

BANK OF AMERICA CORP /DE/
Form 424B5
March 09, 2018
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-202354

2,350,000 Depositary Shares, Each Representing a 1/25th Interest in a Share of Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series FF

Bank of America Corporation is offering 2,350,000 depositary shares, each representing a 1/25th interest in a share of our perpetual Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series FF, \$0.01 par value, with a liquidation preference of \$25,000 per share (equivalent to \$1,000 per depositary share) (the Preferred Stock). Each depositary share entitles the holder, through the depository for the Preferred Stock, to a proportional fractional interest in all rights and preferences of the Preferred Stock represented by the depositary share.

We may, at our option, redeem the Preferred Stock at any time on or after March 15, 2028, in whole or in part, at a redemption price equal to \$25,000 per share (equivalent to \$1,000 per depositary share), plus any accrued and unpaid dividends for the then-current dividend period to, but excluding, the redemption date, without accumulation of any undeclared dividends. We also may redeem the Preferred Stock upon the occurrence of certain events involving capital treatment as described in this prospectus supplement. Redeeming the Preferred Stock will cause the corresponding depositary shares to be redeemed.

Holders of the Preferred Stock will be entitled to receive, only when, as, and if declared by our board of directors or a duly authorized committee of our board, and to the extent we have funds legally available for the payment of dividends, cash dividends at a rate equal to (1) 5.875% per annum (equivalent to \$58.75 per depositary share per annum) for each semi-annual dividend period from the original issue date of the Preferred Stock to, but excluding, March 15, 2028, and (2) three-month LIBOR plus a spread of 2.931% per annum for each quarterly dividend period beginning on March 15, 2028. The determination provisions for three-month LIBOR are being modified. See page S-17.

When, as, and if declared by our board of directors or a duly authorized committee of our board, we will pay the semi-annual dividend payments, in arrears, on March and September of each year beginning on September 15, 2018, and quarterly dividend payments, in arrears, on March 15, June 15, September 15, and December 15 of each year beginning on June 15, 2028. Dividends on the Preferred Stock will not be cumulative.

We do not intend to apply to list the depositary shares or the Preferred Stock on any securities exchange.

Investing in the depositary shares involves risks. See Risk Factors beginning on page S-8.

The depositary shares are unsecured and are not savings accounts, deposits, or other obligations of a bank. The depositary shares are not guaranteed by Bank of America, N.A. or any other bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the attached prospectus. Any representation to the contrary is a criminal offense.

	Per Depositary Share	Total
Public offering price(1)	\$ 1,000	\$ 2,350,000,000
Underwriting commissions	\$ 10	\$ 23,500,000
Proceeds to Bank of America Corporation (before expenses)(1)	\$ 990	\$ 2,326,500,000

(1) The public offering price set forth above does not include accrued dividends, if any, that may be declared. Dividends, if declared, will accrue from the date of original issuance, expected to be March 15, 2018.

The underwriters expect to deliver the depositary shares in book-entry only form through the facilities of The Depository Trust Company on or about March 15, 2018.

Sole Book-Runner

BofA Merrill Lynch

CastleOak Securities, L.P.

Drexel Hamilton

Great Pacific Securities

Penserra Securities LLC

Prospectus Supplement to Prospectus dated May 1, 2015

March 8, 2018

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement describes the specific terms of the Preferred Stock and the related depositary shares, and supplements the description of our preferred stock and depositary shares included in the attached prospectus. In considering an investment in the depositary shares, you should rely only on the information included or incorporated by reference in this prospectus supplement and the attached prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. If information in this prospectus supplement is inconsistent with the attached prospectus, the information in this prospectus supplement supersedes the information in the attached prospectus. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the attached prospectus is accurate as of any date other than its respective date.

This prospectus supplement and the attached prospectus do not constitute an offer to sell or the solicitation of an offer to buy the depositary shares in any jurisdiction in which that offer or solicitation is unlawful. The distribution of this prospectus supplement and the attached prospectus and the offering of the depositary shares in some jurisdictions may be restricted by law. If you have received this prospectus supplement and the attached prospectus, you should find out about and observe these restrictions. Persons outside the United States who come into possession of this prospectus supplement and the attached prospectus must inform themselves about and observe any restrictions relating to the offering of the depositary shares and the distribution of this prospectus supplement and the attached prospectus outside of the United States. See Underwriting (Conflicts of Interest) Selling Restrictions.

The depositary shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Insurance Mediation Directive (Directive 2002/92/EC (as amended)), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, PRIIPs Regulation) for offering or selling the depositary shares or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the depositary shares or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Unless otherwise indicated or the context requires otherwise, all references in this prospectus supplement to Bank of America, the Corporation, we, us, and our are to Bank of America Corporation excluding its consolidated subsidiaries. Capitalized terms used, but not defined, in this prospectus supplement are defined in the attached prospectus.

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SUMMARY

The following information about the depositary shares and the Preferred Stock summarizes, and should be read in conjunction with, the information contained in this prospectus supplement and in the attached prospectus.

