlement activities in resolution or provide alternatives in the event of lost access.

- Enhanced management, governance, and reporting capabilities to address the risks associated with collateral.

Legal Entity Rationalization

- Rationalized and simplified the Company’s legal entity structure by eliminating and restructuring certain legal entities to improve resolvability.

- Developed actionable legal entity criteria and governance for ongoing rationalization of our legal entity structure.
Separability

• Expanded our divestiture options and implemented a sustainable framework to identify divestiture options as part of our strategic planning process.

• Prepared virtual merger and acquisition due diligence data rooms ("Data Rooms") and underlying information which is readily available for potential buyers or regulators for each divestiture option.

Derivatives and Trading Activities

• Enhanced our derivatives booking model and reduced trades between affiliates.

• Conducted a detailed analysis of the Company’s preferred wind-down strategy for our derivatives and trading portfolios, and compared the preferred strategy to the regulator-identified active and passive strategies.

In this Executive Summary, we provide (1) an overview of our single point of entry resolution strategy; (2) a discussion of our resolution planning capabilities; (3) information regarding the governance of our resolution planning and capabilities; (4) a summary of our responsiveness to regulatory feedback; and (5) additional information about our Company.

Please refer to the Acronyms and Glossary of Terms section in the Appendix for the meaning of acronyms and the definitions of capitalized terms used in this Executive Summary.
II. SINGLE POINT OF ENTRY RESOLUTION STRATEGY

A. OUR COMPANY AND MATERIAL ENTITIES

Through our bank and various non-bank subsidiaries in the U.S. and international markets, BAC provides a diverse range of financial services and products. We operate in all 50 U.S. states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and more than 35 countries. We manage our business through four business segments: Consumer Banking, Global Wealth & Investment Management (“GWIM”), Global Banking, and Global Markets.

We have identified 17 Core Business Lines within our four business segments, 5 categories of Critical Operations, and 17 Material Entities for the purposes of resolution planning. Each Material Entity is listed in the chart below, categorized by entity type, along with its acronym and role in our resolution strategy.

<table>
<thead>
<tr>
<th>Entity Type</th>
<th>Material Entity Name</th>
<th>Acronym</th>
<th>Role in Our Resolution Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Holding Companies</td>
<td>Bank of America Corporation</td>
<td>BAC</td>
<td>Bankruptcy</td>
</tr>
<tr>
<td></td>
<td>BAC North America Holding Company</td>
<td>BACNA</td>
<td></td>
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<tr>
<td></td>
<td>NB Holdings Corporation</td>
<td>NB Holdings</td>
<td></td>
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<tr>
<td>Banks and Branches</td>
<td>Bank of America, National Association</td>
<td>BANA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank of America Merrill Lynch International Limited</td>
<td>BAMLI</td>
<td>Continuing Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>Bank of America, N.A. – London Branch</td>
<td>BANA-L</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank of America, N.A. – Frankfurt Branch</td>
<td>BANA-F</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank of America California, National Association</td>
<td>BACANA</td>
<td></td>
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<tr>
<td>Service Companies</td>
<td>BA Continuum India Private Limited</td>
<td>BACI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Global Services Pte. Ltd.</td>
<td>MLGS</td>
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<tr>
<td></td>
<td>Financial Data Services, LLC</td>
<td>FDS</td>
<td></td>
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<tr>
<td></td>
<td>Managed Account Advisors LLC</td>
<td>MAA</td>
<td></td>
</tr>
<tr>
<td>Broker-Dealers</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
<td>MLPFS</td>
<td>Solvent Wind-down Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Professional Clearing Corp.</td>
<td>MLPRO</td>
<td></td>
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<tr>
<td></td>
<td>Merrill Lynch Capital Services, Inc.</td>
<td>MLCS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch International</td>
<td>MLI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Japan Securities Co., Ltd.</td>
<td>MLJS</td>
<td></td>
</tr>
</tbody>
</table>

What is a Material Entity?
Material Entities are determined based on the definition in the 165(d) Rule: “a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.”

For more information on Our Company, Core Business Lines, Critical Operations, Material Entity Overview and Determinations, Our Funding Strategy, Financial Interconnectedness, Operational Connectedness, Material Entities - Background and Select Financial Information, Foreign Operations, and Material Supervisory Authorities, see the Additional Information about our Company section.
B. THE CRISIS CONTINUUM

We have developed a Crisis Continuum that reflects the financial health of the Company at any point in time. As illustrated in the picture above, the Crisis Continuum shows the progression as financial stress increases in severity, through four main phases:

- **Stable phase** – Normal financial conditions exist in a business-as-usual environment, where there is limited or no concern regarding the financial health of the Company.

- **Stress phase** – Progressive financial deterioration of the Company occurs, divided into the Deterioration and Recovery phases. If the period of financial stress continues to worsen during Deterioration and the Company’s Recovery Plan is activated, the Company would enter Recovery.

- **Runway phase** – The Company continues taking actions to recover while also preparing for potential resolution.

- **Resolution phase** – This phase begins when BAC files a petition to commence a Chapter 11 bankruptcy proceeding with the Bankruptcy Court and is divided into the Stabilization period and Post-Stabilization period.

For more information about (1) the triggers that would indicate that the Company is moving through the Crisis Continuum; and (2) the actions taken during each phase, see the *Resolution Planning Capabilities - Governance Mechanisms* section.
C. SINGLE POINT OF ENTRY RESOLUTION STRATEGY OVERVIEW

We have a single point of entry resolution strategy in which only the parent company, BAC, would file for bankruptcy. Our other Material Entities would be transferred to a newly formed and substantially debt-free Delaware corporation ("NewCo") that would be held by a trust ("NewCo Trust") which would be owned and managed by independent trustees for the sole and exclusive benefit of BAC’s bankruptcy estate. The Material Entities (other than BAC) would continue to operate under NewCo to alleviate the potential for negative impacts on our customers, other financial institutions, and the overall economy.

The diagram below presents a high-level overview of our single point of entry resolution strategy.

The diagram represents a future state of the Company as MLPRO is currently a subsidiary of MLPFS, not BofAML Securities, Inc. ("BofAMLS"). MLPRO will become a subsidiary of BofAMLS as part of the separation of our institutional and retail broker-dealer businesses. See the Additional Information about our Company - Material Entities - Background and Select Financial Information - Broker-Dealers section for more information.
Benefits of the Single Point of Entry Resolution Strategy

We believe implementing the single point of entry resolution strategy promotes financial stability by maintaining the continuity of the Company’s Critical Operations and Core Business Lines. Our businesses would continue to operate, and we would continue to conduct business with our customers, depositors, counterparties, and vendors. This strategy is intended to maximize the value of BAC for the benefit of its stakeholders by preserving or enhancing the going-concern value of the Continuing Subsidiaries; maximize the residual value of the Solvent Wind-down Subsidiaries; and minimize forced asset sales at depressed market prices.

Implementation of the single point of entry resolution strategy is designed to benefit BAC’s stakeholders by minimizing losses throughout the execution of our Resolution Plan. This strategy would also minimize market disruption because it avoids subjecting the Material Entities to potentially competing resolution proceedings and interests, which could reduce the amount of capital and liquidity available to resolve the Company.

Prior to the Bankruptcy Process – the Runway Phase

In the event the Company’s financial health further deteriorates during the Recovery phase, the Company would enter the Runway phase. During the Runway phase, BAC would prepare for resolution and, to facilitate the implementation of its single point of entry resolution strategy, would contribute most of its remaining cash and other financial assets to NB Holdings. NB Holdings would then use its cash and other financial assets to provide sufficient capital and liquidity support to each Material Entity (except BAC) so that they would be able to continue operations until completion of the Resolution phase or be wound down in an orderly fashion outside of resolution proceedings. In order to facilitate the provision of sufficient resources, BAC entered into a Secured Support Agreement, prefunded NB Holdings, and pre-positioned resources at NB Holdings and other Material Entities.

Moreover, during the Runway phase, BAC would form NewCo Trust. In addition, NewCo would be established as a wholly owned subsidiary of BAC and would then be contributed to NewCo Trust. The formation of NewCo Trust and the contribution of NewCo to NewCo Trust are depicted in the diagram above.

In addition, we would prepare the necessary documents for a BAC bankruptcy filing. See the Resolution Planning Capabilities - Governance Mechanisms and Legal Preparation sections for more information.

Commencement of the Bankruptcy Process and Resolution

To begin the bankruptcy process, BAC would file a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code with the Bankruptcy Court. BAC would also file a document, known as the Emergency Transfer Motion (“ETM”), asking the Bankruptcy Court to authorize and approve certain actions to facilitate the reorganization of the Company. If granted, the ETM would permit the transfer of NB Holdings and other BAC assets to NewCo (formed before bankruptcy filing); the assumption of certain liabilities of BAC by NewCo, including the guarantee obligations of BAC relating to derivatives contracts of its subsidiaries; and the continued service of NewCo Trust’s trustee and NewCo’s initial directors and officers.

What is the difference between Continuing Subsidiaries and Solvent Wind-down Subsidiaries?

During resolution, Continuing Subsidiaries would maintain products and services for our customers and ultimately form part of a new company that would continue operations; Solvent Wind-down Subsidiaries would wind down all businesses booked by that Material Entity.
Stabilization of Continuing Subsidiaries

As a result of funding and capital flowing from NB Holdings pursuant to the Secured Support Agreement, we expect our Continuing Subsidiaries to stabilize so that they could continue business operations under BACNA, a holding company owned by NB Holdings. Ultimately, some or all of the common stock of BACNA would be sold through an initial public offering followed by one or more secondary offerings or private transactions. The net proceeds of the offerings or private transactions and the remainder of any outstanding BACNA stock would be transferred to the BAC bankruptcy estate for the benefit of BAC’s creditors and other stakeholders.

Resolving Solvent Wind-down Subsidiaries

Not all Material Entities would continue to operate throughout the Resolution phase. Our Solvent Wind-down Subsidiaries would initially continue to operate during resolution while beginning to wind down their operations in a controlled manner. During the wind-down, customer accounts and property would be transferred to other companies. Financial contracts would be transferred, performed, or closed out on negotiated market terms.

Organization Exiting Resolution

Upon completion of the resolution process, the entity exiting resolution, BACNA with its subsidiaries, would be a considerably smaller and simpler financial institution serving fewer customers and offering fewer products. The resulting organization would focus on consumer banking; commercial and institutional banking; and retail brokerage activities – it would not conduct any Global Markets business or have any international broker-dealers.

The Global Markets business would be wound down or sold. The Global Banking business would expect an overall decline in the size of its loan and deposit portfolio. The GWIM and Consumer Banking businesses and related Core Business Lines and Critical Operations would continue.

BACNA would primarily provide U.S.-based activity with the capacity to serve corporate clients through an international branch network. It would have a simplified operational footprint and less interconnectedness with other market participants. BACNA would be expected to have approximately $600 billion in total assets (an approximately 70 percent reduction from current BAC assets) and shareholders’ equity of approximately $80 billion.
D. KEY RESOLUTION RISKS AND MITIGANTS

We have a Risk Framework that serves as the foundation for consistent and effective management of risks facing the Company, including identifying, escalating, and debating risks. Risk identification is the first step in sound, proactive risk management, and is the starting point for the Company’s planning processes. Our risk identification process helps us assess and understand when and where we may be vulnerable. The table below summarizes certain risks inherent in resolution and aligns them to the key mitigants we have implemented to reduce those risks specific to our Company and resolution strategy. Each of the key mitigants is discussed further in the Resolution Planning Capabilities section below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Resolution Risks</th>
<th>Key Risk Mitigants</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>• Inability to adequately recapitalize the Material Entities during resolution</td>
<td>• Total loss-absorbing capacity</td>
<td>Page 11</td>
</tr>
<tr>
<td></td>
<td>• Inability to determine the amount of capital each Material Entity needs in a stress scenario and position it at each Material Entity appropriately</td>
<td>• Resolution capital adequacy and positioning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Total loss-absorbing capacity</td>
<td>• Resolution capital execution need</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Resolution capital adequacy and positioning</td>
<td>• Capital management framework</td>
<td></td>
</tr>
<tr>
<td>Liquidity</td>
<td>• Inability to estimate the amount of liquidity each Material Entity needs to withstand severe financial stress and position it appropriately.</td>
<td>• Resolution liquidity adequacy and positioning</td>
<td>Page 14</td>
</tr>
<tr>
<td></td>
<td>• Insufficient liquidity in resolution to stabilize the Continuing Subsidiaries and execute the single point of entry resolution strategy</td>
<td>• Liquidity positioning framework</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Resolution liquidity execution need</td>
<td>• Resolution liquidity execution need</td>
<td></td>
</tr>
<tr>
<td>Governance Mechanisms</td>
<td>• Required actions by the BAC Board of Directors (the “BAC Board”) are not taken at the appropriate time</td>
<td>• Risk limits and metrics framework</td>
<td>Page 17</td>
</tr>
<tr>
<td>Legal Preparation</td>
<td>• Pre-bankruptcy parent support is subject to state or federal law obstacles</td>
<td>• Secured Support Agreement</td>
<td>Page 22</td>
</tr>
<tr>
<td></td>
<td>• Inability to implement the stay on cross default rights under the ISDA Protocol</td>
<td>• Pre-positioning of resources at Material Entities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rejection of BAC’s ETM by the Bankruptcy Court</td>
<td>• Bankruptcy &amp; ISDA Protocol Playbook</td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td>• Lack of continued access to payment, clearing, and settlement activities in resolution</td>
<td>• FMU exposure reporting, and continuity playbooks and arrangements</td>
<td>Page 25</td>
</tr>
<tr>
<td></td>
<td>• Inability to manage, identify, and value collateral received from and posted to external parties and affiliates</td>
<td>• Collateral reporting and ready access to agreement terms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Insufficient MIS to produce required data on a legal entity basis during resolution</td>
<td>• Ready access to key contract terms on a legal entity basis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Inability to continue providing Critical Operations and Critical Services in resolution</td>
<td>• Contingency arrangements and Shared Services Model</td>
<td></td>
</tr>
<tr>
<td>Legal Entity Rationalization</td>
<td>• A legal entity structure that is too complex or aligned in a way that does not support the single point of entry resolution strategy</td>
<td>• Actionable legal entity criteria applied to our legal entity structure</td>
<td>Page 30</td>
</tr>
<tr>
<td>Separability</td>
<td>• Lack of discrete separability options that impede flexibility or optionality under different market conditions</td>
<td>• Sustainable option sourcing and valuation</td>
<td>Page 32</td>
</tr>
<tr>
<td>Derivatives and Trading Activities</td>
<td>• Inability to stabilize, wind down, or transfer large derivative portfolios during resolution</td>
<td>• Divestiture Option Playbooks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Lack of well-developed derivative booking practices that impede an orderly wind-down of the broker-dealers</td>
<td>• Data Rooms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Detailed assessment of the wind-down of our derivatives portfolio</td>
<td>• Derivatives Booking Policy</td>
<td>Page 34</td>
</tr>
</tbody>
</table>
III. RESOLUTION PLANNING CAPABILITIES

We have committed substantial financial, governance, and program management resources to improve our resolution planning capabilities and address potential impediments to the execution of our single point of entry resolution strategy. As part of this effort, we have incorporated the consideration of resolvability risks into our day-to-day business routines and decision-making to identify and manage those risks on an ongoing and sustainable basis.

By developing and implementing capabilities to enhance optionality for the Company to be resolved under a variety of failure scenarios, we have mitigated key resolution risks, as summarized above. The sections below provide a high-level discussion of key capabilities across eight primary focus areas – Capital; Liquidity; Governance Mechanisms; Legal Preparation; Operational; Legal Entity Rationalization; Separability; and Derivatives and Trading Activities – which mitigate the inherent risks so we are prepared to resolve the Company in an orderly manner without material adverse impact to the U.S. and global financial systems and without government support or taxpayer funds.

A. CAPITAL

Our capital planning capabilities enable us to estimate and meet the capital needs of our Material Entities under stable and stressed conditions. We hold and appropriately position enough resources to recapitalize the Material Entities in the event of severe financial stress so that they can continue to operate or be wound down in an orderly manner while BAC executes its single point of entry resolution strategy. Our capabilities are supported by appropriate assessments, processes, frameworks, and methodologies to promote sustainability. In addition, we have linked specific capital actions to metrics and triggers so that we are able to take timely action to successfully execute our resolution strategy. Our ability to comply with the new Total Loss-Absorbing Capacity requirements; our key capital planning capabilities – Resolution Capital Adequacy and Positioning and Resolution Capital Execution Need; and our Capital Management Framework are discussed below and are in place to mitigate the risk of being unable to recapitalize the Material Entities in severe financial stress, including resolution.

Total Loss-Absorbing Capacity (TLAC)

On December 15, 2016, the FRB issued final rules establishing new external TLAC requirements to improve the resolvability and resilience of certain domestic bank holding companies. The final TLAC rules currently impose only external TLAC requirements on the Company. In 2017, the Company assessed the levels of external TLAC necessary to comply with the TLAC rules and completed a funding plan to meet these external TLAC requirements, including a management buffer. As a result, the Company is well-positioned to meet the requirements before they become effective on January 1, 2019.

What is the purpose of Total Loss-Absorbing Capacity (“TLAC”)?
TLAC represents capital and long-term debt of the parent company that can be used to recapitalize the Material Entities.

What is the effect of the new external TLAC requirements?
The TLAC rules require banks and bank holding companies to hold an increased amount of external capital or long-term debt relative to assets.
Although the TLAC rules do not currently impose specific requirements to position loss-absorbing capacity within the Company (known as internal TLAC), the Company has considered certain guiding principles and proposed rules, including the Financial Stability Board’s proposed internal TLAC guidance and the European Union’s (“E.U.”) proposed internal TLAC requirements, in the development of the Company’s capital positioning framework. Work is underway to comply with these proposed guiding principles and proposed internal TLAC requirements, as applicable, in a timely manner, taking into account the wide range of possible outcomes since the timing and substance of any final requirements on internal TLAC applicable to the Company remain uncertain.

**Resolution Capital Adequacy and Positioning (RCAP)**

Our RCAP capability estimates the amount of capital the Company, on a consolidated basis, and each Material Entity would need in severe stress. RCAP also enables us to appropriately balance the positioning of capital resources to meet the needs of each Material Entity in resolution. We have a capital positioning framework to appropriately position capital resources to meet the needs of each Material Entity and the enterprise in resolution.

Our capital positioning framework balances the flexibility of holding loss-absorbing resources at BAC or NB Holdings with the certainty of pre-positioning recapitalization resources at the Material Entity level for financial resiliency. This framework uses a comprehensive, risk-based scoring methodology that assesses each Material Entity against relevant risk factors to determine the appropriate balance of pre-positioned resources at the Material Entities. It provides management with relevant, current information that enables (1) positioning of capital at the Material Entities to be used in stable and stressed conditions, including resolution; and (2) positioning of sufficient capital at NB Holdings so support can be efficiently downstreamed to recapitalize a Material Entity should the facts and circumstances during actual stress differ from our assumptions.

The capital positioning framework has been integrated into our business-as-usual capital management activities and is monitored and re-evaluated periodically to enable us to maintain adequate, appropriately positioned capital resources.

We also have playbooks documenting execution steps and protocols for providing capital support to Material Entities. These playbooks are an important part of the RCAP capability and include detailed execution steps and key considerations for each capital contribution option.

**Resolution Capital Execution Need (RCEN)**

Our capital management capabilities enable us to estimate RCEN. RCEN estimates the minimum amount of capital each Material Entity would need to successfully execute the single point of entry resolution strategy. RCEN levels are set for each Material Entity by considering the entity’s role in the resolution strategy (e.g., whether it continues operating or is wound down), regulatory requirements, historical observations, and market expectations, as applicable. We also monitor each Material Entity’s actual and forecasted capital levels relative to their estimated RCEN to allow us to execute capital actions in a timely manner, including the recapitalization of the Material Entities pursuant to the Secured Support Agreement.
RESOLUTION PLANNING CAPABILITIES

Our methodology for estimating RCEN for each Material Entity and for assessing each Material Entity’s actual and forecasted capital relative to its RCEN allows us to identify capital deficits and then remedy those deficits, as appropriate. We believe that the market, rating agencies, and other key stakeholders assess capital adequacy by looking at these entities’ capital ratios rather than a specific dollar amount of capital held by each entity. As such, RCEN incorporates:

- Capital that each Material Entity needs to maintain, even under severe stress conditions;
- Estimates for how exposures that use capital, such as risk-weighted assets, would evolve over the course of the Runway and Resolution phases; and
- Estimates for how losses may evolve over the course of the Runway and Resolution phases.

RCEN for the Material Entities is incorporated into our triggers, which in turn are linked to specific management actions across the Crisis Continuum, as discussed in the Resolution Planning Capabilities - Governance Mechanisms section.

Capital Management Framework

We also have a capital management framework that includes specific requirements for the Material Entities, including that each Material Entity generally has the following:

- An entity-specific capital management policy;
- Capital planning processes, including stress testing;
- Internal capital guidelines with targets, goals, or triggers; and
- Periodic capital reporting.

The capital management framework also requires capital adequacy assessments for certain Material Entities. The capital adequacy assessments utilize existing methodologies, processes, and scenario design capabilities; and the objectives include:

- Providing each Material Entity with capital resources that are more than adequate to support the entity’s risk profile and business activities;
- Maintaining safe and sound Material Entities, even under adverse scenarios;
- Maintaining confidence of key stakeholders with respect to each entity;
- Confirming Material Entities meet their obligations to creditors and counterparties; and
- Maintaining capital levels for each Material Entity above regulatory requirements at all times, even during periods of financial stress.

Our capital management framework provides the principles for our Company’s capital planning and facilitates our ability to hold adequate capital for the Material Entities and the consolidated Company.
B. LIQUIDITY

Our liquidity planning capabilities enable us to reliably estimate and meet each of our Material Entities’ liquidity needs under stable and stressed conditions. We maintain sufficient and appropriately positioned liquidity to allow the Material Entities to continue to operate while BAC commences bankruptcy proceedings and executes its resolution strategy. Our capabilities are supported by appropriate processes, frameworks, and methodologies to promote sustainability. In addition, we have linked specific actions to metrics and triggers so that we are able to take timely action to successfully execute our resolution strategy. Our Liquidity Resources; key liquidity planning capabilities – Resolution Liquidity Adequacy and Positioning and Resolution Liquidity Execution Need; and Liquidity Positioning Framework are discussed below and are in place to mitigate the risk of having insufficient liquidity available to successfully execute our resolution strategy.

