ZIONS BANCORPORATION /UT/
Form FWP
April 26, 2007

Free Writing Prospectus
Filed Pursuant to Rule 433
Relating to Preliminary Prospectus Supplement Filed April 24, 2007
Registration Statement No. 333-132868

*Zions Bancorporation has caused the following to be posted on the website* www.auctions.zionsdirect.com*, on which website will be conducted a public auction for the registered offering of the Issuer s Employee Stock Option Appreciation Rights Securities, Series 2007.*

*The information in this free writing prospectus supplements the information contained in, and should be read together with, the preliminary prospectus supplement of Zions Bancorporation filed with the Securities Exchange Commission (the SEC ) on April 24, 2007 (including the base prospectus filed with the SEC on March 31, 2006, as well as the documents incorporated by reference therein).*

**BID ON ESOARS**

Employee Stock Option Appreciation Rights Securities (ESOARS ) are tracking securities designed to provide a market basis for estimating the fair value of stock options granted to employees. Statement of Financial Accounting Standards (FAS) No. 123R requires companies to report compensation expense for employee stock options. The current valuation practice is to use modifications of standard option pricing models. ESOARS , which are sold in a competitive online auction, provide a market-based alternative to these models and draw on the collective analysis and modeling of sophisticated bidders to determine the fair market value of the underlying employee stock option grant.

We re the only brokerage offering ESOARS auctions, so register now.

Please direct questions regarding the website or bidding procedures to the Auction Administrator.

You may also call our Investment Center at 800-524-8875 from 8am to Midnight Eastern Time.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1 (800) 524-8875.

Each individual investor must determine whether the ESOARS are a suitable investment based on financial situation, investment objectives, and risk tolerance. There can be no assurance of a trading market for ESOARS . Investing in the ESOARS involves risks.

**Bidding Qualification**
Please confirm your agreement with each of the following by checking the box next to each statement.
o I agree that the following contact information is correct:

**Name:**

**E-mail:**

**Telephone:**
o I have accessed or received the Prospectus and the Zions Direct ESOARS FAQs.
o I have accessed or received the ESOARS Auction Rules, and agree to abide by them.
o I acknowledge that these securities are high risk and illiquid. By participating in this auction, I declare that my risk tolerance is high , my investment time horizon includes long , and my objective includes speculation . I authorize Zions Direct to change my investor profile for all investments, if needed, to add these criteria.
o I acknowledge that investing in ESOARS is highly speculative and under certain circumstances could result in loss of all my investment. These could include, without limitation:

- failure of market price to exceed strike price;
- termination of employee stock option holders;
- other forfeitures of stock options; and
- failure by employees to exercise stock options.

o I acknowledge my current bid limit for ESOARS is $4,000.00.
*You can request an increase of this limit by contacting the Zions Direct Investment Center at (800) 524-8875. Please have available the following information if you are not a current Zions Direct client: a) tax bracket, b) annual income, c) net worth, and d) liquid net worth/investable assets.*
o I Agree o I DO NOT Agree
Please direct questions regarding the website or bidding procedures to the Auction Administrator.
You may also call our Investment Center at 800-524-8875 from 8am to Midnight Eastern Time.
The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1 (800) 524-8875.
Each individual investor must determine whether the ESOARS are a suitable investment based on financial situation, investment objectives, and risk tolerance. There can be no assurance of a trading market for ESOARS . Investing in the ESOARS involves risks.

**About ESOARS**

Employee Stock Option Appreciation Rights Securities (ESOARS ) are tracking securities designed to provide a market basis for estimating the fair value of stock options granted to employees. Statement of Financial Accounting Standards (FAS) No. 123R requires companies to report compensation expense for employee stock options. The current valuation practice is to use modifications of standard option pricing models. ESOARS , which are sold in a competitive online auction, provide a market-based alternative to these models and draw on the collective analysis and modeling of sophisticated bidders to determine the fair market value of the underlying employee stock option grant.

To register to bid in upcoming ESOARS auctions, please complete the online form found on the ESOARS Registration page.

Option-granting companies interested in using ESOARS to help determine the fair value of granted options may call (800) 554-1688 or send email to auctions@zionsdirect.com.