Securities Offered

We are offering 2,350,000 depositary shares representing interests in our Preferred Stock, with each share of Preferred Stock having a liquidation preference of \$25,000 per share (equivalent to \$1,000 per depositary share). Each depositary share represents a 1/25th interest in a share of the Preferred Stock. Each depositary share entitles the holder to a proportional fractional interest in the Preferred Stock represented by that depositary share, including dividend, voting, redemption, and liquidation rights.

We may elect from time to time to issue additional depositary shares representing interests in the Preferred Stock, without notice to, or consent from, the existing holders of Preferred Stock, and all those additional depositary shares would be deemed to form a single series with the Preferred Stock, described by this prospectus supplement and the attached prospectus.

Dividends

Dividend Rate. We will pay cash dividends on the Preferred Stock only when, as, and if declared by our board of directors or a duly authorized committee of our board, and to the extent that we have funds legally available for the payment of such dividends, from the date of issuance to, but excluding, March 15, 2028, at a rate of 5.875% per annum (equivalent to \$58.75 per depositary share per annum), payable semi-annually, in arrears. Thereafter, we will pay cash dividends on the Preferred Stock when, as, and if declared by our board of directors or a duly authorized committee of our board at a floating rate equal to three-month LIBOR plus a spread of 2.931% per annum, payable quarterly, in arrears (each such rate, a dividend rate).

Dividend Payment Dates. Cash dividends on the Preferred Stock will be payable when, as, and if declared by our board of directors or a duly authorized committee of our board, and to the extent that we have funds legally available for the payment of such dividends, semi-annually on March and September of each year, beginning on September 15, 2018 to March 15, 2028, and, thereafter, quarterly, in arrears, on March 15, June 15, September 15, and December 15 of each year, beginning on June 15, 2028 (each, a dividend payment date). If any date on which dividends otherwise would be payable is not a Business Day (as defined below under Description of the Preferred Stock Dividends Dividend Payment Dates), then the dividend payment date will be the next succeeding day that is a Business Day, unless for the Fixed Rate Period (as defined below under Description of the Preferred Stock Dividends Dividend Rate), that day falls in the next calendar year, or, for the Floating Rate Period (as defined below under Description of the Preferred Stock Dividends Dividend Rate), that day falls in the next calendar month, then, in each case, the dividend payment date will be the immediately preceding Business Day.

Non-cumulative Dividends. Dividends on the Preferred Stock will not be cumulative. Accordingly, if for any reason our board of directors or a duly authorized committee of our board does not declare a dividend on the Preferred Stock for a dividend period (as defined herein) prior to the related dividend payment date, that dividend will not cumulate and will cease to accrue, and we will have no obligation to pay a dividend for that dividend period on the applicable dividend payment date or at any time in the future, whether or not our board of directors or a duly authorized committee of

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our board declares a dividend on the Preferred Stock or any other series of our preferred stock or common stock for any future dividend period. A dividend period is the period from, and including, a dividend payment date to, but excluding, the next dividend payment date, except that the initial dividend period will begin on and include the original issue date of the depositary shares and the Preferred Stock.

Priority of Dividends. So long as any share of Preferred Stock remains outstanding, (1) no dividend will be declared and paid or set aside for payment and no distribution will be declared and made or set aside for payment on any junior stock (as defined below under Description of the Preferred Stock Dividends Priority of Dividends) (other than a dividend payable solely in shares of junior stock), (2) no shares of junior stock will be repurchased, redeemed, or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock) nor will any monies be paid to or made available for a sinking fund for the redemption of any such securities by us, and (3) no shares of parity stock (as defined below under Description of the Preferred Stock Dividends Priority of Dividends) will be repurchased, redeemed, or otherwise acquired for consideration by us otherwise than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Preferred Stock and such parity stock, except by conversion into or exchange for shares of junior stock, during a dividend period, unless, in each case, the full dividends for the immediately preceding dividend period on all outstanding shares of the Preferred Stock have been paid in full or declared and a sum sufficient for the payment of those dividends has been set aside. The foregoing limitations do not apply to purchases or acquisitions of our junior stock pursuant to any employee or director incentive or benefit plan or arrangement (including any of our employment, severance, or consulting agreements) of ours or of any of our subsidiaries.

Except as provided below, for so long as any share of Preferred Stock remains outstanding, we will not declare, pay, or set aside for payment, dividends on any parity stock, unless we have paid in full, or set aside payment in full, all dividends for the immediately preceding dividend period for outstanding shares of Preferred Stock. To the extent that we declare dividends on the Preferred Stock and on any parity stock but cannot make full payment of those declared dividends, we will allocate the dividend payments on a pro rata basis among the holders of shares of Preferred Stock and the holders of any parity stock. For purposes of calculating the pro rata allocation of partial dividend payments, we will allocate dividend payments based on the ratio between the dividend payments due on shares of Preferred Stock and the aggregate of the current and accrued dividends due on any parity stock.