Liquidity Resources

The Company maintains liquidity at BAC, NB Holdings, the other Material Entities, and other selected subsidiaries in the form of cash and high-quality, liquid, unencumbered securities. These assets serve as the Company’s primary means of liquidity risk management and are available to support the Material Entities during business-as-usual and stress conditions. Liquidity is maintained in entities that allow the Company to meet the liquidity requirements of the global businesses, taking into consideration the impact of potential restrictions which could limit the transferability of funds among entities. A Material Entity’s available liquidity position comprises liquidity held in the entity and access to committed borrowing facilities from a parent entity. Our Treasury group continually reviews the liquidity positioned at, and available to, each Material Entity as part of the Company’s liquidity positioning framework. As of March 31, 2017, the Company’s global liquidity sources were $519 billion (23 percent of total assets).

Resolution Liquidity Adequacy and Positioning (RLAP)

Our RLAP capability assesses the standalone liquidity profile of each Material Entity over a 90-day period reflecting both market and idiosyncratic stress. We conduct RLAP liquidity stress tests daily and use the results to estimate liquidity resources required by each Material Entity to absorb peak liquidity outflows over the 90-day liquidity stress scenario.

The RLAP capability includes the ability to:

• Measure the standalone liquidity position of each Material Entity over a 90-day stress horizon;

• Hold sufficient liquidity to cover peak net liquidity outflows during periods of liquidity stress, both for each Material Entity and on a consolidated basis; and

• Account for contractual and contingent liquidity needs, including daily contractual mismatches between inflows and outflows; daily flows and frictions associated with intercompany transactions; daily stresses reflecting expected client, depositor, and counterparty behavior during stress; and the potential for transferability constraints that could occur due to actions taken by clients, counterparties, key FMUs, or foreign regulators.

What is resolution liquidity adequacy and positioning (“RLAP”)?

RLAP estimates how much liquidity both the Company, on a consolidated basis, and each Material Entity would need over a specified time horizon to withstand severe financial stress; it enables us to appropriately position liquidity across the Material Entities.
In addition to measuring the adequacy of the Company’s liquidity resources, the RLAP capability provides us with a comprehensive approach to determine the appropriate balance of positioning liquidity at the Material Entities, which is discussed further in the *Liquidity Positioning Framework* section below.

In our assumptions that underpin the RLAP estimates, we consider potentially adverse third-party actions and potential inter-affiliate frictions, which could impact the liquidity needs or resources of a particular Material Entity. RLAP assumptions are developed in close partnership between our lines of business and our Treasury group and are regularly reviewed and challenged by our independent Risk group. We adjust assumptions to reflect changes in our business profile, strategy, and related funding and liquidity risks, and apply them across each of the Material Entities, where applicable, based on the activities and risk profile of the specific Material Entity.

### Resolution Liquidity Execution Need (RLEN)

Our liquidity management capabilities also include the ability to estimate RLEN. Our RLEN framework estimates how much liquidity each Material Entity would need after BAC files for bankruptcy to successfully execute the single point of entry resolution strategy. The RLEN liquidity stress scenario assumes a combination of a Company-specific stress event and adverse market conditions, and also incorporates potential inter-affiliate exposures and frictions.

The RLEN framework includes the ability to:

- Estimate the minimum operating liquidity and post-BAC bankruptcy peak funding need of each Material Entity;
- Incorporate a stabilization framework that assesses and forecasts the length of time it would take for each Material Entity to re-establish market confidence following a BAC bankruptcy (i.e., the Stabilization period);
- Forecast daily cash flows for each Material Entity through the Stabilization period; and
- Provide a comprehensive breakout of inter-affiliate relationships and potential frictions that could impact the minimum operating liquidity or peak funding needs estimate for each Material Entity, as applicable.

The RLEN estimate is equal to the minimum operating liquidity that each Material Entity is expected to need to continue operations, plus each Material Entity’s peak funding need during the Stabilization period. These concepts are described below.

Similar to RLAP assumptions, RLEN assumptions are developed in close partnership between our lines of business and our Treasury group, and are regularly reviewed and challenged by our independent Risk group. We adjust assumptions to reflect changes in our business profile, strategy, and related funding and liquidity risks, and apply them across each of the Material Entities, where applicable, based on the activities and risk profile of the specific Material Entity.

The RLEN methodology for forecasting the liquidity needed for the Material Entities is incorporated into triggers. These triggers are linked to specific management actions across the Crisis Continuum, as discussed in the *Resolution Planning Capabilities - Governance Mechanisms* section below.
Minimum Operating Liquidity

Minimum operating liquidity is the amount of liquidity required to support the operational needs of a particular Material Entity, including operating expenses, working capital, and intraday funding needs. Operating expenses include the cash kept on-hand for regular payments related to operations such as payments to employees, vendors, and service providers. Working capital represents the cash required to support customer-or counterparty-facing activities and to initiate business functions. These amounts include cash needs of financial centers, Automated Teller Machines (“ATMs”), and other core banking services. Intraday funding needs are an estimate of the amount of liquidity required to support payment, settlement, and clearing activities in the course of a business day. Our minimum operating liquidity calculation also includes an additional conservative buffer to account for potential uncertainties regarding an actual resolution event.

Peak Funding Need

Peak funding need is a forecast of the maximum amount of liquidity that a Material Entity would need during the Stabilization period (i.e., the maximum cumulative gap between liquidity sources and uses). The peak funding need to stabilize a Material Entity is determined by forecasting daily liquidity, capital, balance sheets, and income statements from BAC’s bankruptcy filing through the end of the Stabilization period for each Material Entity. The peak funding need considers the likelihood of additional inflows and outflows and inter-affiliate and other frictions.

Liquidity Positioning Framework

RLAP and RLEN are integrated into our liquidity positioning framework, which is designed to achieve the following resiliency and resolvability objectives:

- **Liquidity adequacy** – Maintain a sufficient level of liquidity for each Material Entity so that each entity is able to cover its expected stress outflows, including liquidity held by the entity (i.e., pre-positioned liquidity) and committed access to funding from a parent entity; and

- **Liquidity positioning** – Appropriately position liquidity so that the Material Entities are able to withstand a 90-day stress period reflecting market and Company-specific liquidity stress factors.

Our liquidity positioning framework uses a scorecard methodology that assesses each Material Entity against relevant risk factors to inform the appropriate balance between positioning liquidity at the Material Entity and maintaining it at BAC or NB Holdings.

This framework provides management with relevant, current information that enables (1) positioning of readily available liquidity at the Material Entities to be used in a stable environment and in times of liquidity stress; (2) resiliency of each Material Entity by not relying on a surplus from one entity to fulfill the needs of another, with the exception of committed access to funding from a parent entity; and (3) positioning of sufficient liquidity at NB Holdings to fund a Material Entity should the facts and circumstances during actual liquidity stress differ from our assumptions.

This framework has been integrated into our liquidity management activities and is monitored and re-evaluated on an ongoing basis so that we are able to maintain adequate liquidity resources that are appropriately positioned.
C. GOVERNANCE MECHANISMS

The BAC Board would be required to make a number of key decisions during financial stress, including whether BAC would ultimately need to file for bankruptcy protection. Our governance capabilities allow us to identify and communicate the escalation of financial stress in sufficient time to make the key decisions required and prepare for resolution. Our key governance mechanisms – our Risk Limits and Metrics Framework, Calibration of Metrics and Triggers along the Crisis Continuum, Actions Taken along the Crisis Continuum, Playbooks, and Communications Framework – are discussed below.

Risk Limits and Metrics Framework

We use the Crisis Continuum to illustrate the different stages of the Company’s financial health. Triggers linked to specific actions are calibrated and aligned against this Crisis Continuum and used to transition from the Stable phase through the Stress and Runway phases to the Resolution phase so that execution of the single point of entry resolution strategy would be conducted in a timely and orderly manner. The governance undertaken during each phase – including notification protocols, reporting routines, and decision-making authority – has been tailored to the Crisis Continuum. Specific triggers for actions along the Crisis Continuum are part of our overall Risk Framework and help inform our risk appetite.

Our risk limits and metrics framework includes limits and triggers based on liquidity, capital, market, and other metrics that would indicate progressive financial deterioration of the Company.

- **Limits** – designed to indicate deterioration of capital or liquidity positions. Specific risk appetite limit breaches indicate transition into the Deterioration phase and would require timely notification to management, committees, the BAC Board, and regulatory agencies, as appropriate, and the development of remediation plans to address the underlying concerns.

- **Triggers** – designed to indicate further deterioration of capital or liquidity positions and require specific actions by management or the BAC Board, as appropriate. Trigger breaches indicate transition into the Runway or Resolution phases, depending on the threshold breach, and require prescriptive actions to be taken by management and the BAC Board.

**What is the Company’s risk appetite?**

Our risk appetite defines the types and levels of risk the Company is willing to take to achieve its business objectives; it includes qualitative statements and quantitative measures, as appropriate.
Calibration of Metrics and Triggers along the Crisis Continuum

Using the capital and liquidity management capabilities discussed above, we have calibrated the metrics and triggers established across the Crisis Continuum so that the Company has defined transitions through each phase of the Crisis Continuum from the Stable phase to the Resolution phase.

Market Indicators

We regularly monitor and report on certain market metrics, which allow us to understand when the environment and associated risks are changing. These metrics do not prompt action by themselves, but instead allow us to evaluate other risk information.

Capital Triggers

Our Capital Management Policy establishes triggers along the Crisis Continuum to signal the adequacy of our capital under both normal and stress conditions. These triggers prompt increased management scrutiny and mandate actions when certain signs of capital deterioration emerge. As part of our trigger framework, we have specific capital triggers that identify when the Company would move through the phases of the Crisis Continuum.

Stable and Stress phases – Capital targets represent the capital levels, expressed as ratios, at which we intend to operate. If a capital target is breached, management would assess the situation to determine if and what remediation actions are necessary. Capital triggers have also been established at ratios below the capital targets. If capital levels fall below one of the established targets, the Company would enter the Stress phase.

Runway and Resolution phases – Capital triggers have been established relative to the capital needs of the Material Entities in resolution. The triggers serve as indicators of when the Company would transition from the Recovery phase into the Runway and then Resolution phases, respectively.

Liquidity Triggers

We actively evaluate and manage our liquidity risk within an established liquidity risk limits and metrics framework to measure the sufficiency of liquidity and to understand when risk is changing. As part of this framework and to allow for mitigating actions to be taken during financial stress, specific liquidity triggers are in place that prescribe actions and identify when the Company would move from one phase to another across the Crisis Continuum.

Stable and Stress phases – In the event liquidity levels fall below one of our indicators, management would assess the situation to determine if and what remediation actions are necessary. If liquidity levels fall below one of the limits, the Company would enter the Stress phase.

Runway and Resolution phases – Liquidity triggers have been established relative to the liquidity needs of the Material Entities in resolution and estimate the number of days that remain prior to our need to enter resolution. The triggers serve as indicators of when the Company would transition from the Recovery phase into the Runway and Resolution phases.

Breaches of limits and triggers have been linked to specific actions and notification protocols across the Crisis Continuum so that management and the BAC Board would take the actions necessary to execute our single point of entry resolution strategy in a timely manner. The governance – including notification protocols, reporting
routines, and decision-making authority – undertaken during each phase has also been tailored to the Crisis Continuum.

**Actions Taken along the Crisis Continuum**

In addition to developing market indicators and limits and triggers based on capital and liquidity, and calibrating them across the Crisis Continuum, specific actions have been linked to those limits and triggers, requiring decisions and actions to be taken by management and the BAC Board, at the appropriate times. A high-level summary of the actions that would be taken as the Company moves along the Crisis Continuum is provided below.

**Stable phase**

During periods of financial stability, management monitors the Company’s financial metrics as well as internal or external events that could affect the financial stability of the Company. Liquidity and capital metrics are within prescribed risk appetite limits and above regulatory minimums.

**Deterioration phase**

A breach of a risk appetite limit would prompt notifications to management and the BAC Board and indicate the onset of the Deterioration phase. During this phase, we would consider taking the first of a series of potential mitigating actions in order to restore liquidity and/or capital to adequate levels. Management would consider activating the Capital Contingency Plan and Contingency Funding Plan and would more frequently review our Operational Continuity Playbooks and Tactical Playbooks to determine whether activating contingency plans or playbooks is warranted. See the Governance Mechanisms - Playbooks section below for more information.

**Recovery phase**

The Company will enter the Recovery phase upon activation of the BAC Recovery Plan. Management would follow the protocols and evaluate and execute the recovery options contained in the plan. Management would monitor metrics daily and update RCEN and RLEN. The EREO and the FSE teams would begin their coordination of the Company’s response and communications to management, the BAC Board, and key stakeholders, as appropriate.

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**What is a Capital Contingency Plan?**

It is management’s strategy to address potential capital deterioration during periods of financial stress and provides an implementation framework for the Company’s capital contingency strategy.

**What is a Recovery Plan?**

It is management’s strategy to respond to and withstand periods of severe financial stress. It contains actions that management could take to prevent further financial deterioration of the Company.

**What is a Contingency Funding Plan?**

It is management’s strategy to address potential liquidity shortfalls during periods of financial stress and provides a menu of funding options to choose from to preserve and enhance the Company’s liquidity position.
Runway phase

Upon the breach of a runway trigger, the Company would enter the Runway phase. During this phase, we would continue to try to recover the financial health of the Company while preparing for a BAC bankruptcy filing. Generally, we would continue to execute our recovery options; continue monitoring and reporting RCEN and RLEN estimates daily; engage bankruptcy professionals; and operationalize NewCo. The EREO and FSE teams would continue the coordination of the Company’s response and escalate relevant information to management, the BAC Board, and key stakeholders. In addition, any Operational Continuity Playbooks or Tactical Playbooks that were not previously activated, would be activated. At the end of the Runway phase, BAC would perform its obligations under the Secured Support Agreement, as discussed in the Resolution Planning Capabilities - Legal Preparation section, and finalize the documents required to file bankruptcy.

Resolution phase

The Resolution phase would begin when BAC commences its bankruptcy proceeding by filing a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code. This would entail filing the necessary agreements and pleadings, including the ETM, and publicly announcing BAC’s bankruptcy. See the Resolution Planning Capabilities - Legal Preparation section for more information. The Resolution phase would continue until the single point of entry resolution strategy is complete.

Playbooks

Operational Continuity Playbooks and Tactical Playbooks

In order to operationalize and enhance the ability to execute our resolution strategy, we have a comprehensive set of playbooks, which consist of Operational Continuity Playbooks and Tactical Playbooks. The playbooks are used to connect the Company’s preferred resolution strategy to the specific actions that would need to be taken in order to execute the resolution strategy.

Operational Continuity Playbooks are drafted from the perspective of each Material Entity and serve as a guide to be used for managing the Material Entities. The playbooks contain the high-level steps needed to execute each Material Entity’s respective role in the Company’s resolution strategy. Operational Continuity Playbooks reference Tactical Playbooks and other business-as-usual documents for detailed action steps.

Tactical Playbooks are topical in nature and complement the Operational Continuity Playbooks by documenting the specific action steps that would be needed to execute the specific components of the Company’s resolution strategy. For example, we have Board Playbooks for each of the Material Entities as discussed below.
Board Playbooks

Board Playbooks provide a roadmap for the boards of each Material Entity to facilitate timely decision-making and take critical actions through triggers, notifications, and communications protocols to execute their role in the Company’s single point of entry resolution strategy. The Board Playbooks (1) describe when and from whom the boards should receive and review information; (2) outline key management responsibilities over which the boards should provide oversight; (3) define the major decisions the boards may consider to implement the components of contingency plans required by the resolution strategy; and (4) address fiduciary duties of board members, including the processes to mitigate potential conflicts of interest that could arise. The boards of directors of all Material Entities review their respective playbooks annually.

Training is also provided to the Material Entity boards and their subsidiary governance designees. The training covers the topics of director and designee duties and responsibilities across the Crisis Continuum and recovery and resolution planning more generally. In 2016, each of the Material Entity boards was provided in-person training. An online training platform has been implemented for training in 2017 and will be used as new directors or subsidiary governance designees are appointed.

Governance and Sustainability of Playbooks

We have a strong governance framework consisting of uniform policies, standards, procedures, and processes to drive consistency across playbooks and provide clarity on requirements to increase the effectiveness of the playbooks. In addition, our framework includes end-to-end oversight and a centralized repository for our playbooks.

We also continue to enhance our existing playbooks through simulations and input from subject matter experts and create new playbooks, as necessary, to address elements of resolution strategy execution that would benefit from a pre-defined and documented action plan.

Communications Framework

We have established a comprehensive communications framework that integrates recovery and resolution communication protocols across all internal and external stakeholders, as appropriate. The specific communications approaches for clients, regulators, material FMUs, and clearing and settlement agent banks are provided within our Operational and Tactical Playbooks, including the Resolution Communications Strategy and Playbook. The Resolution Communications Strategy and Playbook sets forth the specific communications activities and timeline for stakeholder engagement conducted across the Company throughout the Crisis Continuum.
D. LEGAL PREPARATION

Legal obstacles could impede the Company’s ability to successfully execute its resolution strategy by preventing or delaying an effective recapitalization or provision of capital and liquidity support to the Material Entities. Therefore, we conducted a legal analysis and have taken certain steps to mitigate the potential legal challenges. The Analysis of Legal Challenges; our key legal capabilities – the Secured Support Agreement and Prefunding of NB Holdings; Pre-positioning of Resources at Material Entities; and the Bankruptcy & ISDA Protocol Playbook – are discussed below.

Analysis of Legal Challenges

We have analyzed potential legal challenges under state and federal law to the provision of capital and liquidity to the Material Entities prior to a BAC bankruptcy filing. Based on this analysis, we believe that our entry into the Secured Support Agreement, prefunding of NB Holdings, and pre-positioning of capital and liquidity at certain Material Entities would eliminate or substantially mitigate the risks of a successful legal challenge to the provision of capital and liquidity support to the Material Entities pursuant to our single point of entry resolution strategy.

The Secured Support Agreement and Prefunding of NB Holdings

Our single point of entry resolution strategy is designed to maximize the value of the Material Entities for the benefit of BAC’s stakeholders. The success of this strategy depends, in part, on our ability to provide capital and liquidity to NB Holdings and the other Material Entities prior to and during resolution. See the Single Point of Entry Resolution Strategy section for more information.

Successful implementation of the single point of entry resolution strategy would likely benefit BAC stakeholders by minimizing the losses throughout the execution of the Resolution Plan.

On September 30, 2016, BAC, NB Holdings, the other Material Entities, and all legal entities in the ownership chain between NB Holdings and each Material Entity, entered into the Secured Support Agreement.

Pursuant to the Secured Support Agreement, on September 30, 2016, BAC contributed to NB Holdings a certain amount of cash and other financial assets. As consideration, NB Holdings issued a funding note to BAC. BAC made additional contributions of cash and other financial assets to NB Holdings from October 1, 2016 to July 1, 2017. As provided in the Secured Support Agreement and, as consideration, the principal amount of the existing NB Holdings funding note increased, and NB Holdings issued additional funding notes to BAC. If after July 1, 2017, BAC acquires additional financial assets not needed to satisfy its anticipated near-term expenditures, including maturing debt, BAC must transfer such additional financial assets to NB Holdings.

In addition, NB Holdings is obligated to provide capital and liquidity support to the Material Entities before and after BAC’s bankruptcy filing as and when required by the Secured Support Agreement. BAC is obligated to transfer its remaining cash and other financial assets, less a holdback for expected bankruptcy administrative expenses (the “Parent Final Contribution”), to NB Holdings immediately prior to resolution. The NB Holdings funding note and the additional funding notes issued by NB Holdings are subordinated to the secured
obligations of NB Holdings under the Secured Support Agreement and would be automatically forgiven if a Parent Final Contribution occurs.

The financial assets of BAC and NB Holdings, including but not limited to their cash and certain receivables, but excluding BAC’s and NB Holdings’ equity interests in all of their direct or indirect subsidiaries, including the Material Entities, as well as certain other assets, secure their support obligations under the Secured Support Agreement. As a result, our Material Entities are secured parties with respect to the other parties’ performance obligations under the Secured Support Agreement.

BAC is expected to continue to have access to the same flow of its subsidiaries’ dividends, interest, and other amounts of cash necessary to service its debt, pay dividends and other expenses, and perform other obligations as it would have had if it had not entered into the Secured Support Agreement or prefunded NB Holdings. BAC will continue to hold its interests in our Material Entities indirectly through NB Holdings. Thus, neither BAC’s entry into the Secured Support Agreement nor its prefunding of NB Holdings affects BAC’s access to dividends from the Material Entities. In addition, NB Holdings provided BAC with a committed line of credit, and BAC can request partial redemptions under the NB Holdings funding note and additional funding notes, which allows BAC to access funds, if necessary, to satisfy its near-term cash needs unless and until BAC must make the Parent Final Contribution pursuant to the Secured Support Agreement.

Pre-positioning of Resources at Material Entities

In the event the Company enters the Resolution phase, the Material Entities (other than BAC) would require timely and reliable access to liquidity and capital resources so that they could fulfill their role in our single point of entry resolution strategy. Resources available to address a Material Entity’s stress needs can be in the form of pre-positioned resources (e.g., capital and liquidity held by the Material Entity) or access to committed support from a parent company of the Material Entity. Pre-positioning resources at the Material Entity level is balanced with the need to hold resources at NB Holdings to provide the flexibility to react to stress events that might unfold in an unanticipated manner.

In addition, holding resources at NB Holdings avoids resources being trapped in a particular Material Entity when they are more useful for another Material Entity. To help balance the pre-positioning and parent-level support mechanisms, we developed capital and liquidity positioning frameworks. See the Resolution Planning Capabilities - Capital and Liquidity sections, respectively for a more detailed discussion.

Under these frameworks, we have pre-positioned capital and liquidity resources to meet a portion of the needs of our Material Entities. We also created various measures to enhance the reliability of accessing support from NB Holdings during a stress period. The provision of support from NB Holdings, as opposed to BAC, serves as an important mitigant to the legal challenges that might impede financial support to the Material Entities during a period of stress.
Bankruptcy & ISDA Protocol Playbook

We have developed a Bankruptcy & ISDA Protocol Playbook, which sets forth the steps we would take and the timeline we would follow in the event of resolution so that the BAC Board and senior management would have sufficient information to make well-informed decisions prior to and during bankruptcy proceedings, and be able to implement the single point of entry resolution strategy quickly and efficiently. The Bankruptcy & ISDA Protocol Playbook details the steps BAC would take to (1) prepare for and commence its Chapter 11 proceedings; (2) seek immediate relief in the Bankruptcy Court in order to implement our resolution strategy through the transfer of NB Holdings and its subsidiaries to NewCo (controlled by NewCo Trust); and (3) continue to carry out such strategy through the initial days of the bankruptcy case. It describes how we would take the necessary steps to prepare for and execute the Chapter 11 proceedings while devoting the necessary management attention to stabilizing the businesses and communicating with stakeholders. It also describes the key decisions and their timing, as well as the roles of the BAC Board, senior management, a lead restructuring officer who would be newly appointed by the BAC Board, and other professionals. This extensive pre-planning is designed to minimize the impact that the preparation or commencement of BAC’s bankruptcy proceeding may have on the day-to-day operations of the other Material Entities by enabling BAC to prepare for and execute the bankruptcy filing in an orderly and coordinated manner.