**ESOARS Frequently Asked Questions**

**ESOARS Basics**

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17. What are the tax implications of investing in ESOARS ?

18. Will purchasers receive physical ESOARS certificates?

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**Auction**

1. How does the ESOARS auction work?

2. What type of auction will be used?

3. When will the auctions be held?

4. Are there minimum or maximum bid quantities?

5. Are there minimum or maximum bid prices?

6. How do I place a bid?

7. Can I submit more than one bid?

8. Can I lower or retract my bid?

9. How are ESOARS priced?

10. How are ESOARS allocated?

11. How do you handle tie bids?

12. Is my bid binding?

13. Why do I have to confirm my bid?

14. How robust is the auction platform?

15. How will I know if I have won?

16. Why do you reserve the right to reject bids?

17. What is the two-minute rule?

**ESOARS Basics**

1. **What are ESOARS ?**

   ESOARS is an acronym for Employee Stock Option Appreciation Rights Securities. ESOARS are securities designed to help companies that grant employee stock options establish a fair market value of their options. ESOARS are tracking securities, meaning they track the value of a reference pool of employee stock options by making payments to holders as options in the reference pool are exercised. Each ESOARS unit entitles the holder to receive, over the term of the options in the reference pool, the average of the net realized value, or intrinsic value, realized upon the exercise of options in the reference pool that vest.

   For example, suppose a company grants 1,000,000 new employee stock options (the reference pool ) and issues 100,000 ESOARS units. Further suppose that 900,000 of the employee stock options vest and are exercised and receive on average $10 per option for a total of $9,000,000 of net realized value. The net realized value is the amount by which the company s stock price at the time of exercise exceeds the exercise price (also commonly referred to as the strike price ) of the options, multiplied by the number of options exercised. In this example, the holder of each ESOARS unit would receive $10 over the life of the ESOARS ($9,000,000 net realized value divided by 900,000 vested reference options).

***It is important to note that ESOARS are not stock options.*** ESOARS holders do not have a right to exercise any stock options. Instead, ESOARS holders receive payments only if and when employees exercise their options and realize a gain. ESOARS holders will only receive payment if the company s stock price exceeds the exercise price set for the reference pool and the employees choose to exercise their options.

2. **Where can I find more information about ESOARS ?**

   Additional questions can be directed to auctions@zionsdirect.com, or call (800) 554-1688.

**Option-Granting Companies**

1. **Why issue ESOARS ?**

   ESOARS are designed to be used for employee stock option valuation for FAS 123R purposes by establishing an open and competitive market where self-interested bidders aid in price discovery of the value of these complex instruments. ESOARS are an alternative to existing model-based approaches, some of which may not sufficiently account for the differences between employee stock options and the traded options for which valuation models were originally designed. Zions Direct, the auction agent for ESOARS , expects that costs for option valuation using an ESOARS auction will compare favorably with the cost of developing, running and maintaining a model.

2. **Which companies might benefit from issuing ESOARS ?**

   Any public company that issues employee stock options can potentially benefit from issuing ESOARS . The best ESOARS candidates are companies with an effective WKSI (well-known seasoned issuer) or universal shelf registration statement or the ability to file an automatic shelf registration statement.

3. **What does a company need to do to issue ESOARS ?**

   Zions Direct can assist with the entire ESOARS issuance process, including post-auction payments and reporting to holders. The issuance of ESOARS requires the disclosure of certain information about your company and its past option grants. ESOARS will be offered by prospectus or prospectus supplement. Certain modifications to your shelf registration statement may be necessary.

4. **What are the relevant accounting pronouncements?**

   FAS 123R governs the accounting for employee stock options. The pronouncement indicates a preference for the use of a market-based valuation of employee stock options. Paragraph 22 reads, in part, The fair value of an equity share option or similar instrument shall be measured based on the observable market price of an option with the same or similar terms and conditions, if one is available.

5. **What has the Securities and Exchange Commission (SEC) said about using a market price to value employee stock options?**

   In September 2005, SEC Chairman Christopher Cox along with the Chief Accountant and the Office of Economic Analysis issued statements encouraging the development of market-based valuation methods for employee stock options. See Chairman Cox s announcement, an analysis by the Office of Economic Analysis, and comments by the Chief Accountant.