Subject to the conditions described above, and not otherwise, dividends (payable in cash, stock, or otherwise), as may be determined by the board of directors or a duly authorized committee of our board, may be declared and paid on our common stock and any other securities junior to the Preferred Stock from time to time out of any funds legally available for such payment, and the holders of the Preferred Stock shall not be entitled to participate in those dividends.

See Description of the Preferred Stock Dividends beginning on page S-16 for more information about the payment of dividends.

Optional Redemption

The Preferred Stock is perpetual and has no maturity date. We may redeem the Preferred Stock, in whole or in part, at any time on or after March 15, 2028, at a redemption price equal to \$25,000 per share (equivalent to \$1,000 per depositary share), plus any accrued and unpaid

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dividends for the then-current dividend period to, but excluding, the redemption date, without accumulation of any undeclared dividends. In addition, at any time within 90 days after a capital treatment event, as defined herein, we may provide notice to holders of the Preferred Stock that we will redeem the Preferred Stock and subsequently redeem, out of funds legally available therefor, the Preferred Stock, in whole but not in part, at a redemption price equal to \$25,000 per share (equivalent to \$1,000 per depositary share), plus any accrued and unpaid dividends for the then-current dividend period to, but excluding, the redemption date, without accumulation of any undeclared dividends. Redemption of the Preferred Stock is subject to our receipt of any required prior approval of the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, or other appropriate federal banking agency. Our redemption of the Preferred Stock will cause the redemption of the corresponding depositary shares. Neither the holders of the Preferred Stock nor the holders of the related depositary shares will have the right to require redemption.

Liquidation Rights

In the event of our voluntary or involuntary liquidation, dissolution, or winding up, the holders of the Preferred Stock are entitled to receive out of our assets available for distribution to stockholders, before any distribution of assets is made to holders of our common stock or any of our other stock ranking junior to the Preferred Stock as to such distribution, a liquidating distribution of \$25,000 per share (equivalent to \$1,000 per depositary share), plus any declared and unpaid dividends, without accumulation of undeclared dividends. Distributions will be made only to the extent of our assets remaining available after payment of indebtedness and satisfaction of all other liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Preferred Stock and pro rata as to the Preferred Stock and any other shares of our stock ranking equally as to such distribution.

Voting Rights

The holders of depositary shares of the Preferred Stock do not have voting rights, except as specifically required by Delaware law and except as provided below under [Description of the Preferred Stock Voting Rights](#) and [Description of the Depositary Shares Voting the Preferred Stock](#) in this prospectus supplement.

Ranking

The Preferred Stock will rank, as to payment of dividends and distribution of assets upon our liquidation, dissolution, or winding up, equally with our outstanding series of preferred stock described in this prospectus supplement under [Description of the Preferred Stock General](#), and senior to our common stock. The Preferred Stock will be junior to our existing and future indebtedness.

Preemptive and Conversion Rights

The holders of the depositary shares do not have any preemptive or conversion rights.

Use of Proceeds

We intend to use the net proceeds from the sale of the depositary shares representing interests in the Preferred Stock for general corporate purposes, including, but not limited to, the repurchase or redemption of outstanding preferred securities. See [Use of Proceeds](#).

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Depository, Transfer Agent, and Registrar

Computershare Trust Company, N.A. will serve as depository, transfer agent, and registrar for the Preferred Stock and transfer agent and registrar for the depository shares.

Calculation Agent

For purposes of calculating the dividend rate during the Floating Rate Period (as defined below), we will enter into an agreement with The Bank of New York Mellon Trust Company, N.A. to act as calculation agent.

Conflicts of Interest

Merrill Lynch, Pierce, Fenner & Smith Incorporated, the sole book-runner for this offering, is our affiliate. As such, Merrill Lynch, Pierce Fenner & Smith Incorporated has a conflict of interest in this offering within the meaning of Financial Industry Regulatory Authority (FINRA) Rule 5121. Consequently, this offering is being conducted in compliance with the provisions of FINRA Rule 5121. Merrill Lynch, Pierce, Fenner & Smith Incorporated is not permitted to sell depository shares in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder. For more information, see Underwriting (Conflicts of Interest).

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RISK FACTORS

Your investment in the depositary shares involves risks. This prospectus supplement does not describe all of those risks.

In consultation with your own financial and legal advisors, you should consider carefully the following risks as well as the risks related to our preferred stock set forth in the attached prospectus beginning on page 13 before deciding whether an investment in the depositary shares is suitable for you. The depositary shares are not an appropriate investment for you if you are not knowledgeable about significant features of the depositary shares, the Preferred Stock, or financial matters in general. You should not purchase depositary shares unless you understand and know that you can bear these investment risks.

You should review carefully the information in this prospectus supplement and the attached prospectus about the Preferred Stock, depositary shares, and other securities. For more information regarding risks that may materially affect our business and results, please refer to the information under the captions **Item 1A. Risk Factors** and **Item 7. Management's Discussion**