The Bankruptcy & ISDA Protocol Playbook outlines our strategy to satisfy the requirements of the ISDA Protocol, which is key to preventing the acceleration of certain qualified financial contracts to which the Material Entities are a party and for which BAC has provided credit support, including guarantees.

So long as the Material Entities comply with the ISDA Protocol requirements and continue to perform their obligations under the qualified financial contracts, the counterparties to those contracts are subject to stays or overrides of certain termination rights.

The Bankruptcy & ISDA Protocol Playbook provides a comprehensive list of agreements and pleadings that would be filed with the Bankruptcy Court on the first day of BAC’s bankruptcy case, including all factual and financial schedules and exhibits anticipated to be needed (the “Chapter 11 Papers”). The playbook also includes specific information necessary to complete the Chapter 11 Papers and the relevant groups and individuals within BAC that would be able to assist in gathering this information. This part of the Bankruptcy & ISDA Protocol Playbook is designed to assist us in rapidly and efficiently gathering the information necessary to finalize the Chapter 11 Papers during the Runway phase.
E. OPERATIONAL

We maintain key operational capabilities and engage in regular contingency planning in order to be sufficiently prepared to manage financial stress and successfully execute our single point of entry resolution strategy. Our preparation includes building key operational capabilities to (1) continue our access to payment, clearing, and settlement activities in resolution; (2) manage, identify, and value collateral that is received from, and posted to, third parties and our affiliates; (3) readily produce key data on financial resources and positions on a legal entity basis from accurate and reliable MIS; (4) continue shared and outsourced Critical Services; and (5) be prepared to successfully execute our Resolution Plan. These key capabilities, discussed below, are integrated into our business-as-usual activities, regularly tested, and evaluated for improvement.

Payment, Clearing, and Settlement Activities

In resolution, there is a risk that FMUs could take actions which would have an adverse impact on the Company or its clients. To mitigate this risk, we developed and enhanced related capabilities in five key payment, clearing, and settlement areas – Financial Market Utility Exposure Reporting; Financial Market Utility Continuity Playbooks and Contingency Arrangements; Financial Market Utility Agreements; Internal Agreements for Indirect Access to Financial Market Utilities; and Governance – as discussed below.

What is a FMU and why is it important?

Financial market utilities (FMUs) perform critical payment, clearing, and settlement activities for institutions in the execution of financial transactions. After a transaction has been agreed upon, a mechanism is required to transfer the financial asset from the seller to the buyer and make the payment from the buyer to the seller. By performing these centralized functions, FMUs help institutions clarify their counterparty obligations and manage their risks more efficiently and effectively.

Financial Market Utility Exposure Reporting

It is important to be able to quickly assess our exposures and obligations in stress in order to make timely decisions. We have a data and reporting platform to store, track, and report our exposure and obligation information with respect to material FMUs. This platform is used for multiple information purposes in our business-as-usual processes and would provide necessary information to management during stress. The information includes volumes and values associated with payment, clearing, and settlement activities by Material Entity.

Financial Market Utility Continuity Playbooks and Contingency Arrangements

We have playbooks and contingency arrangements in place to mitigate the risk of actions taken by FMUs that could have an adverse impact to the Company or its clients. We have continuity playbooks for each material FMU and FI that facilitate our payment, clearing, and settlement activities. These playbooks address meeting FMU financial obligations and detail communication expectations between the FMU and the Company. We conducted contingency assessments for FMU access and, where warranted and feasible, developed contingency plans for alternative access in the event that our access is terminated. The contingency arrangements have been incorporated into our FMU continuity playbooks. In addition, routines are in place to review, test, and update the playbooks on an ongoing basis.
Financial Market Utility Agreements

We can readily access FMU agreements and are able to evaluate the potential risk associated with these agreements in resolution. We have a centralized repository to store contract, license, and other membership information for FMUs of which we are an active member. In addition, we have a formal governance process for maintaining these agreements on an ongoing basis. See the Appendix - Memberships in Material Payment, Clearing, and Settlement Systems for a list of material FMUs of which we are a member.

Internal Agreements for Indirect Access to Financial Market Utilities

In some cases, one Material Entity may interact with a material FMU or FI indirectly through another Material Entity. To provide continued access in resolution, formal agreements between Material Entities are in place for these FMU services. These agreements are stored centrally for ready access. Tracking and monitoring is in place so that the appropriate agreements remain in place over time.

Governance

Our Financial Market Utility Steering Group comprises key leaders across the Company that are involved with FMU services. The group oversees payment, clearing, and settlement activities while the Company is stable and would continue to do so, but on a heightened basis, during financial stress. In stress, this group would use formal communication protocols to keep relevant parties informed and engaged.

Collateral

Effective collateral management at a detailed counterparty and security level reduces operational and liquidity risk; facilitates timely access to collateral; assists in understanding counterparty rights to access collateral; and reduces cross-jurisdictional issues in both business-as-usual and stress situations. Our key collateral management capabilities include Collateral Reporting by Legal Entity; Centralized Collateral Trading Agreements; an Operational Differences Database; and Collateral Governance.

Why is collateral management important to the resolution strategy?
The ability to identify collateral held and posted at the counterparty and asset level enables the Company to manage counterparty credit risk during resolution and facilitate the Global Markets business wind-down strategy.

Collateral Reporting by Legal Entity

Our collateral reporting enables the timely and systematic aggregation and reporting of collateral exposures by Material Entity and by the jurisdiction to which collateral is posted. This reporting improves understanding across businesses and products where collateral is posted, to whom it is posted, and on behalf of whom it is posted. It also enables tracking and management of collateral movements across Material Entities.

Collateral data is brought together into a single data warehouse where information is easily segmented and analyzed across businesses, Material Entities, products, and jurisdictions to support decision-making. Both standard and ad hoc reporting can be produced.

We also are able to report on the sources and uses of collateral, with a daily view of aggregate collateral entering and leaving the Company. Reporting on the sources and uses of collateral is a key tool for both the Company’s internal liquidity risk management framework, as well as regulatory reporting.
Centralized Collateral Trading Agreements

We have the capability to quickly report key terms from the agreements that govern collateral. Ready access to key terms would be important in resolution, for example, to identify agreements that include a ratings downgrade provision that could impact the Company’s collateral requirements. Gathering collateral agreements into a central system, with a central point of contact, allows us to efficiently and rapidly respond to requests for information.

Operational Differences Database

We continue to analyze the operational differences and potential challenges in managing collateral across multiple jurisdictions, agreement types, counterparty types, collateral forms, and other distinguishing characteristics across product types. Available in a centralized database, the information comprises a detailed comparison of processes, systems, vendors, and FMUs used by different entities, businesses, and geographies. As any differences have the potential to create challenges in resolution, management regularly reviews these differences and takes action to reduce risks, as appropriate. The information held within the operational differences database would help facilitate the continuity of operations in resolution.

Collateral Governance

We continue to have a well-defined governance process in place with respect to collateral that is embedded throughout the appropriate levels of management for effective risk control. Our governance of collateral management was enhanced by the implementation of an enterprise-level, overarching collateral policy in addition to the policies that were already in place to govern collateral at the product and business level.

Management Information Systems (MIS)

We have management information capabilities to support the Company across the Crisis Continuum. These capabilities assist us in our understanding of interdependencies and facilitate the availability of critical information for timely decision-making by leadership of the Company’s businesses, operations, and support functions. Our key MIS capabilities include \textit{Risk Data Management and Reporting}, \textit{Interdependency Mapping}, and \textit{Ready Access to Contracts} and are discussed below.

Risk Data Management and Reporting

Effective risk reporting provides a clear understanding of our risk profile. We leverage our data and MIS to achieve transparency and generate actionable insights. Our MIS and processes provide accurate, comprehensive, and timely risk data to support effective risk management practices and reporting, which facilitate decision-making in stable and stress conditions. Front line units and control functions are accountable for the completeness and accuracy of their data and the processes that support data origination, capture, reporting, and storage.

We continue to enhance our risk data management capabilities to ensure the accessibility, reliability, and timeliness of data. These enhancements include refinements to policies, standards, programs, processes, and practices that govern how data is acquired, captured, validated, stored, protected, processed, and used.
Interdependency Mapping

Specific to resolution, we have developed a technology platform to maintain and analyze the connections between and among legal entities, Core Business Lines, Critical Operations, and Critical Services. We collect data from various lines of business and enterprise control functions to update our interdependency mapping for our Resolution Plan. The key enablers analyzed during this process include personnel, real estate, applications, and other third parties such as vendors, FMUs/FIs, and exchanges. This tool highlights interdependencies and enhances operational continuity planning, which supports resolution preparedness.

Ready Access to Contracts

The Company has invested in capabilities to produce resolution-critical contracts and their key terms in a timely manner. Our operating model has been simplified, including where contracts are stored and how reporting is generated. For certain contract types, this information can be produced from a new enterprise-wide tool which accesses contract systems of record to identify key terms and report them in a consolidated format.

Shared and Outsourced Services

Multiple measures are in place to enable continuity of Core Business Lines, Critical Operations, and shared services. Prevention of service interruption is supported by our key service-related capabilities, including our Contingency Arrangements and Shared Services Model and Critical Roles in Continuity.

Contingency Arrangements and Shared Services Model

The Company has contingency strategies and capabilities in place to facilitate the continuation and resiliency of Critical Services in resolution. Both the strategies and the capabilities are based on Critical Services being transferred to entities within the Company’s structure, referred to as Preferred Service Providers. Preferred Service Providers are entities that are structured and funded to be resilient in resolution with the ability to continue to provide the personnel, real estate, applications, and vendor services necessary to avoid disruption of our businesses and operations.

Prevention of service interruptions is further reinforced by contingency arrangements that provide for the continuation, supplementation, or replacement of any necessary resources to support our businesses and operations. For example, (1) plans are in place that could be executed rapidly to reallocate or supplement staff with the necessary skills, as needed; and (2) both intercompany agreements and third-party contracts include resolution-resilient language with appropriate governance of exceptions.

What is a Critical Service?
A service, process, or operation necessary to continue the day-to-day operations of the Company or a service that, if suddenly terminated, would lead to the collapse of, or present a serious impediment to, the performance of a Critical Operation or Core Business Line.

What is the Shared Services Model?
The Company’s set of Critical Services which facilitates implementation and sustainability of key capabilities across Material Entities while enabling appropriate oversight; it provides for operational continuity during the phases along the Crisis Continuum (from Stable to Resolution).

Our comprehensive Shared Services Model builds on the Preferred Service Provider strategy and contingency arrangements, and collectively enhances resiliency. The model facilitates implementation and sustainability of capabilities inclusive of oversight dictated by the Shared Services & Contingency Arrangements Policy.
RESOLUTION PLANNING CAPABILITIES

Critical Roles in Continuity

The Company has roles in place with responsibilities for maintaining service resiliency. Two of the key roles for service resiliency across the Company are Service Managers and Technology and Operations Designees.

Service Managers have been established for each Critical Service and are responsible for defining, supporting, and monitoring each Critical Service. They bring an end-to-end view across the enterprise and are responsible for performance measurement and reporting, regardless of which legal entity or functional group is the owner of the technology, personnel, or process.

Technology and Operations Designees enhance operational continuity governance of the Material Entities. They are responsible for providing oversight and approval of their respective Operational Continuity Playbooks; monitoring Critical Services to maintain performance pursuant to established service level agreements; and reviewing and approving the operational interdependencies mapping analysis (i.e., the relationship of support provided and received by each Material Entity).

Execution Readiness

In preparation for potential financial stress, including resolution, we have a robust set of execution readiness capabilities. These capabilities consist of (1) our crisis response documents known as playbooks, as discussed in the Resolution Planning Capabilities - Governance Mechanisms - Playbooks section; and (2) simulation and training programs to validate the effectiveness of the playbooks and facilitate the preparedness of personnel that would be vital to executing our resolution strategy.

Our Monitoring and Reporting team, which is a part of EREO, is responsible for inventorying the critical reports and information necessary for management and the relevant boards of directors to engage in informed and timely decision-making. This team coordinates across our lines of business and control functions to maintain this inventory of critical information and to test availability, including during periods of stress. This team supports management’s business-as-usual processes, information needs, and resolution planning by facilitating the identification of information in various views (e.g., by Material Entity, Core Business Line, or Critical Operation), for decision-making, monitoring, and evaluation, as needed.

EREO would coordinate the Company’s operational response to any crisis, including resolution. In resolution, EREO would act as the command center to coordinate communications, decision-making, engagement of key stakeholders, and execution of actions the playbooks contemplate, as well as disseminate information in a timely manner.

In addition, we have a response readiness program, coordinated by EREO, to strengthen our response capabilities by assessing response maturity and conducting simulations and training programs to fortify and demonstrate resiliency. As part of EREO, the Response Readiness team, with participation from subject matter experts, conducts operationally-focused exercises of our business continuity and resolution plans. These exercises allow us to better plan for the continuity of operations and Critical Services during times of stress.
F. LEGAL ENTITY RATIONALIZATION

We have a framework for managing our legal entity structure to promote resolvability. This framework includes a set of criteria we consider when creating new legal entities or evaluating existing legal entities. We apply these criteria to each of our legal entities to facilitate an orderly resolution and maintain a purposeful, simple organizational structure. Our Specific and Actionable Legal Entity Criteria; Application of Legal Entity Criteria to Legal Entity Structure; and Legal Entity Strategy and Governance Forum are discussed below and integrated into our business-as-usual processes.

Specific and Actionable Legal Entity Criteria

We have identified five legal entity rationalization objectives, along with 21 legal entity criteria to support those objectives. These criteria are specific and, when applied to our legal entities, result in actions that could be taken to further simplify and rationalize our legal entity structure. We view the set of criteria to be dynamic, as it will be assessed at least annually, and may be added to, or modified, to reflect additional opportunities to incorporate additional resolvability considerations. Furthermore, the legal entity criteria have been incorporated into existing Company policies and control processes to facilitate their ongoing application in business-as-usual procedures.
The table below provides examples of our legal entity criteria and the core objective they support.

<table>
<thead>
<tr>
<th>Legal Entity Criteria Objectives</th>
<th>Legal Entity Criteria Examples</th>
</tr>
</thead>
</table>
| Objective 1: Facilitate the recapitalization and liquidity support of Material Entities | • Material Entities will not lend on an unsecured basis to BAC.  
• Intermediate holding companies between Material Entities and BAC will not issue debt to third parties.  
• Material Entities will have clear ownership lines with limited use of intermediate holding companies. |
| Objective 2: Facilitate separation of businesses | • Material Entities that are Continuing Subsidiaries will be owned by a common holding company (BACNA), separate from Material Entities that are Solvent Wind-down Subsidiaries.  
• The ownership of Preferred Service Providers will be aligned with the Material Entity that they primarily support.  
• Limit the number of customer facing and risk managing subsidiaries for derivatives and limit the use of inter-affiliate derivatives by managing market risk in the same subsidiary that transacts with customers (or that books the initial transaction).  
• Inter-affiliate derivative transactions will be executed and managed in the same manner as third-party transactions. |
| Objective 3: Provide continuity of services | • Critical Services that are shared will reside in Preferred Service Providers that are resolution resilient and are classified as Material Entities.  
• Critical Services will be clearly mapped. |
| Objective 4: Protect insured depository institutions | • Insured depository institutions will have risk appetite statements and limits with appropriate controls, monitoring, and governance.  
• Wholesale broker-dealer legal entities will not be direct or indirect subsidiaries of insured depository institutions. |
| Objective 5: Minimize complexity and reduce unnecessary entities | • Legal entities and branches will be actively reviewed for elimination.  
• Legal entities and branches will be established or repurposed only if there is a business need that is clearly documented and the legal entity or branch does not impede resolution, or there is a regulatory requirement. |

Application of Legal Entity Criteria to Legal Entity Structure

Each of our legal entity criterion is applied to each of our legal entities to determine what actions could be taken to further simplify our legal entity structure. In 2016, as a result of applying our criteria to our Material Entities, specific actions to simplify our legal entity structure were identified, some of which were already underway. For example, we had already begun the process to separate the institutional brokerage business from the retail brokerage business in MLPFS, which required the formation of a new U.S. broker-dealer (subject to regulatory approval). See the discussion regarding MLPFS in the Additional Information about our Company - Material Entities - Background and Select Financial Information - Broker-Dealers section. In 2017, as a result of applying our criteria to our legal entities, management identified several new actions to be taken to further simplify our structure.
To provide for consistent application of the legal entity criteria, while allowing for the flexibility needed to effectively manage our legal entity structure, we have a governance process to consider certain limited exceptions to the criteria. The process requires an analysis of why the exception does not impede resolvability and how potential impacts to an orderly resolution are mitigated. In 2017, we strengthened the governance process to include review and challenge of limited exceptions by the newly established Legal Entity Strategy and Governance Forum (“LESG”) prior to recommendation to, and final approval by, a management committee.

**Legal Entity Strategy and Governance Forum (LESG)**

The LESG is a forum that focuses on legal entity strategy matters and serves as an escalation point for legal entity strategy topics. It is comprised of cross-functional leaders, which supports coordination across the front line units and control functions. LESG meets regularly to discuss key strategic legal entity initiatives, changes in the make-up of Material Entities, changes in legal entity structure needed for business or regulatory purposes, and a holistic review of the Company’s legal entity structure against the legal entity criteria.

**G. SEPARABILITY**

A defined pool of actionable divestiture options, including portfolio asset sales and business sales, facilitates our ability to execute the single point of entry resolution strategy under a range of stress scenarios and different market conditions.

Our key separability capabilities – *Sustainable Option Sourcing; Option Valuation; Separability Analysis; Divestiture Option Playbooks; and Data Rooms* – are discussed below and are in place to improve flexibility and optionality under different market conditions to generate capital and liquidity resources and allow for restructuring under stress.

**Sustainable Option Sourcing**

We have a repeatable framework for identifying divestiture options and estimating the amount of time and level of difficulty involved in divesting each option. Divestiture options are identified by the lines of business in conjunction with the Global Corporate Strategy group and reviewed by senior management, appropriate support partners, and the BAC Board as part of our existing strategic planning process. This process provides a sustainable method of periodically identifying, reviewing, and updating potential divestiture options.

For 2017, we identified and valued over 25 divestiture options that offer a high-level of execution certainty and optionality by analyzing the Company at a segment, line of business, and asset level to determine the most appropriate and executable options. Our options provide flexibility across potential stress scenarios as they touch each of our lines of business; provide potential buyers with business and asset class flexibility; and allow for geographically diverse execution.

**Option Valuation**

We drive consistency among valuing potential divestiture options through a valuation framework. Our framework includes engaging a third-party consultant to provide its perspective on the potential value of each option and to identify a universe of prospective buyers, while taking potential regulatory and legal hurdles into account. Our Global Corporate Strategy group and Investment Banking group provide internal oversight and challenge to the third party’s findings. Option valuations are updated at least annually or upon a material change in the operations or profile of the divestiture option.
Separability Analysis

We conducted a thorough separability analysis of each divestiture option by leveraging the experience of our Divestiture Execution team, which has managed dozens of actual divestitures. The analysis examined multiple aspects of each business or portfolio sale and documented a tactical strategy for isolating and transferring the impacted client assets, people, technology, services, and third-party relationships to an assumed buyer type. The result of the analysis is a standard format Divestiture Option Playbook, which assesses and documents relevant facets of the option.

Divestiture Option Playbooks

Our Divestiture Option Playbooks contemplate specific tactical considerations and nuances for each identified divestiture option. Playbook elements include, but are not limited to (1) transition strategy and timeline; (2) impediments and mitigants; (3) regulatory approvals or notifications; (4) MIS impacts; (5) a communication plan; (6) a legal risk assessment; (7) transition services agreements; and (8) an analysis of multiple business enablers (e.g., operations, business technology, vendors, and workplace). Each Divestiture Option Playbook is updated at least annually or upon a material change in the operations or profile of the divestiture option.

Data Rooms

To further support separability and operational readiness, we built Data Rooms for each divestiture option to satisfy the preliminary diligence needs of prospective buyers. This single-source repository contains relevant information to conduct due diligence and valuations of the option by the buyer. The Data Rooms contain, on average, over 60 data elements on each business sale option and, in aggregate, over 1,400 pieces of information across the current pool of options. Specifically, data housed in the repository includes financials; valuations; Divestiture Option Playbooks; legal risk assessments; details of the applicable legal entity structure; summary client data; operational service data; technology architecture and application lists; property inventories; and tax information, where applicable. The Data Rooms are reviewed and updated annually or upon a material change in the profile of the divestiture option.
H. DERIVATIVES AND TRADING ACTIVITIES

We have certain derivatives and trading activity capabilities to mitigate potential challenges to an orderly resolution. Our Derivatives and Hedging Activities; Booking Practices; and our Preferred and Alternative Wind-down Strategies are discussed below and are in place to effectively minimize the potential impact of our derivatives portfolio on the broader financial system if the Company were to enter resolution. We seek to achieve this by planning for the ability to stabilize, wind down, or transfer our derivative portfolios and maintain or re-establish investment-grade ratings for each of our Continuing Subsidiaries.

Derivatives and Hedging Activities

We enter into derivative transactions on behalf of customers for trading or to support risk management activities. Derivatives are entered into on behalf of our customers to help them manage different types of risks, including those resulting from changes in interest rates, currency relationships, securities prices, or commodities prices. We also enter into derivatives transactions to manage risks arising from our debt issuance and funding activities, as well as from business performed by our foreign subsidiaries and branches.

For more information on our derivatives and hedging activities, including derivative balances, see Note 1 - Summary of Significant Accounting Principles and Note 2 - Derivatives to the Consolidated Financial Statements in BAC’s Annual Report on Form 10-K for the year ended December 31, 2016 (“BAC’s 2016 Annual Report”).

Booking Practices

When we enter into derivative transactions with our customers, we must consider which legal entity will transact with each customer and whether the resulting market risk will be managed within that customer-facing legal entity, or managed in a different legal entity. The framework in place to make these decisions is called our booking practices.

Booking practices where we transact with a customer in one legal entity and manage the resulting market risk in a second legal entity require additional transactions between our legal entities, known as inter-affiliate transactions. The choice of booking entity, and the need for inter-affiliate transactions, may be required to meet regulatory requirements, to provide access to products and markets for our clients, or be the most prudent way to manage the risks we face in our entities. Inter-affiliate transactions may complicate the wind-down of our derivatives portfolio in an orderly manner in resolution.

Given these challenges, our derivatives booking practices are designed to limit operational risk and credit, market, and liquidity risk exposures created by inter-affiliate transactions. Our booking practices, governed by our Derivatives Booking Policy, address the use of derivative booking entities and required inter-affiliate derivative transactions for client or risk management activities. They are designed to simplify our legal entity footprint, reduce risk, and improve resolvability.