   In September 2006, Zions submitted to the Office of the Chief Accountant (OCA) of the SEC a request for their consideration of ESOARS as a valid method for employee stock option grant valuation. See Zions Submission.

   On January 25, 2007, the Office of the Chief Accountant responded to our submission and concurred with our view that ESOARS are sufficiently designed to use for FAS 123R purposes. See OCA Response.

**Investors / Bidders**

1. **Who can invest in ESOARS ?**

   Individuals and institutions that complete the Prospective Bidder Registration form will be able to participate in ESOARS auctions. Zions Direct will assign each bidder an initial bid limit; details of the limit can be found in the prospectus supplement. If you would like to increase your bid limit, you can call the Zions Direct Investment Center at (800) 524-8875 or contact Zions Direct by e-mail at auctions@zionsdirect.com. If you do not currently have a Zions Direct account you will need to provide information regarding your tax bracket, annual income, net worth, liquid net worth/investable assets, and any other pertinent information that Zions Direct may require. Institutional bidders may be required to submit certain financial statements in order to establish bid limits.

   Individuals do not need to be accredited investors. However, this investment is not appropriate for every individual as it may require complex valuation models and entails unusual risks.

2. **How do I register to bid on ESOARS ?**

   Registration is accomplished by completing the online form found on the Prospective Bidder Registration page.

3. **What information do I need to provide in order to register?**

   All bidders must provide the basic contact information specified on the Prospective Bidder Registration form. Winning bidders who do not have a Zions Direct account must open a Zions Direct brokerage account, or arrange for their primary broker to enter into a selling group arrangement with Zions Direct, for settlement. Winning institutional accounts must supply their settlement instructions.

4. **How and when do I pay for ESOARS if I win in an auction?**

   Settlement will be approximately three business days following the auction. Institutions will pay Zions Direct by delivery versus payment, as per the purchaser s delivery instructions. Zions Direct account holders may pay through their Zions Direct account at Pershing LLC.

5. **Will the identity of winning bidders be made public?**

   No. Bidders will be issued a bidder identification number at registration that is not based on their name or user ID. The bidder identification number will be different for each ESOARS auction.

6. **How do I find out about future auctions?**

   Future ESOARS auctions are posted on the calendar found on the ESOARS internet homepage.

7. **What are some of the risks of investing in ESOARS ?**

   There is a high degree of risk in investing in ESOARS . There is no guarantee that ESOARS holders will receive any payment or return of capital invested. ESOARS may lose some or all of their value. There may not be an active secondary market for ESOARS ; therefore, holders may not be able to find a buyer for their securities or may have to sell them at a loss. The amount and timing of payments, if any, to ESOARS holders is uncertain and will be affected by numerous variables including, but not limited to, underlying stock price movements, the amounts and timing of employee option exercises and employee terminations. A modification of the terms of the underlying employee stock options (as defined in FAS 123R) may result in the termination of the ESOARS , resulting in the ESOARS holders receiving a payment based upon an independent valuation of the ESOARS .

Investment in ESOARS may not be appropriate for all investors. ESOARS are unusual and complex securities that may require sophisticated pricing models and/or investment strategies. There is no guarantee that purchasers of ESOARS will receive any payment or return of capital invested.

8. **What is the purpose of the ESOARS auction market?**

ESOARS are issued in order to obtain a market valuation of employee stock options. FAS 123R requires companies to expense employee stock options. Currently, companies use models such as the Black-Scholes-Merton option-pricing formula or the binomial (lattice) method to determine the value of employee stock options. However, these approaches are typically used to value exchange-traded options, which have significant differences from employee stock options. Zions Direct believes that a market-based valuation can be used to measure the cost of the options. The Financial Accounting Standards Board and the Securities and Exchange Commission have both indicated that such an approach is acceptable for valuing grants of employee stock options.

9. **Under what conditions will I receive payments from ESOARS ?**

ESOARS holders will only receive payments under three circumstances: (1) if the company s stock price exceeds the exercise price for the options in the reference pool and the employees choose to exercise their employee stock options, (2) in the event that all of the employee stock options in the reference pool are forfeited prior to vesting, as described below in question 10, and (3) if the options in the reference pool are modified and the valuation agent determines that the options have a positive value, as described in question 7.