To promote resolvability and address the challenges inter-affiliate transactions pose, we seek to limit inter-affiliate trade count and gross notional, including, among other things, by booking transactions in the legal entity that manages the resulting market risk, where feasible. Since we began systematically reducing inter-affiliate transactions in March 2015, inter-affiliate notional and trade count has been reduced by 70 percent and 74 percent, respectively. The booking changes we made to reduce inter-affiliate transactions represent an important change to our business model in order to enhance our resolvability.
Preferred Wind-down Strategy

Executing derivative transactions is critically important to our clients’ ability to manage the risks that they face and is therefore an important part of the value we deliver to our clients. However, the wind-down of these transactions could impede an orderly resolution of the Company. Therefore, conducting an advance analysis of what could happen to these transactions if BAC were to file for bankruptcy, and developing a strategy around how these transactions would be effectively wound down, is an important capability that supports the single point of entry resolution strategy.

The preferred wind-down strategy for derivatives and trading activities in resolution is based on granular business segmentation and strategies to actively package, price, and sell trading portfolios. The wind-down pursuant to this strategy is sequenced for each business based on franchise value and market capacity expected in resolution. The strategy contemplates that trading desks would generally exit their derivatives and cash trades through active package-and-sell strategies of market risk-neutral portfolios. Our preferred wind-down approach addresses client and inter-affiliate derivative transactions, as well as re-hedging to manage market risk throughout the wind-down process. The preferred strategy could be accomplished without needing to enter into new bilateral over-the-counter (“OTC”) derivative transactions and with access only to listed and cleared derivatives to hedge risk.

The strategy for winding down inter-affiliate transactions has been designed so that each affiliate would not materially increase its credit or market risk exposure to other affiliates as a result of the unwind, and inter-affiliate transactions would otherwise be treated the same as third-party derivative transactions.

Exit cost estimates of winding down the derivatives and trading portfolios reflect distressed macroeconomic conditions and include compensation paid to incentivize counterparties to close-out open positions. The capital and liquidity needed to execute our preferred wind-down strategy have been further incorporated into our frameworks for estimating resolution capital and liquidity execution needs (e.g., RCEN and RLEN).

We established enhanced governance and controls to appropriately review and challenge our preferred wind-down strategy. This includes governance committees and a review and challenge process involving front line unit representatives, their finance and risk partners, and legal entity representatives.

Alternative Wind-down Strategies

We have assessed two different wind-down strategies as part of our 2017 Resolution Plan (1) a passive strategy where we assume that our positions run down at contractual maturity; and (2) an active wind-down strategy to compare to our preferred strategy. The assessment includes a comparison of the exit costs, peak liquidity impacts, and size of the residual portfolio for each of the three wind-down strategies (preferred, passive, and active). The key difference between our preferred strategy and the active strategy is the expected impact of counterparty behavior and economic incentives. Our preferred wind-down strategy reflects a more conservative view towards some counterparties not wanting to participate in the package and sell process, compared to the counterparty behavior assumed by the active wind-down strategy.
IV. RESOLUTION PLANNING AND CAPABILITY GOVERNANCE

We have robust governance over our recovery and resolution planning processes. Our front line units and control functions have integrated recovery and resolution planning capabilities into their business-as-usual operations and their own policies and procedures. Senior management, management committees, board committees, and boards of directors play an essential role in recovery and resolution planning governance.

The governance structure for recovery and resolution planning is grounded in our Risk Framework, which serves as the foundation for consistent and effective management of risks facing the Company. The Risk Framework describes components of the Company’s risk management approach, including our culture of managing risk well; risk appetite and risk limits; and risk management processes. The Risk Framework outlines the risk management governance structure including the roles of the BAC Board, management, lines of business, independent risk management, and Corporate Audit within the governance structure. With this as a foundation, the recovery and resolution planning governance structure is organized into four areas: *Policies; Roles and Responsibilities; Internal Controls; and a Review and Challenge Framework.*

A. POLICIES

Our Global Recovery and Resolution Planning Policy provides holistic guidance for the Company related to recovery and resolution planning. In addition, we have integrated requirements into other existing policies that govern our operations. These policies clearly define the specific roles and responsibilities of the BAC Board and other Material Entity boards of directors, senior management, front line units, and control functions with respect to the recovery and resolution planning processes.
B. ROLES AND RESPONSIBILITIES

While recovery and resolution planning is coordinated across the Company’s front line units and control functions, the BAC Board and BAC Enterprise Risk Committee are ultimately responsible for overseeing recovery and resolution capabilities and reviewing and approving our Recovery and Resolution Plans (the “Plans”), as appropriate. Our Global Recovery and Resolution Planning team oversees the development, coordination, and maintenance of the Company’s recovery and resolution planning activities. Each of our front line units and control functions identifies a Recovery and Resolution Planning Officer to serve as a single point of contact between the front line unit or control function and the Global Recovery and Resolution Planning team. Similarly, the risk teams aligned to our front line units and control functions identify Recovery and Resolution Planning Risk Officers to serve as an additional line of defense or challenge function for contributions to the plans and development of capabilities by the front line units and control functions. The following diagram shows the organization of resolution planning workstreams and associated escalation through management routines and committees up to the BAC Board.

In addition, we engage external consultants to supplement our recovery and resolution planning experience and to provide additional independent expertise. These external consultants independently scrutinize and challenge the Company’s resolution planning capabilities and were periodically engaged to review and comment on the content of the 2017 Resolution Plan.
C. INTERNAL CONTROLS

Internal controls are in place to support recovery and resolution planning with sound, reliable, and quality-controlled information. This, in turn, supports our credible and actionable Plans. Internal controls documented in policies and standards are developed at the enterprise level. These policies and standards are then applied to specific processes, including recovery and resolution planning, to provide a uniform and consistent set of definitions and standards for quality. In addition to policies and standards, procedures have been established to support the sustainability and repeatability of the Company’s recovery and resolution planning processes as teams execute the requirements. The internal controls facilitate:

- Sound data, aggregation, and reporting technology systems to support recovery and resolution planning processes;
- Comprehensive processes for accurate data that are used in key reports for recovery and resolution planning purposes;
- Accurate and complete presentation of recovery and resolution planning results; and
- Accurate and timely information provided to senior management and the BAC Board.

Our internal controls include the role of our Corporate Audit group. Corporate Audit provides independent assessment and validation through testing of key processes and controls across the Company, including recovery and resolution requirements and capabilities.

D. REVIEW AND CHALLENGE FRAMEWORK

Our review and challenge framework establishes requirements for assessing the credibility of our recovery and resolution planning capabilities and the related Plans. The framework defines the tasks required to maintain resolution planning capabilities and identifies the roles and responsibilities for those tasks. The review and challenge framework also outlines our certification process, which requires senior management to certify the Plans prior to BAC Board approval.

Our governance structure enables us to demonstrate that our 2017 Resolution Plan and related resolution capabilities receive substantial input and involvement from subject matter experts across the Company and are subject to a thorough review process with robust challenge.
V. RESPONSIVENESS TO REGULATORY FEEDBACK

A. AGENCY FEEDBACK ON OUR 2015 RESOLUTION PLAN

On April 12, 2016, the Agencies provided joint, firm-specific feedback on 2015 Resolution Plans and issued guidance regarding expectations for 2017 Resolution Plans (the “2017 Guidance”). In our firm-specific feedback (the “April 2016 Feedback”), the Agencies concluded that we needed to remedy two deficiencies by October 1, 2016 and three shortcomings by July 1, 2017 in four topical areas of assessment – Liquidity, Governance Mechanisms, Legal Entity Rationalization, and Derivatives and Trading Activities – in order for the Agencies to find that our Resolution Plan is credible and would facilitate an orderly resolution under the U.S. Bankruptcy Code.

Deficiency Remediation

In the December 2016 Feedback, the Agencies recognized that we took important steps in connection with our 2016 Resolution Submission to remediate the deficiencies identified. Key actions taken by the Company included:

• Liquidity – By developing and implementing a model for estimating and maintaining liquidity at, or readily available to, Material Entities in resolution and providing an enhanced model and process for estimating the minimum liquidity needed to fund Material Entities in resolution; and

• Governance Mechanisms – By amending our Board Playbooks to include clearly identified triggers linked to specific actions for the timely execution of a bankruptcy filing and related pre-filing actions. Analysis was also provided to describe how our Secured Support Agreement would support the recapitalization and funding of subsidiaries prior to a BAC bankruptcy filing.

Shortcoming Remediation

As discussed in our 2016 Resolution Submission, we accelerated our remediation actions to substantially remediate two of the shortcomings by October 1, 2016 and made significant progress on the third. The Agencies’ December 2016 Feedback related only to the Agencies’ review of the identified deficiencies. The Agencies will review our 2017 Resolution Plan to determine if we have satisfactorily addressed the shortcomings and other potential key vulnerabilities, including those detailed in the 2017 Guidance.

B. 2016 RESOLUTION SUBMISSION AND AGENCY FEEDBACK

Our 2016 Resolution Submission discussed our remediation of the two deficiencies and our progress to remediate the three shortcomings. On December 13, 2016, the Agencies jointly determined that our 2016 Resolution Submission adequately remediated the deficiencies identified in our 2015 Resolution Plan (the “December 2016 Feedback”).

The Agencies determined that BAC remediated the two deficiencies – what about the three shortcomings?
The December 2016 Feedback related only to the Agencies’ review of the identified deficiencies. Since our 2016 Submission, we have taken additional actions in the areas identified as shortcomings to integrate additional capabilities into our business-as-usual processes. Our key resolution planning capabilities are discussed in the Resolution Planning Capabilities section. The Agencies will review our 2017 Resolution Plan to determine if we have satisfactorily addressed the shortcomings.
The tables below provide a summary of the shortcomings identified by the Agencies in our 2015 Resolution Plan and the key actions we have taken to remediate the shortcomings.

**Derivatives and Trading Shortcoming Remediation**

The table below summarizes the shortcoming related to derivatives and trading activities identified by the Agencies and our remediation actions.

<table>
<thead>
<tr>
<th>Summary of Feedback Related to Derivatives and Trading Shortcoming</th>
<th>Key Actions Taken to Remediate</th>
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</thead>
<tbody>
<tr>
<td>“The 2015 Plan... lacked detailed portfolio information and specificity regarding implementation of the wind-down.”</td>
<td>Enhanced the preferred derivatives wind-down strategy forecasts and reporting to support daily cash flow, margin, costs (losses), and balance sheet projections.</td>
</tr>
<tr>
<td>“…provide the information necessary to complete the tables in the Appendix [of the Feedback Letter] and provide analysis for at least one executable wind-down pathway for segmenting and packaging the derivative portfolios.”</td>
<td>Developed more granular assumptions for determining timing and impact of the derivative wind-down by counterparty.</td>
</tr>
<tr>
<td>“…[incorporate] [t]he losses and liquidity required to support the active wind-down analysis... into the firm’s resolution capital and liquidity execution needs estimates.”</td>
<td>Identified and assessed key sensitivities to the preferred wind-down strategy forecast assumptions.</td>
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<td></td>
<td>Enhanced reporting and documentation to evidence support for implementing our derivatives wind-down strategies.</td>
</tr>
<tr>
<td></td>
<td>Incorporated the preferred derivatives wind-down strategy forecasts into our framework for estimating resolution capital and liquidity execution needs.</td>
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</table>
Governance Mechanisms: Pre-bankruptcy Parent Support Shortcoming Remediation

The table below summarizes the shortcoming related to governance mechanisms: pre-bankruptcy parent support identified by the Agencies and our remediation actions.

<table>
<thead>
<tr>
<th>Summary of Feedback Related to Governance Mechanisms: Pre-bankruptcy Parent Support Shortcoming</th>
<th>Key Actions Taken to Remediate</th>
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<tbody>
<tr>
<td>“BAC’s governance playbooks included in the 2017 Plan should incorporate any developments from BAC’s further analysis of potential legal challenges regarding Support, including any Support approach(es) BAC has implemented.”</td>
<td>Amended the Board Playbooks to include a discussion of the analysis regarding potential legal challenges and mitigants, including a discussion of the Secured Support Agreement.</td>
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<tr>
<td>“… the firm commenced a project to develop Capital Contribution Agreements (CCAs); [however, it] had not made demonstrable progress regarding developing a formal agreement or alternative approach that would help ensure that all financial resources necessary to execute the strategy would be placed in each material entity prior to the parent holding company’s bankruptcy filing.”</td>
<td>Developed the Secured Support Agreement, which includes mechanisms so that the financial resources needed to execute our single point of entry resolution strategy would be available for each Material Entity before BAC enters bankruptcy.</td>
</tr>
<tr>
<td>“… the 2017 Plan should include a detailed legal analysis of the potential state law and bankruptcy law challenges and mitigants to the planned provision of Support.”</td>
<td>Included in the confidential section of our 2016 Resolution Submission an analysis of the potential state and federal bankruptcy challenges and mitigants to the planned provision of the pre-bankruptcy parent support. The analysis identifies potential legal challenges and explains how the support would be provided as planned.</td>
</tr>
<tr>
<td>“… the analysis should identify any potential legal obstacles and explain how BAC would seek to ensure that support would be provided as planned.”</td>
<td>Implemented mitigants considered to be the most effective to the potential legal challenges, including:</td>
</tr>
<tr>
<td>“The 2017 Plan also should include the mitigant(s) to potential challenges to the planned Support that BAC considers most effective. In identifying appropriate mitigants, BAC should consider the effectiveness, alone or in combination, of a contractually binding mechanism, prepositioning of financial resources in material entities, and the creation of an intermediate holding company.”</td>
<td>• Entered into a contractually binding mechanism, the Secured Support Agreement, which establishes legal obligations for BAC to transfer financial assets to NB Holdings and for NB Holdings to provide capital and liquidity to the Material Entities prior to any BAC bankruptcy filing and during the Resolution phase.</td>
</tr>
<tr>
<td></td>
<td>• Secured the obligations of BAC, NB Holdings, and other parties required to provide capital and liquidity under the Secured Support Agreement through the creation and perfection of security interests in the financial assets of BAC and NB Holdings and certain other collateral, but excluding all equity securities in the Material Entities.</td>
</tr>
<tr>
<td></td>
<td>• Transferred certain BAC financial assets to NB Holdings.</td>
</tr>
<tr>
<td></td>
<td>• Pre-positioned financial resources at certain Material Entities, considering an appropriate balance between assets held at NB Holdings and the other Material Entities.</td>
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</tbody>
</table>
## Legal Entity Rationalization Shortcoming Remediation

The table below summarizes the portion of the shortcoming related to legal entity criteria identified by the Agencies and our remediation actions.

<table>
<thead>
<tr>
<th>Summary of Feedback Related to Legal Entity Rationalization Shortcoming: Legal Entity Criteria</th>
<th>Key Actions Taken to Remediate</th>
</tr>
</thead>
<tbody>
<tr>
<td>“… establish criteria that are clear, actionable, and promote the best alignment of legal entities and business lines to improve the firm’s resolvability.”</td>
<td>Defined five legal entity structure objectives. Developed new, and enhanced existing, legal entity criteria that are specific and actionable.</td>
</tr>
<tr>
<td>“… include more specificity to guide management to rationalize legal entities and ensure a less complex structure that promotes resolvability.”</td>
<td>Applied the enhanced criteria to the legal entities under BAC’s control to identify additional actions that will further simplify our legal entity structure. Identified and implemented actions to further simplify our legal entity structure.</td>
</tr>
<tr>
<td>“…[establish] governance procedures to ensure that its revised [legal entity] criteria are applied on an ongoing basis.”</td>
<td>Identified and implemented governance procedures so that the legal entity criteria are consistently applied.</td>
</tr>
</tbody>
</table>

The table below summarizes the shortcoming related to divestiture options identified by the Agencies and our remediation actions.

<table>
<thead>
<tr>
<th>Summary of Feedback Related to Legal Entity Rationalization Shortcoming: Divestiture Options</th>
<th>Key Actions Taken to Remediate</th>
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<tbody>
<tr>
<td>“… include divestiture options that enable meaningful optionality under different market conditions.”</td>
<td>Enhanced the divestiture option framework. Developed a meaningful list of divestiture options for consideration under different market conditions and performed valuations on each option. Completed Divestiture Option Playbooks detailing execution plans for each option. Built and populated Data Rooms to hold due diligence information on each divestiture option for potential buyers.</td>
</tr>
</tbody>
</table>
C. IMPLEMENTATION OF 2017 GUIDANCE

In April 2016, the Agencies also published a Resolution Plan Assessment Framework. The 2017 Guidance and assessment framework focus on key potential vulnerabilities in resolution that apply to certain firms’ 2017 Resolution Plans, including the Company’s, and are assessed by the Agencies accordingly. The key elements of assessment are:

- Capital
- Liquidity
- Governance Mechanisms
- Operational Capabilities
- Legal Entity Rationalization
- Derivatives and Trading Activities
- Responsiveness to Agency Guidance

In addition to addressing the deficiencies and shortcomings, we have incorporated the 2017 Guidance into our capabilities and 2017 Resolution Plan. Our key resolution capabilities are discussed in the Resolution Planning Capabilities section above.

D. 2017 RESOLUTION PLAN

This Executive Summary of our Resolution Plan provides a high-level overview of our confidential 2017 Resolution Plan submitted to the Agencies. Our last comprehensive Resolution Plan was submitted to the Agencies in 2015.

What is the difference between the 2016 Resolution Submission and the 2017 Resolution Plan?

The 2016 Resolution Submission was not a full Resolution Plan but rather an abbreviated submission focusing specifically on our remediation of the deficiencies and progress to remediate the shortcomings identified by the Agencies. The 2017 Resolution Plan is a full Resolution Plan containing all plan requirements and addressing all Agency feedback and guidance received to date.
VI. ADDITIONAL INFORMATION ABOUT OUR COMPANY

A. OUR COMPANY

Our Company serves individual consumers, small- and middle-market businesses, institutional investors, large corporations, and governments with a full range of banking, investing, asset management, and other financial and risk management products and services. We conduct business through the parent holding company, BAC, and its subsidiaries and their branches across multiple jurisdictions. The subsidiaries and branches are established to fulfill a wide range of business, legal, regulatory, licensing, and other objectives.

Our Company operates in all 50 U.S. states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and more than 35 countries. We have business relationships with 99 percent of the U.S. Fortune 500, 96 percent of the U.S. Fortune 1000, and 80 percent of the Global Fortune 500 corporations. Our retail banking footprint covers approximately 80 percent of the U.S. population; and serves approximately 46 million consumer and small business relationships with approximately 4,600 retail financial centers, approximately 15,900 ATMs, nationwide call centers, and industry leading online and mobile banking platforms.

The following table is the Company’s selected balance sheet data from BAC’s 2016 Annual Report. For more detailed information on each of the specific line items, see BAC’s 2016 Annual Report.

<table>
<thead>
<tr>
<th></th>
<th>December 31 ($ millions)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$147,738</td>
<td>$159,353</td>
</tr>
<tr>
<td>Federal funds sold &amp; securities borrowed or purchased under agreements to resell</td>
<td>198,224</td>
<td>192,482</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>180,209</td>
<td>176,527</td>
</tr>
<tr>
<td>Debt securities</td>
<td>430,731</td>
<td>406,888</td>
</tr>
<tr>
<td>Loans and leases</td>
<td>906,683</td>
<td>896,983</td>
</tr>
<tr>
<td>Allowance for loan and lease losses</td>
<td>(11,237)</td>
<td>(12,234)</td>
</tr>
<tr>
<td>All other assets</td>
<td>335,354</td>
<td>324,288</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$2,187,702</td>
<td>$2,144,287</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>1,260,934</td>
<td>1,197,259</td>
</tr>
<tr>
<td>Federal funds purchased &amp; securities loaned or sold under agreements to repurchase</td>
<td>170,291</td>
<td>174,291</td>
</tr>
<tr>
<td>Trading account liabilities</td>
<td>63,031</td>
<td>66,963</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>23,944</td>
<td>28,098</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>216,823</td>
<td>236,764</td>
</tr>
<tr>
<td>All other liabilities</td>
<td>188,839</td>
<td>184,736</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,920,862</td>
<td>1,888,111</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>266,840</td>
<td>256,176</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>$2,187,702</td>
<td>$2,144,287</td>
</tr>
</tbody>
</table>

BANK OF AMERICA CORPORATION 2017 PUBLIC EXECUTIVE SUMMARY
B. CORE BUSINESS LINES

Bank of America has four business segments: Consumer Banking, Global Wealth & Investment Management (GWIM), Global Markets, and Global Banking. For purposes of resolution planning, the Company has identified 17 specific Core Business Lines within our business segments based on the definition of Core Business Lines in the 165(d) Rule: “business lines...including associated operations, services, functions and support that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.” In addition, we apply further criteria and metrics to each major business activity to determine which activities are Core Business Lines. The criteria applied include, among other things, the contribution to enterprise revenue and profitability; relevance to enterprise strategy; synergies to other businesses; and importance to clients. The metrics applied include, among other things, product or service revenue and profitability as a percentage of the total line of business or enterprise as a whole.

The table below provides the full list of Core Business Lines, segmented by business.

<table>
<thead>
<tr>
<th>Core Business Lines</th>
<th>Consumer Banking</th>
<th>GWIM</th>
<th>Global Banking</th>
<th>Global Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Deposits</td>
<td>• Merrill Lynch Global Wealth Management</td>
<td>• Global Commercial Banking</td>
<td>• Global Equities</td>
<td></td>
</tr>
<tr>
<td>• Mortgages</td>
<td>• U.S. Trust</td>
<td>• Business Banking</td>
<td>• FICC Emerging Markets</td>
<td></td>
</tr>
<tr>
<td>• Lending</td>
<td></td>
<td>• Global Corporate Banking</td>
<td>• G10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Global Transaction Services</td>
<td>• Global Rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Global Financing &amp; Futures</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Global Credit and Special Situations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Municipal Banking and Markets</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Mortgage Products</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Consumer Banking**

Consumer Banking offers a diversified range of credit, banking, and investment products and services to consumers and small businesses. Our customers and clients have access to a coast-to-coast network including financial centers in 33 states and the District of Columbia. Our network includes approximately 4,600 financial centers, 15,900 ATMs, nationwide call centers, and online and mobile platforms. For purposes of resolution planning, Consumer Banking is comprised of three Core Business Lines – Deposits, Mortgages, and Lending.

**Deposits** offers a full range of deposit products for consumers and small businesses including traditional savings accounts, money market savings accounts, certificates of deposit, individual retirement accounts, and non-interest and interest-bearing checking accounts.

**Mortgages** offers first mortgage and home equity products to applicants through direct-to-consumer channels, including the Company’s retail network of financial centers, mortgage loan officers in approximately 300 dedicated locations nationwide, and a sales force offering direct telephone and online access to mortgage products.

**Lending** offers products to consumers and small businesses across the U.S. The products offered include credit and debit cards; residential mortgages and home equity loans; and direct and indirect loans such as automotive, recreational vehicle, and consumer personal loans. Consumer lending products are available to our customers through our retail network, direct telephone, and online and mobile channels.
Global Wealth & Investment Management (GWIM)

GWIM provides highly customized, comprehensive wealth management services to individuals, businesses, and institutions, through its two Core Business Lines – Merrill Lynch Global Wealth Management and U.S. Trust, Bank of America Private Wealth Management (“U.S. Trust”). Additionally, for purposes of resolution, GWIM includes the Merrill Edge business which services clients with investable assets of less than $250,000 that utilize the Merrill Edge Advisory Center or have self-directed investment accounts. As of December 2016, Merrill Edge’s approximate 2,200 financial solution advisors serve clients with $144.7 billion in brokerage assets.

**Merrill Lynch Global Wealth Management** is a leading provider of full-service wealth management solutions for affluent, high net worth and ultra-high net worth individuals, as well as businesses and institutions. Merrill Lynch Global Wealth Management provides tailored solutions to meet its clients’ needs with a full set of investment management, brokerage, banking, and retirement products through a network of approximately 14,600 U.S.-based financial advisors, including approximately 3,600 advisor trainees (418 of which are banking center financial advisors). It serves more than 840,000 target clients, representing approximately $2.1 trillion in total client balances across the wealth spectrum.

For individual clients, Merrill Lynch Global Wealth Management provides investment management; banking; cash management and lending; and trust and wealth structuring. For businesses and institutions, it delivers institutional retirement; institutional compensation and benefits; and consulting services to firms ranging from small and mid-sized companies to Fortune 500 corporations.

**U.S. Trust** provides comprehensive and differentiated wealth management solutions to high net worth and ultra-high net worth individuals and families, targeting relationships with more than $3 million in balances with U.S. Trust, as well as endowments and foundations. The business delivers integrated wealth management advice and highly customized solutions, such as specialty asset management and custom credit solutions, to meet its clients’ wealth structuring, investment management, trust, and banking needs; it also provides philanthropic management services to endowments and foundations.

Global Banking

Global Banking provides a wide range of lending-related products and services; integrated working capital management and treasury solutions; and underwriting and advisory services through the Company’s network of offices and client relationship teams. Our lending products and services include commercial loans, leases, commitment facilities, trade finance, real estate lending, and asset-based lending. Our treasury solutions business includes treasury management, foreign exchange, and short-term investing options. We also provide investment banking products to our clients such as debt and equity underwriting and distribution, and merger-related and other advisory services. Underwriting debt and equity issuances; fixed income and equity research; and certain market-based activities are executed through our global broker-dealer affiliates. For resolution planning purposes, Global Banking includes four Core Business Lines – Global Commercial Banking, Business Banking, Global Corporate Banking, and Global Transaction Services.

**Global Commercial Banking** is one of the largest commercial bank businesses in the U.S., serving approximately 15,000 clients with revenues of generally $50 million to $2 billion. Global Commercial Banking clients generally include middle market companies, commercial real estate firms, and not-for-profit companies. Our unique client coverage model and close partnerships with other lines of business, such as GWIM, Global Markets, and Consumer Banking, enable the commercial client teams to seamlessly deliver enterprise capabilities as integrated solutions.
**Business Banking** provides commercial banking financial solutions and advice to small and mid-sized U.S. companies with annual revenues generally between $5 million and $50 million. It also provides personal banking and investment services to business owners through partnerships with GWIM and Global Markets.

**Global Corporate Banking** Global Corporate Banking operates primarily in the U.S. and is organized by the following industry groups: **Consumer & Retail, Healthcare, Energy & Power, General Industrials, Telecom, Media & Technology,** and **Financial Institutions.** The business has over 60 relationship bankers and a total of 100 people based in the U.S. and is primarily focused on the largest, mostly public corporate clients, usually with greater than $2 billion in market capitalization. Global Corporate Banking provides the following products and solutions: credit products including loans, letters of credit, trade, and leasing; Global Transaction Services including payments and receipts, foreign exchange, card, custody, merchant services, debt advisory services, debt capital markets, commodities, foreign exchange, and rates; and GWIM corporate solutions (retirement services and employee solutions). Today, the Company covers more than 1,000 clients in the U.S. and it is recognized as a leading U.S. corporate bank.

**Global Transaction Services** operates globally for business originated in Europe, Middle East, and Africa (“EMEA”), Asia Pacific, and the Americas and offers a full suite of products and services, which are broadly grouped as receivables products (electronic receipts, lockbox, and remote deposit services); disbursement products (card solutions, comprehensive payables, and controlled disbursements); client access channels (CashPro and file access services); and liquidity management (concentration and reporting, and deposits).

**Global Markets**

Global Markets offers sales and trading services, including research, to institutional clients across fixed-income, credit, currency, commodity, and equity businesses. Global Markets product coverage includes securities and derivative products in both the primary and secondary markets. Global Markets provides market-making; financing; and securities clearing, settlement, and custody services globally to institutional investor clients in support of their investing and trading activities. Global Markets also works with commercial and corporate clients to provide risk management products using interest rate; equity; credit; currency and commodity derivatives; foreign exchange; fixed-income; and mortgage-related products. Activities are executed through our global network of bank and broker-dealer entities and include eight Core Business Lines – **Global Equities, Fixed Income Currencies and Commodities ("FICC") Emerging Markets, G10, Global Rates, Global Financing & Futures, Global Credit and Special Situations, Municipal Banking and Markets ("MBAM"), and Mortgage Products.**

**Global Equities** operates globally and is a full-service provider of sales and trading services for customers and counterparties including governmental entities, not-for-profit institutions, for-profit institutions, financial institutions, and asset managers.

**Fixed Income Currencies and Commodities (FICC) Emerging Markets** offers clients fixed income and currency products specific to countries within Latin America and the Caribbean (“Latin America”), EMEA, and Asia Pacific. The products offered to clients are cash bonds, loans, credit derivatives, interest rate derivatives, foreign exchange (cash and derivatives), special situation assets, and structured solutions denominated in hard or local currencies through direct sale, securitization, or risk transfer.

**G10** provides clients with market-making services in foreign exchange spot, swaps, forwards, and options in G10 currency pairs in the following currencies: AUD, CAD, CHF, DKK, EUR, GBP, JPY, NOK, NZD, SEK, and USD. Client execution services include both voice and electronic execution. Additional services include foreign exchange payments.
Global Rates is a market-maker across a range of financial products, for which principal risk is a change in interest rates, including, but not limited to, government securities, agencies, futures contracts, repurchase agreements, swaps options, and structured transactions. In addition, as a primary dealer, the businesses in the U.S., EMEA, and Asia Pacific (1) serve as a trading counterparty of central banks or other governmental or quasi-governmental entities involved in the establishment or implementation of monetary policy; (2) participate in auctions of government debt; and (3) participate in open market operations to carry out monetary policy.

Global Financing & Futures is comprised of Futures/Options and OTC Clearing and Short End Trading. Futures/Options and OTC Clearing provides its clients access to futures exchanges around the world and can facilitate the trading of the various futures and options on futures contracts that are listed on these exchanges (subject to clients being permitted to trade). It also provides clearing services for interest and credit rate swaps and non-deliverable forward derivatives on all major clearinghouses. Short End trading is comprised of repo, short rates, short swaps, and short-term fixed income trading.

Global Credit and Special Situations is a market-maker in the bonds and loans of corporate issuers and related derivative products. Coverage includes investment-grade, high-yield and distressed issuers in developed countries. The business line is comprised of Credit & Distressed Trading and Structured Products. Credit & Distressed Trading includes (1) credit trading – the trading of high-yield and investment-grade corporate bonds, preferred securities, as well as single name credit default swaps; (2) index trading – active market making in credit default swap indices, options, and tranches and total return swaps on bond indices and credit index futures; and (3) distressed trading – primarily trading in cash products, specifically leveraged loans, distressed bonds, bankruptcy trade claims, asset-based loans, non-performing loans, and to a lesser extent, single name and index credit default swaps. Structured Products includes the secondary trading of collateralized loan and debt obligations, as well as total return swaps and credit funding.

Municipal Banking and Markets (MBAM) is comprised of MBAM New Issue Desk, MBAM Secondary Trading, Municipal Capital Markets, and Public Sector Banking. The MBAM New Issue Desk is an originate-to-distribute business underwriting municipal securities where the obligor is a municipality, not-for-profit, or for-profit entity. MBAM Secondary Trading transacts in both non-municipal and municipal fixed and variable rate products including fixed rate bonds, variable rate demand notes, floating rate notes, municipal exchange traded funds, and auction rate securities. MBAM Capital Markets provides clients with alternative financial products in following areas: municipal swaps, total return swap financing for customers, cash trading, and municipal counterparty valuation adjustment and funding. Public Sector Banking is a leading financial services provider to public sector entities at the local, state, and national levels; it provides municipalities with a full spectrum of banking solutions, including loans, letters of credit, and liquidity facilities, as well as integrated treasury management solutions and card services.

Mortgage Products offers a full-service model of origination, structuring, execution, distribution, underwriting, and market-making across a full spectrum of asset classes and regions. Trading provides liquidity and relative value trading ideas for clients. We make markets in various asset classes including consumer asset-backed securities; commercial mortgaged-backed securities; agency mortgage-backed securities and collateralized mortgage obligations; collateralized debt obligations; non-agency collateralized mortgage obligations; residential whole loans; and reverse mortgages.
C. CRITICAL OPERATIONS

The Company has five categories of Critical Operations. The identification of the Company’s Critical Operations is based on the definition in the 165(d) Rule: “operations...including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the FRB and FDIC, would pose a threat to the financial stability of the United States.” In addition to guidance received from the Agencies, we applied further criteria and metrics to each major activity to determine our Critical Operations.

Our five categories of Critical Operations which are part of our Global Technology and Operations organization, are as follows:

- **Consumer Banking Operations** – Provides operations functions in support of the Consumer Banking business and includes mortgage servicing activities.

- **GWIM Operations** – Provides operations functions in support of the GWIM business and includes brokerage and investment operations and client services for wealth management clients; and trust operations and services.

- **Global Banking Operations** – Provides operations functions in support of the Global Banking business and includes treasury and credit services and operations; and certain payment, settlement, and reconciliation functions.

- **Global Markets Operations** – Provides operations functions in support of the Global Markets business, Merrill Lynch Global Wealth Management business, and certain enterprise shared services. Its operations include control support for trading activities; operational support for securities, OTC derivatives, foreign exchange, futures, and options; and collateral management support.

- **Enterprise Shared Services Operations** – Delivers products, solutions, and services to customers and clients across multiple business lines and includes wire and ACH operations, deposit services, and card issuance.
D. MATERIAL ENTITY OVERVIEW AND DETERMINATIONS

We conduct our business through our parent holding company, and its subsidiaries and their branches, across multiple jurisdictions. The subsidiaries and branches are established to fulfill a wide range of business, legal, regulatory, licensing, and other objectives. We reviewed our subsidiaries and branches and identified 17 Material Entities for purposes of our 2017 Resolution Plan, including the parent holding company, 14 direct and indirect subsidiaries, and two foreign branches. The identification of our Material Entities is based on the definition in the 165(d) Rule: “a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.” Our Material Entity determination framework supplements this definition with other qualitative and quantitative criteria.

Our Material Entity determination framework analyzes our subsidiaries and branches to determine which are material based on:

- **Significance to the Company** – Subsidiaries that comprise a significant amount of our assets, revenue, or liabilities.

- **Significance to a Core Business Line** – Subsidiaries that comprise a significant amount of revenue of a Core Business Line.

- **Significance to interconnectedness** – Subsidiaries that comprise significant financial and operational interconnectedness (including alignment with our Critical Operations).

- **Other significance** – Other qualitative factors that facilitate our single point of entry resolution strategy (e.g., certain intermediate holding companies).

The front line units and control functions participate in the Material Entity determination process and the LESG serves as a review and challenge function.

Material Entities are determined at least annually and may be updated for various reasons, including a change in the Company’s legal entity structure or business model.
The table below provides the name of each Material Entity, the entity type, jurisdiction of organization, and its role in our resolution strategy.

<table>
<thead>
<tr>
<th>Entity Type</th>
<th>Material Entity Name</th>
<th>Jurisdiction of Organization</th>
<th>Role in our Resolution Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Holding Companies</td>
<td>Bank of America Corporation</td>
<td>U.S.</td>
<td>Bankruptcy Proceeding</td>
</tr>
<tr>
<td></td>
<td>BAC North America Holding Company</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NB Holdings Corporation</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td>Banks and Branches</td>
<td>Bank of America, National Association</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank of America Merrill Lynch International Limited</td>
<td>U.K.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank of America, N.A. – London Branch</td>
<td>U.K.</td>
<td>Continuing Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>Bank of America, N.A. – Frankfurt Branch</td>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank of America California, National Association</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td>Service Companies</td>
<td>BA Continuum India Private Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Global Services Pte. Ltd.</td>
<td>Singapore</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Data Services, LLC</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Managed Account Advisors LLC</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td>Broker-Dealers</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Professional Clearing Corp.</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Capital Services, Inc.</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch International</td>
<td>U.K.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Japan Securities Co., Ltd.</td>
<td>Japan</td>
<td></td>
</tr>
</tbody>
</table>

The table below provides the assets, liabilities, and shareholders’ equity of each of our Material Entities as of December 31, 2016.

<table>
<thead>
<tr>
<th>Entity Type</th>
<th>Material Entity Name</th>
<th>Assets ($ millions)</th>
<th>Liabilities ($ millions)</th>
<th>Shareholders’ Equity ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Holding Companies</td>
<td>Bank of America Corporation</td>
<td>$469,863</td>
<td>$203,023</td>
<td>$266,840</td>
</tr>
<tr>
<td></td>
<td>BAC North America Holding Company</td>
<td>220,083</td>
<td>153</td>
<td>219,931</td>
</tr>
<tr>
<td></td>
<td>NB Holdings Corporation</td>
<td>404,937</td>
<td>117,521</td>
<td>287,416</td>
</tr>
<tr>
<td>Banks and Branches</td>
<td>Bank of America, National Association</td>
<td>1,677,490</td>
<td>1,471,281</td>
<td>206,209</td>
</tr>
<tr>
<td></td>
<td>Bank of America Merrill Lynch International Limited</td>
<td>38,324</td>
<td>30,075</td>
<td>8,250</td>
</tr>
<tr>
<td></td>
<td>Bank of America California, National Association</td>
<td>24,004</td>
<td>20,791</td>
<td>3,213</td>
</tr>
<tr>
<td>Broker-Dealers</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
<td>291,500</td>
<td>273,826</td>
<td>17,674</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Professional Clearing Corp.</td>
<td>57,440</td>
<td>54,334</td>
<td>3,106</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Capital Services, Inc.</td>
<td>10,619</td>
<td>9,945</td>
<td>674</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch International</td>
<td>201,467</td>
<td>158,646</td>
<td>42,821</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Japan Securities Co., Ltd.</td>
<td>20,706</td>
<td>19,191</td>
<td>1,514</td>
</tr>
<tr>
<td>Service Companies</td>
<td>BA Continuum India Private Limited</td>
<td>463</td>
<td>17</td>
<td>447</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Global Services Pte. Ltd.</td>
<td>143</td>
<td>68</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Financial Data Services, LLC</td>
<td>407</td>
<td>276</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>Managed Account Advisors LLC</td>
<td>277</td>
<td>88</td>
<td>189</td>
</tr>
</tbody>
</table>

(1) Includes BANA-L and BANA-F.

For more detailed background and financial information about our Material Entities, see Material Entities - Background and Select Financial Information.
E. OUR FUNDING STRATEGY

We fund the majority of our assets by deposits complemented by a mix of secured and unsecured liabilities through a centralized, globally-coordinated funding strategy. Our centralized funding strategy provides greater control and consistency, wider name recognition with investors, and the ability to meet the variable funding requirements of our subsidiaries. The majority of funding activities are centralized within our Treasury group which has jurisdictional presence for efficient execution, market awareness, and country/regional expertise. This approach promotes the greatest stability and flexibility during stable and stress conditions.

**Deposits** are the primary source of funding for the Company’s banking subsidiaries and are derived from the operations of our four core business segments (Consumer Banking, GWIM, Global Banking, and Global Markets). Our $1.3 trillion in deposits are diversified by customer and client, product type, and geography and are generally considered a stable, low-cost source of funding. We focus our deposit strategy on core client deposits that are considered stable and relationship-driven.

Securitizations and advances from the Federal Home Loan Banks (“FHLB”), backed by whole loans, supplement deposit funding for our lending activities.

**Long-term Unsecured Debt** is primarily issued by BAC as a stable source of funding for BAC’s non-bank businesses and to a lesser extent by BANA for its supplemental funding. Diversification is a key element of our debt funding strategy. We issue long-term debt in a variety of maturities and currencies to achieve cost-efficient funding and investor diversification to maintain a consistent maturity profile. We may issue subordinated debt or equity instruments in accordance with our capital planning and forecasting process. We manage rollover risk by maintaining a comprehensive limit structure to alleviate concentrated maturities and a practice of establishing a level maturity profile at the parent.

**Repo and Securities Lending** provides funding, in part, on a secured basis for the trading activities in broker-dealer subsidiaries. Funding levels, as well as the liquidity profile of underlying collateral, will vary based on customer activity and market conditions. We manage the liquidity risks arising from secured funding by sourcing funding globally from a diverse group of clients, providing a range of securities collateral, and pursuing longer maturity transactions when appropriate, particularly for non-traditional collateral such as corporate bonds or equities.

**Short-term Unsecured Debt** is primarily issued by BANA and includes Eurodollar time deposits, wholesale certificates of deposit, banknotes, and other borrowed funds. Short-term funding is supplemental to BANA’s core deposit funding and serves as a flexible and effective mechanism to meet seasonal and cyclical cash flow fluctuations.
F. FINANCIAL INTERCONNECTEDNESS

Material Entity Funding and Capital

The Company’s Material Entities source funding and capital resources on both an intercompany and third-party basis. The legal entity deployment of these resources is based on the Company’s capital management and liquidity positioning frameworks which seek to position the appropriate levels of resources throughout the Company to meet contractual and contingent obligations, adequately support the entity’s risk profile, and are in line with the Company’s risk appetite.

Intercompany funding transactions, inclusive of those that exist within a legal entity (e.g., BANA and its branch network), are a central component of enabling our legal entity structure to support the firm’s business activities. Intercompany lending, the most common means to transmit funding amongst entities, includes unsecured loans, secured loans, deposits, and subordinated loans.

Unsecured loans are the primary mechanism to transfer funds amongst the non-bank Material Entities and include committed loan facilities so that Material Entities have access to funding, even in periods of severe stress. The majority of intercompany unsecured loans involve NB Holdings lending to other Material Entities.

Secured loans primarily are in the form of repurchase agreements and generally occur to facilitate an entity’s investment of liquidity buffers in high-quality liquid asset collateral, allow an entity to source collateral for funding optimization, or move collateral to facilitate client activities.

Deposits are the primary mechanism to transfer funds across the bank Material Entities and are regularly used to transfer excess cash from non-bank entities to bank entities.

Subordinated loans are used in situations where a Material Entity needs both funding and qualifying regulatory capital. NB Holdings provides the majority of subordinated lending to the Material Entities.

The following table summarizes each Material Entities’ primary intercompany funding sources as of December 31, 2016.

<table>
<thead>
<tr>
<th>Material Entities’ Primary Intercompany Funding Sources(1)</th>
<th>Unsecured Loans</th>
<th>Secured Loans</th>
<th>Deposits</th>
<th>Subordinated Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAC</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NB Holdings</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BANA(2)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>BAMLi</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BACANA</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MLPFS</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MLPRO</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>MLI</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>MLJS</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>MLCs</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) BACNA and the service companies (BACI, MLGS, FDS, and MAA) are not included in the table because they do not obtain funding from intercompany sources.
(2) Includes BANA-L and BANA-F.
Guarantees

BAC has guaranteed the obligations of certain of its subsidiaries under standard industry trading contracts (e.g., ISDAs) and non-trading contracts. The guarantees themselves do not contain cross-default provisions and do not on their own trigger early termination rights with respect to the underlying contract. The issuance of BAC guarantees is subject to significant review and executive management approval, including an assessment of the impact on the Company’s resolvability. Subsidiaries are restricted from providing upstream guarantees of BAC obligations, and there are no outstanding upstream guarantees. Subsidiaries provide guarantees of other subsidiary obligations on a limited basis. Guarantee issuance and related control processes are managed by our Treasury group.

G. OPERATIONAL INTERCONNECTEDNESS

Our Preferred Service Providers are Material Entities that provide Critical Services and Critical Operations to other BAC affiliates, including the Material Entities. Our Preferred Service Providers are the Material Entity service companies (BACI, FDS, MAA, and MLGS) and two Material Entity banks (BANA and BAMLI). Each of the Material Entities generally receive their Critical Services from our Preferred Service Providers, except BACNA and NB Holdings because they do not have business operations. This provision of Critical Services includes personnel, real estate, applications, and vendor and other third-party services.

We have reduced the risks related to affiliates’ dependencies on other affiliates for the provision of shared services by simplifying our service delivery model (i.e., the Preferred Service Provider strategy). This includes documenting the provision of Critical Services in legally binding service agreements that provide for continuity of service, even if a contracting entity enters some form of insolvency proceeding. The documentation includes adding performance measures to the service agreements and avoiding preferential treatment by requiring the intercompany fees for these Critical Services to be at arm’s length.

See the Resolution Planning Capabilities - Operational section for information about our contingency strategies and capabilities to facilitate the continuation and resiliency of services in resolution.
H. MATERIAL ENTITIES – BACKGROUND AND SELECT FINANCIAL INFORMATION

Bank Holding Companies

<table>
<thead>
<tr>
<th>Material Entity</th>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America Corporation</td>
<td>BAC</td>
<td>Parent Holding Company</td>
</tr>
<tr>
<td>NB Holdings Corporation</td>
<td>NB Holdings</td>
<td>Top-tier Intermediate Holding Company</td>
</tr>
<tr>
<td>BAC North America Holding Company</td>
<td>BACNA</td>
<td>Intermediate Holding Company</td>
</tr>
</tbody>
</table>

Bank of America Corporation

*Background:* BAC is a publicly traded bank holding company that is incorporated in Delaware and headquartered in Charlotte, North Carolina. The Company consists of bank and non-bank subsidiaries that provide diversified banking and non-banking financial services and products throughout the U.S. and in certain international markets. BAC subsidiaries operate in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and more than 35 countries.

*Financial Summary:* BAC’s significant assets consist of cash deposited with BANA, loans to affiliates, and investments in subsidiaries. BAC’s primary liabilities are unsecured long-term debt and loans from affiliates. BAC also maintains a large common and preferred equity capital base. BAC receives dividends from its bank and non-bank subsidiaries as its major source of income, while its expenses are primarily interest paid on borrowed funds.

*Capital and Funding Resources:* BAC issues both long-term debt and various forms of equity to fund its own and its subsidiaries’ activities, primarily through the public securities markets. BAC is the primary issuer of unsecured long-term debt instruments to third parties, including subordinated debt capital instruments. BAC issues long-term unsecured debt in a variety of maturities and currencies to meet funding requirements, to achieve cost-efficient funding, and to maintain an appropriate maturity profile. In conjunction with the Secured Support Agreement, BAC also maintains access to a committed borrowing facility from NB Holdings.

BAC’s capital resources are primarily composed of common and preferred stock issued to third parties and related surplus, retained earnings, and accumulated other comprehensive income.

*Resolution Strategy:* BAC would enter proceedings under Chapter 11 of the Bankruptcy Code.

NB Holdings Corporation and BAC North America Holding Company

*Background:* NB Holdings and BACNA are both intermediate holding companies under BAC and are domiciled in the U.S. NB Holdings is the top-tier intermediate holding company, which also serves as the primary source of holding company funding for Material Entities. All Material Entities, except BAC, are direct or indirect subsidiaries of NB Holdings.

*Financial Summary:* NB Holdings’ significant assets consist of cash deposited with BANA, loans to affiliates, and investments in subsidiaries. NB Holdings’ primary liability is a note issued to BAC which is subordinated to the secured obligations of NB Holdings under the Secured Support Agreement and will be automatically forgiven upon a Parent Final Contribution event. See the *Resolution Planning Capabilities - Legal Preparation* section for more information about the Secured Support Agreement. BACNA’s significant assets and liabilities are substantially limited to investments in subsidiaries.
**Capital and Funding Resources:** NB Holdings’ and BACNA’s capital resources include common stock held by their parents and retained earnings. In conjunction with the Secured Support Agreement, NB Holdings has issued subordinated debt to BAC and BAC serves as a continued source of funding for NB Holdings.

**Resolution Strategy:** BACNA would be the holding company for the Continuing Subsidiaries and NB Holdings would be the holding company for the Solvent Wind-down Subsidiaries. The stock of BACNA would be sold in one or more public or private transactions, or distributed to BAC’s stakeholders. The residual value of NB Holdings, after winding down the Solvent Wind-down Subsidiaries, would be distributed to BAC’s stakeholders.

**Bank Holding Companies Selected Balance Sheet Information**

The table below presents selected parent company only balance sheet line items for our Material Entity bank holding companies as of December 31, 2016. The information below is unaudited, and with the exception of BAC, is based on general ledger data, does not reflect balances after certain post-closing and re-class entries were made as part of our regulatory filings (if applicable), and includes transactions with affiliates. The information for BAC is also included in Note 25 - Parent Company Information to the Consolidated Financial Statements of BAC’s 2016 Annual Report.

<table>
<thead>
<tr>
<th></th>
<th>Bank Holding Companies ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BAC</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash held at bank subsidiaries</td>
<td>$20,248</td>
</tr>
<tr>
<td>Receivables from subsidiaries</td>
<td>143,743</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>294,291</td>
</tr>
<tr>
<td>Other assets</td>
<td>11,581</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>469,863</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Payables to subsidiaries</td>
<td>16,375</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>173,375</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>13,273</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>203,023</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>266,840</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>469,863</td>
</tr>
</tbody>
</table>
Banks and Branches

<table>
<thead>
<tr>
<th>Material Entity</th>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America, National Association</td>
<td>BANA</td>
<td>Consumer and Commercial Bank</td>
</tr>
<tr>
<td>Bank of America Merrill Lynch International Limited</td>
<td>BAMLI</td>
<td>U.K. Bank</td>
</tr>
<tr>
<td>Bank of America, N.A. – London Branch</td>
<td>BANA-L</td>
<td>Commercial Bank Branch</td>
</tr>
<tr>
<td>Bank of America, N.A. – Frankfurt Branch</td>
<td>BANA-F</td>
<td>Commercial Bank Branch</td>
</tr>
<tr>
<td>Bank of America California, National Association</td>
<td>BACANA</td>
<td>Bankers’ Bank</td>
</tr>
</tbody>
</table>

**Bank of America, National Association**

**Background:** BANA is the flagship national, full-service consumer and commercial bank and primary operating subsidiary of BAC. BANA operates in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, and has active foreign branches in 16 countries. The retail banking footprint covers approximately 80 percent of the U.S. population. BANA is a global leader in corporate and investment banking and trading across a broad range of asset classes serving corporations, governments, institutions, and individuals around the world.

**Financial Summary:** BANA’s significant assets and liabilities are comprised of primarily high-quality liquid assets; consumer and commercial loans; customer and client deposits; and intercompany transactions. Excess liquidity is generally reinvested in U.S. Treasuries; agency and government securities; or cash reserves that may be placed at the FRB and foreign central banks. BANA’s primary sources of income include net interest income and non-interest income from core business operations. Non-interest income consists of credit card fees; service charges; investment banking and brokerage service fees; mortgage banking income; trading account profits; and gains on sales of debt securities. BANA also receives intercompany income from various affiliates pursuant to service agreements.

**Capital and Funding Resources:** The primary source of funding for BANA is deposits raised through the banking franchise. These deposits are diversified by client, product type, and geography. The majority of BANA’s U.S. deposits are insured by the FDIC. BANA considers a substantial portion of its deposits to be a stable, low-cost, and consistent source of funding. This deposit funding is generally less sensitive to interest rate changes, market volatility, or changes in BANA’s credit ratings than wholesale funding sources. Other sources of funding include intercompany borrowing from NB Holdings; secured borrowings, including credit card securitizations and securitizations with government-sponsored enterprises, the Federal Housing Administration, and private-label investors; and FHLB secured advances. BANA also raises short-term wholesale unsecured funding and issues unsecured long-term debt.

BANA’s capital resources are primarily composed of common stock held by its parent, BANA Holding Company, retained earnings, and accumulated other comprehensive income.

**Resolution Strategy:** As a Continuing Subsidiary, BANA would continue to operate the Core Business Lines and associated Critical Operations within BANA, except for the Core Business Lines and Critical Operations that are part of the orderly wind-down of the Global Markets business.
Bank of America Merrill Lynch International Limited

**Background:** BAMLI is a wholly owned subsidiary of BANA and is BANA’s primary banking subsidiary in EMEA. BAMLI is a company incorporated with limited liability in England and Wales and is the primary booking entity for banking book loans, margin loans, and trade finance business in EMEA. BAMLI also provides support services to the Core Business Lines and Critical Operations of other Material Entities.

**Financial Summary:** BAMLI’s significant assets and liabilities are primarily loans, deposits, and intercompany transactions. Clients principally include large multinational groups, financial institutions, governments, and government entities. BAMLI earns interest and fee income from the lending businesses and investment banking activity. In addition, BAMLI generates trading account profits through loan transactions and certain secured lending transactions. Other income is generated primarily through BAMLI’s services to affiliates related to its support services activity.

**Capital and Funding Resources:** The primary sources of funding for BAMLI are capital, corporate deposit activity, and intercompany funding from BANA-L and other banking entities. BAMLI’s capital resources comprise ordinary share capital, subordinated debt, and retained earnings.

**Resolution Strategy:** As a Continuing Subsidiary, BAMLI would continue to operate the Core Business Lines and associated Critical Operations within BAMLI, except for the Core Business Lines and Critical Operations that are part of the orderly wind-down of the Global Markets business.

Bank of America, N.A. – London Branch

**Background:** BANA-L is a BANA branch located in London, England. BANA-L is one of two foreign branches that have been designated as Material Entities. BANA-L offers the following products and services to BANA’s global clients: cash management services (e.g., payments, deposits, overdrafts, and advances); trade finance services; lending; foreign currency and bank note services; and extended custodial services.

**Financial Summary:** BANA-L accepts deposits from, and extends loans to, other non-U.S. branches and affiliates. As a result, BANA-L’s significant assets and liabilities are comprised of balances relating to affiliate or branch funding managed by our Treasury group. The primary sources of BANA-L’s revenue are net interest income on loans; cash on deposit and other earning assets; and income from service charges.

**Capital and Funding Resources:** BANA-L’s significant sources of funding are deposits from corporate clients, short-term issuance proceeds in the form of certificates of deposit, and deposits received from other BANA branches and affiliates. As a branch, BANA-L relies upon the capital of BANA.

**Resolution Strategy:** As a BANA branch, part of a Continuing Subsidiary, BANA-L would continue to operate the Core Business Lines and associated Critical Operations within BANA-L, except for the Core Business Lines and Critical Operations that are part of the orderly wind-down of the Global Markets business.

Bank of America, N.A. – Frankfurt Branch

**Background:** BANA-F is a BANA branch located in Frankfurt, Germany. BANA-F is one of two foreign branches that have been designated as Material Entities. BANA-F is the Company’s direct participant in the Trans-European Automated Real-time Gross Settlement Express Transfer System (“TARGET2”), the real-time gross settlement FMU for cross border payments in Euro. TARGET2 is used for payments involving the Eurosystem, as well as for the settlement of operations of large-value net settlement systems and securities settlement systems handling the Euro.
**Financial Summary:** BANA-F accepts deposits from other BANA branches (primarily BANA-L). As a result, BANA-F’s significant assets and liabilities comprise balances relating to affiliate or branch funding supporting its role as a Euro clearing provider for the Company. BANA-F’s significant sources of revenue are service charges and net interest income.

**Capital and Funding Resources:** External funding for BANA-F is provided by depositors, primarily multinational corporations engaged in cash management activities in Germany. Additionally, BANA-F receives cash placements from other BANA branches (primarily BANA-L). As a branch, BANA-F relies upon the capital of BANA.

**Resolution Strategy:** As a BANA branch, part of a Continuing Subsidiary, BANA-F would continue to operate the Core Business Lines and associated Critical Operations within BANA-F, except for the Core Business Lines and Critical Operations that are part of the orderly wind-down of the Global Markets business.

**Bank of America California, National Association**

**Background:** BACANA is a limited-purpose U.S. bank. BACANA is a member of the FHLB within the district of San Francisco (“FHLB-SF”). FHLB membership provides our Treasury group with a source of funding by facilitating borrowing advances from the FHLB-SF that are secured by mortgage-related collateral. BACANA receives deposits swept from the accounts of GWIM customers.

**Financial Summary:** BACANA’s significant assets and liabilities include cash and cash equivalents from deposits of GWIM clients and funding from advances with FHLB-SF. Other significant assets include mortgage loans purchased from BANA, which are used primarily as collateral to support short-term and long-term FHLB advances. BACANA’s primary source of revenue is interest income from its residential loan book.

**Capital and Funding Resources:** BACANA’s funding resources are comprised of GWIM client deposits and FHLB advances. Excess cash received from funding activities is placed on deposit with the FRB of San Francisco. BACANA’s capital resources include common stock held by its parent and retained earnings.

**Resolution Strategy:** As a Continuing Subsidiary, BACANA would continue to operate the Core Business Lines and associated Critical Operations within BACANA as part of the GWIM business.
**Banks and Branches Selected Balance Sheet Information**

The table below presents selected consolidated balance sheet line items for our Material Entity banks and branches as of December 31, 2016. The BANA and BACANA information below is based on regulatory filings, whereas the BAMLI information is based on internal general ledger data and does not reflect certain post-closing and re-class entries made as part of our regulatory filings.

<table>
<thead>
<tr>
<th>Assets</th>
<th>BANA (1) ($millions)</th>
<th>BAMLI ($millions)</th>
<th>BACANA ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$134,342</td>
<td>$5,592</td>
<td>$6,415</td>
</tr>
<tr>
<td>Federal funds sold &amp; securities borrowed or purchased under agreements to resell</td>
<td>21,308</td>
<td>2,200</td>
<td>2</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>73,139</td>
<td>1,016</td>
<td>-</td>
</tr>
<tr>
<td>Loans and leases, net of allowance</td>
<td>870,463</td>
<td>23,828</td>
<td>17,242</td>
</tr>
<tr>
<td>Securities</td>
<td>407,744</td>
<td>3,499</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>170,494</td>
<td>2,188</td>
<td>345</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,677,490</td>
<td>38,324</td>
<td>24,004</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>BANA (1) ($millions)</th>
<th>BAMLI ($millions)</th>
<th>BACANA ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>1,334,032</td>
<td>15,170</td>
<td>20,241</td>
</tr>
<tr>
<td>Federal funds purchased &amp; securities loaned or sold under agreements to repurchase</td>
<td>26,061</td>
<td>177</td>
<td>-</td>
</tr>
<tr>
<td>Trading account liabilities</td>
<td>32,203</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>44,507</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>34,478</td>
<td>14,709</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,471,281</td>
<td>30,075</td>
<td>20,791</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholders’ equity</th>
<th>BANA (1) ($millions)</th>
<th>BAMLI ($millions)</th>
<th>BACANA ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>206,209</td>
<td>8,250</td>
<td>3,213</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>1,677,490</td>
<td>38,324</td>
<td>24,004</td>
</tr>
</tbody>
</table>

(1) Includes BANA-L and BANA-F.
**Broker-Dealers**

<table>
<thead>
<tr>
<th>Material Entity</th>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
<td>MLPFS</td>
<td>Broker-Dealer</td>
</tr>
<tr>
<td>Merrill Lynch Professional Clearing Corp.</td>
<td>MLPRO</td>
<td>Broker-Dealer</td>
</tr>
<tr>
<td>Merrill Lynch Capital Services, Inc.</td>
<td>MLCS</td>
<td>Swaps Dealer</td>
</tr>
<tr>
<td>Merrill Lynch International</td>
<td>MLI</td>
<td>U.K. Broker-Dealer</td>
</tr>
<tr>
<td>Merrill Lynch Japan Securities Co., Ltd.</td>
<td>MLJS</td>
<td>Japanese Broker-Dealer</td>
</tr>
</tbody>
</table>

**Merrill Lynch, Pierce, Fenner & Smith Incorporated**

*Background:* MLPFS is the primary U.S. broker-dealer for BAC serving corporate, institutional, retail, and government clients through the GWIM and Global Markets businesses. MLPFS holds memberships and/or has third-party clearing relationships with most major commodity and financial futures exchanges and clearing associations in the U.S. It also carries positions reflecting trades executed on exchanges and markets outside of the U.S. through affiliates or third-party clearing brokers. MLPFS provides clients with a wide variety of financial services including financial advisory services; underwriting the sale of securities to the public; structured and derivative financing; private placements; and mortgage and lease financing. MLPFS also provides securities clearing services for its own account and for unaffiliated broker-dealers.

MLPFS’s broker-dealer services for individuals, companies, and institutional investors all occur within MLPFS. We are in the process of separating the institutional business within MLPFS from that of the retail business. This separation will be accomplished by moving the institutional business into a separately licensed broker-dealer, BofAMLs. The retail brokerage business will remain within MLPFS. Each broker-dealer will operate independently of the other on a shared platform with logically separated trade execution, funding, and clearing and settlement facilities. The separation is expected to be complete after July 1, 2017.

*Financial Summary:* MLPFS’s significant assets and liabilities include securities financing transactions to accommodate customers, earn interest rate spreads, or obtain securities for settlement; and financing of inventory positions. Other significant assets and liabilities include trading assets and liabilities; and broker-dealer and customer receivables and payables. MLPFS holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements. MLPFS receives commission revenue, managed account fee revenue, and investment banking fees. Interest income and realized and unrealized gains and losses on trading assets and liabilities also impact earnings.

*Capital and Funding Resources:* MLPFS is funded through external sources including repurchase agreements, securities lending transactions, trading liabilities, and securities-based lines of credit. NB Holdings acts as a source of unsecured funding through a senior, committed borrowing facility and subordinated loan agreements. Intraday liquidity is provided by NB Holdings and BANA, as permitted by applicable law. The capital resources of MLPFS include common stock held by its parent, retained earnings, and accumulated other comprehensive income. The outstanding subordinated loans with NB Holdings (which was moved from BAC since year-end 2016) are recognized as regulatory capital.

*Resolution Strategy:* As a Continuing Subsidiary, MLPFS would continue to operate the Core Business Lines and associated Critical Operations within MLPFS that are part of the GWIM business. Until the completion of the separation of the institutional broker-dealer business from the retail business within MLPFS, the Core Business Lines and associated Critical Operations within MLPFS that that are part of the Global Markets business would be wound down.
Merrill Lynch Professional Clearing Corp.

**Background:** MLPRO is a U.S. broker-dealer that provides prime brokerage services for hedge funds, alternative investment managers, professional traders, and proprietary trading firms through the Global Markets business.

**Financial Summary:** MLPRO’s significant assets and liabilities include customer and broker-dealer receivables and payables and securities financing transactions comprised of securities borrowed and loaned, and reverse repurchase agreements. MLPRO’s primary sources of revenue are interest and fees earned on margin loans; lending of securities to cover customer short sales; and commissions earned on trade clearance. MLPRO holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements.

**Capital and Funding Resources:** MLPRO is funded through financing and securities lending transactions with MLPFS. NB Holdings acts as a source of unsecured funding through a senior, committed borrowing facility and a subordinated loan agreement. Intraday liquidity is provided by BANA, as permitted by applicable law. MLPRO’s capital resources include common stock held by its parent and retained earnings. The outstanding subordinated loans with NB Holdings (which was moved from BAC since year-end 2016) are recognized as regulatory capital.

**Resolution Strategy:** As a Solvent Wind-down Subsidiary, MLPRO would wind down the Core Business Lines and associated Critical Operations within MLPRO.

Merrill Lynch Capital Services, Inc.

**Background:** MLCS is a provisionally-registered U.S. swaps dealer. It provides derivative financial products including interest rate, currency, and commodity swaps, caps, and floors; currency options; and credit derivatives through the Global Markets business. In addition, MLCS maintains positions in interest-bearing securities, financial futures, and forward contracts.

**Financial Summary:** MLCS’s significant assets and liabilities include trading assets and liabilities, primarily related to derivatives activity. Other significant assets include receivables from and payables to affiliated companies and other short-term borrowings. MLCS’s earnings are impacted by realized and unrealized gains and losses on trading assets and liabilities and net interest income earned.

**Capital and Funding Resources:** MLCS’s primary source of funding is a senior unsecured committed borrowing facility from NB Holdings. Intraday liquidity is provided by BANA, as permitted by applicable law. Its capital resources are primarily comprised of common stock held by its parent and retained earnings.

**Resolution Strategy:** As a Solvent Wind-down Subsidiary, MLCS would wind down the Core Business Lines and associated Critical Operations within MLCS.

Merrill Lynch International

**Background:** MLI is a regulated international broker-dealer located in the U.K. that provides a wide range of global financial services for business originated in EMEA, Asia Pacific, and the Americas. MLI provides non-U.S. market access for Global Banking and Global Markets clients. MLI serves as a broker and dealer in financial instruments and provides corporate finance advisory services. It also provides a number of post-trade related services, including settlement and clearing services to third-party clients.

**Financial Summary:** MLI’s significant assets and liabilities include securities financing transactions to accommodate customers, earn interest rate spreads, or obtain securities for settlement; and financing of inventory positions. Other significant assets and liabilities include trading assets and liabilities, primarily European and supranational bond holdings and equities inventory; and broker-dealer and customer receivables.
and payables. MLI holds a material liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements. MLI’s primary source of revenue is sales and trading revenue within the Global Markets business.

Capital and Funding Resources: MLI is primarily funded by wholesale secured financing and capital. NB Holdings acts as a source of unsecured funding through a senior, committed borrowing facility. Intraday liquidity is provided by BANA, as permitted by applicable law. MLI’s capital resources consist primarily of ordinary share capital, share premium, capital contribution, and retained earnings.

Resolution Strategy: As a Solvent Wind-down Subsidiary, MLI would wind down the Core Business Lines and associated Critical Operations within MLI.

Merrill Lynch Japan Securities Co., Ltd.

Background: MLJS is a broker-dealer located in Japan. MLJS provides investment, financing, and related services to corporate and institutional clients in Japan through the Global Banking and Global Markets businesses. These services include securities brokerage, dealing, underwriting, and clearance; investment banking and other corporate finance advisory activities; and trading of futures and other derivatives.

Financial Summary: MLJS’s significant assets and liabilities include trading assets and liabilities (primarily Japanese government bonds); repurchase and reverse repurchase agreements (collateralized mainly by Japanese government bonds); stock borrowing and lending arrangements; and derivatives. MLJS earns trading revenue related to market-making in fixed income, equity securities, and related derivatives. Other revenue sources include equities brokerage commissions, service fee income earned from affiliates for intermediation of securities and derivatives transactions, and investment banking fees related to underwriting and merger and acquisition advisory services. MLJS holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements.

Capital and Funding Resources: MLJS is primarily funded by wholesale fixed income and equity-secured financing. NB Holdings acts as a source of unsecured funding through a senior, committed borrowing facility and, to a lesser extent, a subordinated loan agreement. MLJS’s capital resources consist primarily of ordinary share capital, share premium, capital contributions, and retained earnings. The outstanding subordinated loan with NB Holdings (which was moved from BAC since year-end 2016) is recognized as regulatory capital.

Resolution Strategy: As a Solvent Wind-down Subsidiary, MLJS would wind down the Core Business Lines and associated Critical Operations within MLJS.
The table below presents selected consolidated balance sheet line items for our Material Entity broker-dealers as of December 31, 2016. The information below is unaudited, with the exception of MLPFS and MLPRO, is based on general ledger data, does not reflect balances after certain post-closing and re-class entries were made as part of our regulatory filings (if applicable), and includes transactions with affiliates.

<table>
<thead>
<tr>
<th></th>
<th>MLPFS</th>
<th>MLPRO</th>
<th>MLCS</th>
<th>MLI</th>
<th>MLJS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents and Cash and securities segregated for regulatory purposes or deposited with clearing organizations</td>
<td>$24,123</td>
<td>$993</td>
<td>$4,102</td>
<td>$10,614</td>
<td>$1,327</td>
</tr>
<tr>
<td>Federal funds sold &amp; securities borrowed or purchased under agreements to resell</td>
<td>140,527</td>
<td>19,704</td>
<td>1,281</td>
<td>84,705</td>
<td>13,822</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>67,769</td>
<td>0</td>
<td>1,518</td>
<td>48,674</td>
<td>3,717</td>
</tr>
<tr>
<td>Other receivables</td>
<td>39,202</td>
<td>36,658</td>
<td>489</td>
<td>20,257</td>
<td>1,282</td>
</tr>
<tr>
<td>Other assets</td>
<td>19,879</td>
<td>85</td>
<td>3,229</td>
<td>37,218</td>
<td>558</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>291,500</td>
<td>57,440</td>
<td>10,619</td>
<td>201,467</td>
<td>20,706</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal funds purchased &amp; securities loaned or sold under agreements to repurchase</td>
<td>127,329</td>
<td>23,732</td>
<td>228</td>
<td>75,418</td>
<td>13,282</td>
</tr>
<tr>
<td>Trading account liabilities</td>
<td>26,772</td>
<td>-</td>
<td>12</td>
<td>25,426</td>
<td>4,400</td>
</tr>
<tr>
<td>Other short-term borrowings</td>
<td>21,293</td>
<td>4,697</td>
<td>8,307</td>
<td>33,849</td>
<td>725</td>
</tr>
<tr>
<td>Long-term and subordinated borrowings</td>
<td>13,478</td>
<td>1,400</td>
<td>322</td>
<td>12,350</td>
<td>469</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>84,954</td>
<td>24,505</td>
<td>1,076</td>
<td>11,603</td>
<td>316</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>273,826</td>
<td>54,334</td>
<td>9,945</td>
<td>158,646</td>
<td>19,191</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>17,674</td>
<td>3,106</td>
<td>674</td>
<td>42,821</td>
<td>1,514</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>291,500</td>
<td>57,440</td>
<td>10,619</td>
<td>201,467</td>
<td>20,706</td>
</tr>
</tbody>
</table>
### Service Companies

<table>
<thead>
<tr>
<th>Material Entity</th>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merrill Lynch Global Services Pte. Ltd.</td>
<td>MLGS</td>
<td>Service Company</td>
</tr>
<tr>
<td>BA Continuum India Private Limited</td>
<td>BACI</td>
<td>Service Company</td>
</tr>
<tr>
<td>Financial Data Services, LLC</td>
<td>FDS</td>
<td>Service Company</td>
</tr>
<tr>
<td>Managed Account Advisors LLC</td>
<td>MAA</td>
<td>Service Company</td>
</tr>
</tbody>
</table>

**Merrill Lynch Global Services Pte. Ltd.**

*Background:* MLGS is located in Singapore and provides operational support primarily for the Global Markets and Global Banking businesses.

*Financial Summary:* MLGS’s significant assets are comprised of cash and cash equivalents; receivables from affiliated companies; and fixed assets. Significant liabilities include accrued expenses related to incentive compensation and rent and intercompany payables. MLGS’s primary source of revenue is service fee income earned from affiliates.

*Capital and Funding Resources:* MLGS is primarily equity-funded and produces service fee income, which supports its operations. MLGS also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is in the form of cash. Its capital resources consist of common stock and retained earnings.

*Resolution Strategy:* As a Continuing Subsidiary and a service company, MLGS would continue to deliver services to support the other Continuing Subsidiaries and Solvent Wind-down Subsidiaries.

**BA Continuum India Private Limited**

*Background:* BACI is located in India. BACI offers a 24-hour service model to provide back-office technology support and transactional and operational support to various Core Business Lines and Critical Operations.

*Financial Summary:* BACI’s significant assets consist of time deposits placed with BANA and fixed assets. Significant liabilities consist of accrued expenses and other operating liabilities. BACI’s primary source of revenue is service fee income earned from affiliates. BACI’s operating expenses are primarily personnel-related expenses.

*Capital and Funding Resources:* BACI is primarily equity-funded and produces service fee income, which supports its operations. BACI also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is in the form of cash. Its capital resources consist of common stock and retained earnings.

*Resolution Strategy:* As a Continuing Subsidiary and a service company, BACI would continue to deliver services to support the other Continuing Subsidiaries and Solvent Wind-down Subsidiaries.

**Financial Data Services, LLC**

*Background:* FDS is located in the U.S. Services provided by FDS include sub-accounting, clearance, settlement, asset servicing, and transfer agent functions for products sold predominantly through the GWIM business.
**Financial Summary**: FDS’s significant assets include excess liquidity from operations in the form of time deposits placed. Significant liabilities include income taxes payable. FDS generates revenue through fee income from affiliates and sub-accounting revenue received from mutual funds, alternative investments, and other product lines.

**Capital and Funding Resources**: FDS is primarily equity-funded and produces service fee income, which supports its operations. FDS also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is held in the form of cash. Its capital resources consist of common stock and retained earnings.

**Resolution Strategy**: As a Continuing Subsidiary and a service company, FDS would continue to deliver services to support the other Continuing Subsidiaries and Solvent Wind-down Subsidiaries.

**Managed Account Advisors LLC**

**Background**: MAA is located in the U.S. and serves as a registered investment advisor that provides overlay portfolio management for GWIM clients.

**Financial Summary**: MAA’s significant assets include cash and intercompany receivables. Income taxes payable and intercompany payables comprise the majority of MAA’s significant liabilities. Significant sources of revenue include third-party manager fees collected from customers and fees for services provided to affiliates.

**Capital and Funding Resources**: MAA is primarily equity-funded and produces service fee income, which supports its operations. MAA also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is in the form of cash. Its capital resources consist of capital share premium and retained earnings.

**Resolution Strategy**: As a Continuing Subsidiary and a service company, MAA would continue to deliver services to support the other Continuing Subsidiaries and Solvent Wind-down Subsidiaries.

**Service Companies Selected Balance Sheet Information**

The table below presents selected consolidated balance sheet line items for our Material Entity service companies as of December 31, 2016. The information below is unaudited, based on general ledger data, does not reflect balances after certain post-closing and re-class entries were made as part of our regulatory filings (if applicable), and includes transactions with affiliates.

<table>
<thead>
<tr>
<th>Service Companies ($ millions)</th>
<th>MLGS</th>
<th>BACI</th>
<th>FDS</th>
<th>MAA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2</td>
<td>$13</td>
<td>$5</td>
<td>$232</td>
</tr>
<tr>
<td>Time deposits placed and other short-term investments</td>
<td>121</td>
<td>401</td>
<td>317</td>
<td>0</td>
</tr>
<tr>
<td>Customer and other receivables</td>
<td>2</td>
<td>8</td>
<td>66</td>
<td>43</td>
</tr>
<tr>
<td>Other assets</td>
<td>18</td>
<td>42</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>143</td>
<td>463</td>
<td>407</td>
<td>277</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>68</td>
<td>17</td>
<td>276</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>68</td>
<td>17</td>
<td>276</td>
<td>88</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>75</td>
<td>447</td>
<td>130</td>
<td>189</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>143</td>
<td>463</td>
<td>407</td>
<td>277</td>
</tr>
</tbody>
</table>
I. FOREIGN OPERATIONS

The Company’s international footprint is managed as three separate regions outside of North America: EMEA, Asia Pacific, and Latin America, regions where the Company’s banking and non-banking subsidiaries provide a diverse range of financial services and products to corporations, institutions, governments, investors, and individuals around the world.

As of December 31, 2016, Bank of America had approximately 208,000 full-time equivalent employees globally, including approximately 10,000 associates located in 19 EMEA countries, with the most significant presence in the U.K.; approximately 23,000 associates located in 12 countries in the Asia Pacific region; and approximately 970 associates located in six countries in Latin America.

The clients of the Company’s international business consist primarily of the international operations of existing U.S. multinational corporate clients, as well as select large, local corporate and financial institutions that require access to banking product solutions.

The Company’s primary international business activity conducted in EMEA, Asia Pacific, and Latin America is managed across two main business segments – Global Markets and Global Banking.

The Company provides onshore product services to its clients through well-established local entities within each region. The most significant international operating entities from a global recovery and resolution perspective are listed in the table below.

<table>
<thead>
<tr>
<th>Entity Type</th>
<th>Material Entity Name</th>
<th>Jurisdiction of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks and Branches</td>
<td>Bank of America Merrill Lynch International Limited</td>
<td>U.K.</td>
</tr>
<tr>
<td></td>
<td>Bank of America, N.A. – London Branch</td>
<td>U.K.</td>
</tr>
<tr>
<td></td>
<td>Bank of America, N.A. – Frankfurt Branch</td>
<td>Germany</td>
</tr>
<tr>
<td>Service Companies</td>
<td>BA Continuum India Private Limited</td>
<td>India</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Global Services Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>Broker-Dealers</td>
<td>Merrill Lynch International</td>
<td>U.K.</td>
</tr>
<tr>
<td></td>
<td>Merrill Lynch Japan Securities Co., Ltd.</td>
<td>Japan</td>
</tr>
</tbody>
</table>

International operations are managed in accordance with existing enterprise standards and policies. To deliver strong management oversight, each region is led by a regional president who is the lead representative for activity undertaken in that region. Each regional president also operates a local executive committee comprised of key line of business and support functions with activity in that region. The role of the regional president and executive committee is to provide balance between local operating requirements and enterprise operating strategies. The regional president will also serve as part of the Global Banking and Markets leadership team to enable connection into global governance routines and to act as a point of escalation of regional issues to global leadership.

In addition to regional management, the enterprise international governance framework also places key roles in countries where a significant operating presence exists. Country leadership teams are in place with representation from each local line of business and those control functions responsible for oversight.

The regional and country leadership teams are responsible for managing the local regulatory relationships in countries where there is a significant operating presence. In addition, the regional and local management teams have responsibility for strategic/financial performance, risk, and control management.
Performance by Geographic Area

At and for the year ended December 31, 2016, Bank of America had $287 billion of assets and $11 billion of total revenue, net of interest expense, outside the U.S.

The table below shows the Company’s assets, revenues, and income by region.

<table>
<thead>
<tr>
<th>Region</th>
<th>Year</th>
<th>Total Assets (1) ($ millions)</th>
<th>Total Revenue (2) Net of Interest Expense ($ millions)</th>
<th>Income Before Income Taxes ($ millions)</th>
<th>Net Income (Loss) ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. (3)</td>
<td>2016</td>
<td>$1,900,678</td>
<td>$72,418</td>
<td>$22,414</td>
<td>$16,267</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>1,849,099</td>
<td>72,117</td>
<td>20,064</td>
<td>14,637</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>74,607</td>
<td>5,751</td>
<td>3,992</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2016</td>
<td>85,410</td>
<td>3,365</td>
<td>674</td>
<td>488</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>86,994</td>
<td>3,524</td>
<td>726</td>
<td>457</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>3,605</td>
<td>759</td>
<td>473</td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>2016</td>
<td>174,934</td>
<td>6,608</td>
<td>1,705</td>
<td>925</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>178,899</td>
<td>6,081</td>
<td>938</td>
<td>516</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>6,409</td>
<td>1,098</td>
<td>813</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>2016</td>
<td>26,680</td>
<td>1,310</td>
<td>360</td>
<td>226</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>29,295</td>
<td>1,243</td>
<td>342</td>
<td>226</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>1,273</td>
<td>355</td>
<td>242</td>
<td></td>
</tr>
<tr>
<td>Total Non-U.S.</td>
<td>2016</td>
<td>287,024</td>
<td>11,283</td>
<td>2,739</td>
<td>1,639</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>295,188</td>
<td>10,848</td>
<td>2,006</td>
<td>1,199</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>11,287</td>
<td>2,212</td>
<td>1,528</td>
<td></td>
</tr>
<tr>
<td>Total Consolidated</td>
<td>2016</td>
<td>$2,187,702</td>
<td>$83,701</td>
<td>$25,153</td>
<td>$17,906</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>2,144,287</td>
<td>82,965</td>
<td>22,070</td>
<td>15,836</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>85,894</td>
<td>7,963</td>
<td>5,520</td>
<td></td>
</tr>
</tbody>
</table>

(1) Total assets include long-lived assets, which are primarily located in the U.S.
(2) There were no material intercompany revenues between geographic regions for any of the periods presented.
(3) Substantially reflects the U.S.
J. MATERIAL SUPERVISORY AUTHORITIES

BAC is subject to an extensive regulatory framework applicable to bank holding companies, financial holding companies, and banks and other financial services entities. As a registered financial holding company and bank holding company, the Company is subject to the supervision of, and regular inspection by, the FRB. Our U.S. bank subsidiaries that are organized as national banking associations are subject to regulation, supervision, and examination by the Office of the Comptroller of the Currency and the Agencies.

We are also subject to various other laws and regulations, as well as supervision and examination by other regulatory agencies. For instance, our broker-dealer subsidiaries are subject to both U.S. and international regulation, including supervision by the Securities and Exchange Commission (“SEC”), the New York Stock Exchange, and the Financial Industry Regulatory Authority, among others. Our commodities businesses in the U.S. are subject to regulation by, and supervision of, the U.S. Commodity Futures Trading Commission (“CFTC”). Our U.S. derivatives activity is subject to regulation by, and supervision of, the CFTC, the National Futures Association, or the SEC. Our insurance activities are subject to licensing and regulation by state insurance regulatory agencies and our consumer financial products and services are regulated by the Consumer Financial Protection Bureau.

Our non-U.S. businesses are also subject to extensive regulation by various non-U.S. regulators, including governments, securities exchanges, prudential regulators, central banks, and other regulatory bodies in the jurisdictions in which those businesses operate. For example, our financial services operations in the U.K. are subject to regulation by and supervision of the Prudential Regulation Authority for prudential matters, and the Financial Conduct Authority for the conduct of business matters. The list below includes the primary supervisory authorities for the Company’s Material Entities.

<table>
<thead>
<tr>
<th>Country</th>
<th>Supervisory Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Federal Financial Supervisory Authority (BaFin)</td>
</tr>
<tr>
<td>India</td>
<td>Reserve Bank of India</td>
</tr>
<tr>
<td></td>
<td>Securities and Exchange Board of India</td>
</tr>
<tr>
<td>Ireland</td>
<td>Central Bank of Ireland</td>
</tr>
<tr>
<td>Japan</td>
<td>Bank of Japan</td>
</tr>
<tr>
<td></td>
<td>Financial Services Agency</td>
</tr>
<tr>
<td>Singapore</td>
<td>Monetary Authority of Singapore</td>
</tr>
<tr>
<td>U.K.</td>
<td>Financial Conduct Authority</td>
</tr>
<tr>
<td></td>
<td>Prudential Regulation Authority</td>
</tr>
<tr>
<td>U.S.</td>
<td>Chicago Board Options Exchange</td>
</tr>
<tr>
<td></td>
<td>Chicago Mercantile Exchange</td>
</tr>
<tr>
<td></td>
<td>Commodity Futures Trading Commission</td>
</tr>
<tr>
<td></td>
<td>Consumer Financial Protection Bureau</td>
</tr>
<tr>
<td></td>
<td>Federal Deposit Insurance Corporation</td>
</tr>
<tr>
<td></td>
<td>Board of Governors of the Federal Reserve System/</td>
</tr>
<tr>
<td></td>
<td>Federal Reserve Bank of Richmond</td>
</tr>
<tr>
<td></td>
<td>Financial Industry Regulatory Authority</td>
</tr>
<tr>
<td></td>
<td>Municipal Securities Rulemaking Board</td>
</tr>
<tr>
<td></td>
<td>National Futures Association</td>
</tr>
<tr>
<td></td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td></td>
<td>Office of the Comptroller of the Currency</td>
</tr>
<tr>
<td></td>
<td>Securities and Exchange Commission</td>
</tr>
</tbody>
</table>
VII. CONCLUSION

While we believe a BAC bankruptcy is highly unlikely, we are nevertheless prepared to execute an orderly resolution, without government assistance or taxpayer funds, with a fully operational Resolution Plan built on a solid foundation of resolution planning capabilities. Over the last several years, our resolution planning capabilities have evolved and have been incorporated into our business-as-usual activities and strategic decision-making as a critical component of our corporate strategy.

As we execute our strategy and grow our Company, we will do so in a manner that does not increase the systemic implications a potential resolution could have on the U.S or global financial systems. We will continue to serve our customers through an accountable, risk-based culture with resolution considerations in mind. As we do so, we will continue to enhance our resolution planning capabilities as part of our responsible growth philosophy.
APPENDIX

VIII. APPENDIX

A. PRINCIPAL OFFICERS

Bank of America Corporation Executive Management Team

Brian T. Moynihan, Chairman of the Board and Chief Executive Officer, leads one of the world’s largest financial institutions, and in his more than 20-year tenure at Bank of America, he has led each of the Company’s major customer and client businesses, including consumer and small business banking, wealth management, and corporate and investment banking.

Dean C. Athanasia, President, Preferred & Small Business Banking and Co-Head Consumer Banking, is responsible for growing relationships and serving the financial needs of the Company’s mass affluent and small business banking customers.

Catherine P. Bessant, Chief Operations and Technology Officer, is responsible for delivering end-to-end technology and operating services across the Company.

Sheri B. Bronstein, Global Human Resources Executive, leads a global team of human resources professionals responsible for recruiting, leadership development, learning, compensation, benefits, diversity and inclusion, and employee relations.

Paul M. Donofrio, Chief Financial Officer, is responsible for the overall financial management of the Company, including accounting, balance sheet management, financial planning and analysis, treasury, investor relations, corporate investments, and tax.

Anne M. Finucane, Vice Chairman, is responsible for the strategic positioning of the Company and leads the Company’s environmental, social, and governance efforts. She also oversees public policy, customer research and analytics, global marketing, and communications. She chairs the Bank of America Charitable Foundation.

Geoffrey S. Greener, Chief Risk Officer, is responsible for overseeing the Company’s governance and strategy for global risk management and compliance, including relationships with key regulators and supervisory institutions worldwide.

Christine P. Katziff, Corporate General Auditor, leads a global team responsible for providing independent assessments of the Company’s business strategies, operations, Risk Framework, financial management, and credit standards. She reports directly to the Audit Committee of the BAC Board.

Terry P. Laughlin, Vice Chairman and Head of Global Wealth & Investment Management, is responsible for overseeing the Company’s Global Wealth and Investment Management division, which includes Merrill Lynch Global Wealth Management, U.S. Trust, and Retirement and Personal Wealth Solutions.

David G. Leitch, Global General Counsel, is responsible for overseeing the Company’s legal functions around the world.

Thomas K. Montag, Chief Operating Officer, is responsible for the businesses that serve companies and institutional investors, including middle-market commercial and large corporate clients, and institutional investor clients, including Bank of America Merrill Lynch Global Research and the Global Markets sales and trading businesses.
Thong M. Nguyen, President, Retail Banking and Co-Head Consumer Banking, is responsible for providing a full range of financial products and services to customers. He oversees the Company’s coast-to-coast financial center, contact center, and ATM networks, the digital banking platform, enterprise payments, and Military Banking Overseas.

Andrea B. Smith, Chief Administrative Officer, is responsible for Global Corporate Strategy and leads a key part of the Company’s customer-focused strategy, managing market presidents and Enterprise Business and Community Engagement. She is responsible for the Company’s Comprehensive Capital Analysis and Review and Global Recovery and Resolution Planning. She also leads Global Real Estate Services, the Global Procurement and Supplier Diversity businesses, and Global Corporate Security.

Bruce R. Thompson, Vice Chairman, is Chairman of the Company’s Global Acquisition Finance and Capital Commitments and is responsible for advising clients on how to structure and finance transactions.
B. MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING, AND SETTLEMENT SYSTEMS

As an essential part of engaging in the financial services industry and serving customers and clients, the Company participates in payment, clearing, and settlement systems, also known as FMUs, to conduct financial transactions globally.

These FMUs allow the Company to provide payment services to customers and clients, to serve as a broker-dealer for securities transactions, and to engage in derivatives transactions, as needed, to manage risk, secure funding, and meet the needs of customers and clients.

For resolution planning purposes, the Company reviewed the payment, clearing, and settlement activities used by its Material Entities to identify the FMUs that are material to the Company. Twenty-three material FMUs and two FIs were identified.

The material FMUs were selected primarily based on the settlement, clearing, and payments dollar volume, payment transaction volume, and collateral balances held at the FMU. Qualitative factors, such as historical and sustained trends, changes in business direction, and annual due diligence, were also taken into account. This process of identifying the material FMUs is reviewed and approved annually by executive management.

As discussed in the Resolution Planning Capabilities – Operational section, we have developed more detailed reporting with regard to our FMU relationships, and the terms of those relationships. This information, coupled with continuity strategies for the Company to maintain access to such financial market infrastructures, would be used in a crisis situation to support continuity of our Critical Operations.

Payment

**Clearing House Automated Payment System (“CHAPS”)** is the U.K.’s interbank payment system for large value sterling payments. CHAPS depends on the real-time gross settlement infrastructure of the Bank of England.

**Clearing House Interbank Payments System (“CHIPS”),** a large-value wire transfer payments system based in the U.S., is a service of the Clearing House Payments Company L.L.C. (“The Clearing House”) which, in turn, is owned by the world’s largest commercial banks. It processes a large proportion of U.S. dollar cross-border payments and an increasing volume of U.S. domestic payments.

**Electronic Payments Network (“EPN”),** an electronic payments system based in the U.S., provides ACH services. EPN is owned and operated by The Clearing House. It facilitates exchanges of batched debit and credit payments among business, consumer, and government accounts.

**FedACH Services** is an electronic payment system providing ACH services. Based in the U.S., it is owned and operated by the FRB. The ACH system exchanges batched debit and credit payments among business, consumer, and government accounts.

**Fedwire Funds Service** is a wire transfer service provider. Based in the U.S., it is owned and operated by the FRB. It processes the purchase and sale of federal funds; the purchase, sale, and financing of securities transactions; the disbursement or repayment of loans; the settlement of cross-border U.S. dollar commercial transactions; and the settlement of real estate transactions and other high-value, time-critical payments.
**TARGET2** is the real-time gross settlement linking system owned and operated by the Eurosystem. The Eurosystem comprises the European Central Bank and the National Central Banks of the E.U. Member States that have adopted the Euro as their national currency. TARGET2 is the settlement system for cross-border payments in Euro, with settlement in central bank money. Participating commercial banks access the TARGET2 system through the National Central Banks of Eurozone Member States. It is based in Germany.

**Clearing**

**CME Group Inc. (“CME Group”)** provides clearing and settlement services for futures, options, and OTC derivatives products through certain of its subsidiaries. These clearing and settlement services are provided by the CME Clearing division (“CME Clearing”) of CME Group’s wholly owned subsidiary, Chicago Mercantile Exchange Inc. (“CME”). CME Clearing clears and settles futures and options contracts traded on the CME and four other futures and options exchanges (the Board of Trade of the City of Chicago, Inc.; New YorkMercantile Exchange, Inc.; Commodity Exchange, Inc.; and the Dubai Mercantile Exchange). CME Clearing also provides the clearing and settlement services for OTC interest rate and credit derivatives transactions. It is based in the U.S.

**Eurex Clearing AG** is a central counterparty (“CCP”) that provides CCP clearing services for derivatives traded on the Eurex exchanges; OTC interest rate swaps and credit default swaps; Eurex Bonds (a fixed income trading platform); Eurex Repo (a trading platform for repo); Frankfurt Stock Exchange; Irish Stock Exchange; and co-operation products on the European Energy Exchange. It is organized under the laws of Germany.

**European Central Counterparty N.V. (“EuroCCP”)** is a CCP that clears equities traded on stock exchanges, multilateral trading facilities, and other securities trading platforms. EuroCCP clears for 16 trading platforms; it clears equities, exchange-traded funds, and depositary receipts from 18 markets including the U.S. EuroCCP also clears OTC European cash equities trades provided by various brokers or matching platforms.

**Fixed Income Clearing Corporation – Government Securities Division** is a CCP and provides real-time trade matching, netting, and clearing services for trades in U.S. government debt issues, including repurchase agreements. Securities transactions include U.S. Treasury bills, bonds, notes, and government agency securities. It operates in the U.S.

**Fixed Income Clearing Corporation – Mortgage Backed Securities Division** is a CCP that provides real-time trade matching, netting, and clearing services for the mortgage-backed securities market. It operates in the U.S.

**ICE Clear Credit LLC** is a central clearing facility for North American credit default swaps. It is a subsidiary of Intercontinental Exchange (“ICE”), which operates futures and options exchanges; trading platforms and clearing houses for global trading in commodities; and currency, credit, and equity indices. It operates in the U.S.

**ICE Clear Europe**, a London-based clearing house, is a subsidiary of ICE. It provides clearing and settlement services for all futures and options trades on the ICE Futures Europe exchange, as well as for the energy futures contracts traded on ICE’s New York-based ICE Futures U.S. exchange.
Japan Securities Clearing Corporation ("JSCC") is a CCP for OTC transactions of Japanese government bonds ("JGBs"), providing the clearing participant therein ("Clearing Participant") with clearing services (i.e., assuming the Clearing Participant’s obligation to deliver, or to pay for, the JGBs and acquiring the Clearing Participant’s rights to receive the delivery or payment thereof), and netting the obligation and rights before the settlement of JGBs and funds at the Bank of Japan ("BoJ"). The settlement of JGBs between Clearing Participants and JSCC is conducted by means of account transfer under the JGB Book-Entry System operated by the BoJ. The settlements of funds between Clearing Participants and JSCC is conducted by means of transfers between current accounts using the BoJ Financial Network System.

LCH.Clearnet Limited ("LCH") is a CCP incorporated under the laws of England and Wales. It is also a derivatives clearing organization in the U.S. LCH is a significant CCP and provides CCP clearing for a wide range of products including: commodities (exchange-traded and OTC); equities (including transactions executed on the London Stock Exchange); fixed income (including its RepoClear service); forex contracts (ForexClear service for OTC non-deliverable forwards); credit default swaps; and interest rate swaps (including its SwapClear service for OTC interest rate swaps).

National Securities Clearing Corporation ("NSCC"), a U.S. securities clearing agency, is a subsidiary of the Depository Trust & Clearing Corporation which, in turn, is owned by its users, including major banks, broker-dealers, and other financial institutions. NSCC provides clearing, settlement, risk management, and CCP services; and a guarantee of completion for certain transactions for virtually all U.S. broker-to-broker trades involving equities, corporate and municipal debt, American depositary receipts, exchange-traded funds, and unit investment trusts.

Options Clearing Corporation is a U.S. futures and options clearing agency. It is regulated as a clearing agency by the SEC with respect to clearing and settlement services for put and call options on common stocks and other equity issues, stock indexes, foreign currencies, interest rate composites, and single-stock futures. It is regulated by the CFTC with respect to clearing and settlement services for transactions in futures and options on futures. In addition, Options Clearing Corporation provides CCP clearing and settlement services for securities lending transactions.

Settlement

CLS Bank International ("CLS Bank") is a multi-currency cash settlement system, operating in the U.K. CLS Bank settles payment instructions related to trades in foreign exchange spot contracts, forwards, options, and swaps; non-deliverable forwards; and credit derivatives. Foreign exchange settlement services are offered for 17 currencies.

CREST (Euroclear U.K. & Ireland) is the U.K.’s central securities depository, providing facilities for the dematerialized holding of U.K. equities, electronic transfer funds, gilt securities, and money market instruments. The CREST system is also the securities settlement system ("SSS") for the settlement of these instruments and, through its links to SSS in other jurisdictions (including the U.S.), settlement of some non-U.K. securities is possible. CREST is operated by Euroclear U.K. and Ireland.

The Depository Trust Company ("DTC") is a central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers. DTC operates in the U.S.

Euroclear Bank provides international central securities depository services and settlement services for cross-border transactions involving domestic and international bonds, equities, derivatives, and investment funds. It is a primary provider of settlement services for Eurobonds. Euroclear Bank operates in Belgium.
Fedwire Securities Service is a national securities book entry system that is owned and operated by the Federal Reserve Banks. It conducts real-time transfers of securities and related funds. Fedwire Securities Service provides for the issuance, maintenance, safekeeping, transfer, and settlement for U.S. Treasury securities, for many federal government agency and government-sponsored enterprise securities, and for certain international organizations’ securities.

Other

The Society for Worldwide Interbank Financial Telecommunication ("SWIFT") is a member-owned co-operative subject to Belgian law. It provides a telecommunication platform for the exchange of standardized financial messages between financial institutions and corporations.

Financial Institutions

The Bank of New York Mellon Corporation is a U.S.-based global financial services company. It acts as agent with regards to the settlement of certain fixed income asset classes and provides collateral management, asset management, and safekeeping services.

BNP Paribas Bank is a global financial services company based in France that operates in various jurisdictions. It is an agent bank providing cash and securities settlement services.
C. ACRONYMS AND GLOSSARY OF TERMS

Acronyms

The table below provides the acronyms used in this Executive Summary that refer to our Material Entities.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Material Entity Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAC</td>
<td>Bank of America Corporation</td>
</tr>
<tr>
<td>BACNA</td>
<td>BAC North America Holding Company</td>
</tr>
<tr>
<td>NB Holdings</td>
<td>NB Holdings Corporation</td>
</tr>
<tr>
<td>BANA</td>
<td>Bank of America, National Association</td>
</tr>
<tr>
<td>BAMLI</td>
<td>Bank of America Merrill Lynch International Limited</td>
</tr>
<tr>
<td>BANA-L</td>
<td>Bank of America, N.A. – London Branch</td>
</tr>
<tr>
<td>BANA-F</td>
<td>Bank of America, N.A. – Frankfurt Branch</td>
</tr>
<tr>
<td>BACANA</td>
<td>Bank of America California, National Association</td>
</tr>
<tr>
<td>BACI</td>
<td>BA Continuum India Private Limited</td>
</tr>
<tr>
<td>MLGS</td>
<td>Merrill Lynch Global Services Pte. Ltd.</td>
</tr>
<tr>
<td>FDS</td>
<td>Financial Data Services, LLC</td>
</tr>
<tr>
<td>MAA</td>
<td>Managed Account Advisors LLC</td>
</tr>
<tr>
<td>MLPFS</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
</tr>
<tr>
<td>MLPRO</td>
<td>Merrill Lynch Professional Clearing Corp.</td>
</tr>
<tr>
<td>MLCS</td>
<td>Merrill Lynch Capital Services, Inc.</td>
</tr>
<tr>
<td>MLI</td>
<td>Merrill Lynch International</td>
</tr>
<tr>
<td>MLJS</td>
<td>Merrill Lynch Japan Securities Co., Ltd.</td>
</tr>
</tbody>
</table>

Glossary of Terms

This Glossary of Terms excludes the terms used solely in the Appendix - Memberships in Material Payment, Clearing, and Settlement Systems section above and the Material Entity acronyms in the table above.

165(d) Rule: See “Dodd-Frank Wall Street Reform and Consumer Protection Act”.


2016 Resolution Submission: BAC’s Resolution Plan submission to the Agencies in response to the April 12, 2016 joint Feedback Letter.


ACH: Automated Clearing House.

Agencies: The collective term for the FRB and the FDIC.

April 2016 Feedback: Joint feedback, dated April 12, 2016, provided by the Agencies to BAC regarding its 2015 Resolution Plan.
**Americas:** A business region consisting of Latin America, North America, and South America.

**Asia Pacific:** A business region consisting of the whole of Asia, as well as the countries of the Pacific Rim.

**ATM:** Automated Teller Machine.

**BAC’s 2016 Annual Report:** BAC’s Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC.

**BAC Board:** BAC Board of Directors, oversees the management of BAC and consists of a substantial majority of independent directors.

**BAC Enterprise Risk Committee:** A committee of the BAC Board that is responsible for overseeing the Company’s overall Risk Framework, risk appetite, and the Chief Executive Officer’s, the Chief Risk Officer’s and senior management’s identification of, measurement of, monitoring of, and control of, key risks.

**BAC Management Risk Committee:** A management committee that reports to the ERC and Audit Committee of the BAC Board and is responsible for management oversight and approval of the Company’s risks.

**BAC Recovery Plan:** Sets forth management’s strategy to respond to and withstand periods of financial stress.

**Bankruptcy Court:** The federal court where BAC would file for Chapter 11 bankruptcy proceedings under the U.S. Bankruptcy Code.

**Bankruptcy & ISDA Protocol Playbook:** Sets forth the steps the Company would take and the timeline it would follow in the event BAC were to file bankruptcy.

**Board Playbooks:** Board governance playbooks developed for each Material Entity board; a roadmap for each respective Material Entity board to enable timely decision making and take critical actions through triggers, notifications, and communications protocols.

**BofAMLs:** BofAML Securities, Inc.

**Capital Contingency Plan:** Management’s strategy to address potential capital deterioration during periods of financial stress.

**Capital Management Policy:** Outlines the requirements for the Company’s capital management process, including governance and controls.

**CCP:** Central Counterparty.

**CFTC:** Commodities Futures Trading Commission, an independent agency that regulates commodities businesses and derivatives activity.

**Chapter 11:** A chapter of Title 11 of the U.S. Bankruptcy Code, which permits reorganization of a business under the bankruptcy laws of the U.S.

**Chapter 11 Papers:** A comprehensive list of agreements and pleadings, including all factual and financial schedules and exhibits anticipated to be needed if BAC were to file bankruptcy proceedings.

**Company:** Refers to Bank of America Corporation and its subsidiaries.
**Consumer Banking:** One of four business segments through which BAC manages its business; it offers a diversified range of credit, banking, and investment products and services to consumers and small businesses.

**Contingency Funding Plan:** Management’s strategy to address potential liquidity shortfalls during periods of financial stress.

**Continuing Subsidiaries:** Under BAC’s single point of entry resolution strategy, certain Material Entities would continue to operate as fully-capitalized entities. Currently planned Continuing Subsidiaries: NB Holdings, BACNA, BANA, BANA-L, BANA-F, BACANA, BAML, MLPFS (the GWIM business only), MLGS, BACI, FDS, and MAA.

**Core Business Lines:** Business lines, including associated operations, services, functions and support that, upon resolution, would result in a material loss of revenue, profit, or franchise value. A financial institution is required to identify Core Business Lines as part of the resolution plan process.

**Crisis Continuum:** Utilized to illustrate the different stages of the Company’s financial health, from the Stable phase through the Resolution phase.

**Critical Operation:** An operation, including associated services, functions, and support, that failure or discontinuance of which, in the view of the Company or as jointly directed by the Agencies, would pose a threat to the U.S. financial system.

**Critical Service:** A service, process, or operation which is necessary to continue the day-to-day operations of the Company.

**Data Rooms:** Merger and acquisition data rooms for each divestiture option to satisfy the preliminary diligence needs of prospective buyers.

**December 2016 Feedback:** Joint feedback, dated December 13, 2016, provided by the Agencies to BAC regarding its 2016 Resolution Submission.

**Derivatives Booking Policy:** Establishes requirements to conduct certain derivatives activities in BAC subsidiaries in accordance with approved derivatives booking protocols.

**Deterioration phase:** A sub-phase of the Stress phase along the Crisis Continuum where actions may be taken to remediate the Company’s financial stress.

**Divestiture Option Playbooks:** Playbooks that contemplate specific tactical considerations for each of the Company’s identified divestiture options.

**Dodd-Frank Wall Street Reform and Consumer Protection Act:** Resolution plans are required by the Joint Resolution Plan Rule of the Agencies under Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the 165(d) Rule”), which mandates that bank holding companies with assets of $50 billion or more develop a plan for a rapid and orderly resolution in the event of material financial distress or non-viability.

**EMEA:** A business region consisting of Europe, Middle East, and Africa.
**EREO:** Enterprise Resolution Execution Office proactively monitors the global environment for potential threats that could lead to enterprise events and coordinates the operational response and timely flow of information in the event of a crisis.

**ETM:** Emergency transfer motion, the document BAC would file with the Bankruptcy Court to facilitate the reorganization of the Company.

**E.U.:** European Union.

**Executive Summary:** Refers to this document, a public summary of our confidential 2017 Resolution Plan.

**FDIC:** Federal Deposit Insurance Corporation, an independent agency that insures deposits in banks and thrifts (“insured depository institutions”), that has examination and supervisory authority over insured depository institutions, and that manages receiverships of failed insured depository institutions.

**FHLB:** Federal Home Loan Banks, U.S. government-sponsored banks that provide a reliable source of liquidity to financial institutions.

**FHLB-SF:** Federal Home Loan Bank of San Francisco.

**FI:** Financial Institution.

**FICC:** Fixed Income Currencies and Commodities.

**Financial Stability Board:** An international body that monitors and makes recommendations about the global financial system to promote international financial stability.

**FMU:** Financial market utilities, multilateral systems that provide the infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and the system.

**FRB:** The Board of Governors of the Federal Reserve System, commonly known as the Federal Reserve Board, an independent agency that, among other things, has primary regulatory, examination, and supervisory authority over bank holding companies, and/or one or several of the Federal Reserve Banks, as appropriate.

**FSE Team:** Financial Systemic Event team, in coordination with EREO, would lead the Company’s tactical response to any type of financial stress event.

**Global Banking:** One of four business segments through which BAC manages its business. Global Banking provides a wide range of lending-related products and services, integrated working capital management and treasury solutions, and underwriting and advisory services.

**Global Markets:** One of four business segments through which Global Markets manages its business. Global Markets offers sales and trading services, including research, to institutional clients across fixed income, credit, currency, commodity, and equity businesses.

**Global Recovery and Resolution Planning Policy:** Outlines the required internal governance, controls, and risk management practices to manage recovery and resolution planning risk.

**Global Recovery and Resolution Planning team:** A central function within the Chief Administrative Office organization that is responsible for the development, coordination, and maintenance of the Resolution Plan.
GWIM: Global Wealth & Investment Management, one of four business segments through which BAC manages its business. GWIM provides highly customized comprehensive wealth management services to individuals, businesses and institutions.


ISDA Protocol: 2015 Universal Resolution Stay Protocol, enables parties to amend the terms of their protocol-covered agreements to contractually recognize the cross-border application of special resolution regimes applicable to certain financial companies and support the resolution of certain financial companies under the U.S. Bankruptcy Code.

Latin America: A business region consisting of Latin America and the Caribbean.

LESG: Legal Entity Strategy and Governance Forum, a group that focuses on legal entity strategy matters and serves as an escalation point for legal entity strategy topics. It is comprised of cross-functional leaders, which supports coordination across the front line units and control functions.

Material Entity: Determined based on the definition in the 165(d) Rule: “a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.”

MBAM: Municipal Banking and Markets.

MIS: Management Information Systems.

NewCo: A Delaware corporation that would be formed and then held in trust for the sole and exclusive benefit of BAC’s bankruptcy estate.

NewCo Trust: A trust that would be owned and managed by independent trustees for the sole benefit of the BAC bankruptcy estate.

Office of the Comptroller of the Currency: An independent bureau within the Department of the Treasury that regulates, supervises, and examines bank subsidiaries that are organized as national banking associations.

Operational Continuity Playbooks: Guides for management which contain the high-level steps needed to execute each Material Entity’s respective resolution strategy.

OTC: Over-the-counter, trading that is done directly between two parties, without supervision of an exchange.

Parent Final Contribution: BAC’s obligation under the Secured Support Agreement to transfer its remaining cash and other financial assets, less a holdback for expected bankruptcy administrative expenses, to NB Holdings immediately prior to resolution.


Post-stabilization period: A portion of the Resolution phase along the Crisis Continuum that would occur when liquidity outflows stabilize, which is expected to occur after the Solvent Wind-down Subsidiaries have stabilized.

Preferred Service Providers: Material Entities that provide Critical Services and Critical Operations to other entities within the Company: BACI, BAML, BANA, FDS, MAA, and MLGS.

RCAP: Resolution capital adequacy and positioning, estimates the amount of capital each Material Entity and the Company, on a consolidated basis, is expected to need to withstand severe financial stress.
**RCEN**: Resolution capital execution need, estimated minimum amount of capital that each of the Material Entities is expected to need after BAC files for bankruptcy in order to be able to successfully execute the single point of entry resolution strategy.

**Recovery and Resolution Planning Officer**: Serves as a single point of contact between the front line units and the control functions and the Global Recovery and Resolution Planning team for recovery and resolution planning processes.

**Recovery and Resolution Planning Risk Officer**: Provides an ongoing monitoring and challenge function in evaluating the front line unit or control function contributions to the recovery and resolution planning processes.

**Recovery phase**: A sub-phase of the Stress phase along the Crisis Continuum where actions are taken in connection with BAC’s Recovery Plan to recover the Company’s financial health.

**Resolution Communications Strategy and Playbook**: Includes detailed internal and external communication protocols to be used during a severe financial stress event.

**Resolution phase**: A phase along the Crisis Continuum that begins when BAC commences bankruptcy proceeding by filing a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code.

**Resolution Plan (also known as a “living will”)**: The Dodd-Frank Wall Street Reform and Consumer Protection Act requires that bank holding companies with total consolidated assets of $50 billion or more and non-bank financial companies periodically submit resolution plans to the Agencies. Each plan, commonly known as a living will, is a playbook for rebalancing or ultimately dismantling a large bank without causing harm to the taxpayers or the global financial system – and without relying on government intervention. Plans must include both public and confidential sections.

**Risk Framework**: Serves as the foundation for consistent and effective management of risks facing the Company. It sets forth roles and responsibilities for the management of risk by lines of businesses, independent risk management, other control functions, and Corporate Audit; and provides a blueprint for how the boards of directors, through delegation of authority to committees and executive officers, establish risk appetite and associated limits for our activities.

**RLAP**: Resolution liquidity adequacy and positioning, estimates how much liquidity both the consolidated enterprise and each Material Entity would need over a specified time horizon to withstand a severe financial stress; informs appropriate liquidity positioning across the Material Entities.

**RLEN**: Resolution liquidity execution need, estimates how much liquidity each Material Entity would need to execute its specific role in our resolution strategy.

**RRP Executive Steering Council**: Council focused on recovery and resolution planning matters and serves as an escalation point for recovery and resolution topics. It is comprised of cross-functional leaders, and supports coordination across the front line units and control functions.

**RRP Leadership**: Serves as an escalation point for recovery and resolution topics and provides direction for recovery and resolution planning capabilities.

**Runway phase**: A phase along the Crisis Continuum in which the Company continues taking actions to recover its financial health while also preparing for potential resolution.
**SEC:** Securities and Exchange Commission, an independent agency that regulates broker-dealer subsidiaries and derivatives activity.

**Secured Support Agreement:** A secured capital and liquidity agreement that requires BAC to contribute to NB Holdings a specified amount of cash and other financial assets under certain circumstances. In addition, NB Holdings is required to provide capital and liquidity support to our Material Entities consistent with the terms of the agreement.

**Service Managers:** Are responsible for defining, supporting, and monitoring each Critical Service.

**Shared Services & Contingency Arrangements Policy:** Establishes foundational requirements that define, govern and sustain shared services and contingency arrangements across the Company.

**Shared Services Model:** The Company’s set of Critical Services which facilitates implementation and sustainability of key capabilities across Material Entities while enabling appropriate oversight.

**Solvent Wind-down Subsidiaries:** Under BAC’s single point of entry resolution strategy, some Material Entities would cease to operate and would be wound down outside of resolution proceedings. Currently planned Solvent Wind-down Subsidiaries: MLCS, MLI, MLPRO, and MLJS.

**Stable phase:** A phase along the Crisis Continuum in which the Company’s financial health is normal, with limited or no concern.

**Stabilization period:** The length of time it would take for each Material Entity’s financial position to stabilize following BAC’s bankruptcy.

**Stress phase:** A phase along the Crisis Continuum in which the Company’s financial health deteriorates progressively; it is divided into the Deterioration phase and the Recovery phase.

**Tactical Playbooks:** Documents that are topical in nature and complement the content of the Operational Continuity Playbooks by documenting the specific action steps that would be needed to execute the specific components of our resolution strategy.

**TARGET2:** The Trans-European Automated Real-time Gross Settlement Express Transfer System, the real-time gross settlement linking system owned and operated by the Eurosystem.

**Technology and Operations Designee:** Responsible for providing oversight and approval of their respective Operational Continuity Playbooks; monitoring Critical Services to maintain performance pursuant to established service level agreements; and reviewing and approving the operational interdependencies mapping analysis.

**Title I Resolution Plan:** See “Resolution Plan”.

**TLAC:** Total loss-absorbing capacity, represents capital and long-term debt of a parent company that can be used to recapitalize a subsidiary.

**U.S.:** United States.

**U.S. Bankruptcy Code:** The law relating to bankruptcy which is codified and enacted as Title 11 of the U.S. Code, entitled Bankruptcy.
Where you can find more information

BAC files annual, quarterly, and special reports, proxy statements, and other information with the SEC, including reports that are filed under Sections 13(a), 13(c), 14, and 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”). Any document filed with the SEC at the Public Reference Room of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 may be read and copied. The filings may be inspected over the Internet at the SEC’s website, www.sec.gov. The reports and other information BAC files with the SEC also are available at its website, www.bankofamerica.com. Except as specifically incorporated by reference into this document, information contained in those filings is not part of this document.

In this document, we discuss the Company’s resolution plans and strategies. We do not believe a resolution as discussed herein is imminent or expected. Investors in BAC’s securities are encouraged to review BAC’s reports filed with the SEC under the Exchange Act and/or registration statements (including any prospectus or prospectus supplement related thereto) filed with the SEC under the Securities Act of 1933 for information regarding the most significant factors that make holding or investing in BAC’s securities speculative or risky.

Forward Looking Statements

This document may contain certain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often use words such as “plan,” “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “potential,” “possible,” or other similar expressions, or future or conditional verbs such as “will,” “should,” “would,” and “could.” All forward-looking statements, by their nature, are subject to risks and uncertainties. Forward-looking statements are not guarantees of future outcomes or results and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond BAC’s control. Actual outcomes or results may differ materially from those expressed in, or implied by, forward-looking statements. As a large, international financial services company, BAC faces risks that are inherent in the businesses and market places in which it operates.

Information regarding important factors that could cause its future financial performance to vary from that described in the forward-looking statements is contained in the 2015 Form 10-K, First Quarter Form 10-Q, and Second Quarter Form 10-Q, as well as in subsequent filings made with the SEC. Reliance should not be placed on any forward-looking statements, which speak only as of the dates they are made. Except to the extent required by applicable law or regulation, BAC undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. BAC’s Resolution Plan, which is summarized in this document, is not binding on a bankruptcy court or other resolution authority and the failure scenario and associated assumptions outlined herein are hypothetical and do not necessarily reflect an event or events to which BAC is or may become subject.