10. **What happens when employee stock options are forfeited?**

Payments to ESOARS holders include adjustments intended to eliminate the effect of any forfeiture of options in the reference pool. Details of the method of calculating payments can be found in the prospectus supplement. If, upon completion of the first annual vesting period, all of the options in the reference pool have been forfeited prior to vesting, holders will receive a payment equal to the initial offering price for the ESOARS , plus interest, and the ESOARS will thereafter be canceled. The rate of interest will be disclosed in the offering documents. ESOARS holders will not receive any payment for employee stock options in the reference pool that are canceled after they have vested, including any that are unexercised at expiration of the options.

11. **How frequently will payments be made?**

Payments will be made following each calendar quarter end if employee stock options in the reference pool have been exercised during that quarter. It is currently anticipated that payments will be made within 15 days of the end of the applicable calendar quarter. The final payment will be made within 15 days of the expiration of the employee stock options, after which no additional payments will be made. If, upon completion of the first annual vesting period, all of the options in the reference pool have been forfeited prior to vesting, the associated payment to holders, as described in question 10 above, will be made within 15 days of the end of the quarter in which all of the options are forfeited.

12. **Will my ESOARS payments be in cash or shares of stock?**

Payments to ESOARS holders may be in cash, shares of stock or both, depending on the terms and conditions set forth in the ESOARS prospectus or prospectus supplement.

13. **Will my ESOARS appear on my brokerage account statement?**

Winning bidders will be required to give delivery instructions or their Zions Direct account number. It is anticipated that ESOARS will be included on holders brokerage account statements.

14. **Can I sell or transfer my ESOARS to another investor?**

There are no restrictions on the transfer or sale of ESOARS . However, ESOARS will not be listed on an exchange and there may not be an active secondary market for ESOARS .

15. **How much should I bid for ESOARS ?**

Each investor must determine how much to bid. The purpose of the ESOARS auction is to determine how much the market will pay for the ESOARS , leading to a market-based valuation of the underlying employee stock options. Among the factors that will likely influence pricing are expectations about a company s future stock price and expectations about employee termination and option exercise patterns.

16. **What information will be provided about previous option grants?**

To facilitate analysis of options exercise patterns, summarized information for past option grants will be included in the applicable registration statement, prospectus, prospectus supplement or other offering material. This information may include information on each grant, a year-by-year summary of options exercised, average exercise price, and intrinsic value realized, as well as a graph showing cumulative percentage of options exercised over time.

17. **What are the tax implications of investing in ESOARS ?**

The applicable registration statement, prospectus, prospectus supplement or other offering material may contain information on the potential tax treatment of ESOARS . Those considering an investment in ESOARS should contact their independent tax advisor.

18. **Will purchasers receive physical ESOARS certificates?**

No. ESOARS will be held in book-entry form (electronic rather than paper) at the Depository Trust Company (DTC).

19. **What happens to ESOARS if the employee stock option grant is modified?**

Under FAS 123R, paragraph 51, a modification of employee stock options, such as resetting the strike price, is considered a cancellation of the original option and a new option issuance. ESOARS holders will receive a payment based on an independent valuation of the ESOARS at the time of modification.

**Auction**

1. **How does the ESOARS auction work?**

After registering on the auction website, bidders will log in to the listed auction on the calendar page during the scheduled auction period. Bidders submit bids for a quantity of ESOARS at a specified price. Submitting a bid is a two step process: (1) bidders must first submit a bid after which a confirmation page appears; and (2) bidders must then confirm their bid before the system accepts the bid. The auction web page will indicate whether a bid is in the money. In the money means that if the auction ended at the time of their bid submission and with no additional bidding activity by other bidders, the in the money ESOARS of that bidder s bid would be awarded to the bidder at the market-clearing price. Bidders may need to manually refresh the auction page to see whether the status of their bid(s) has changed. This process continues until the end of the auction period, at which point Zions Direct will review the submitted bids and announce the auction winners.

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2. **What type of auction will be used?**

   The auction used is frequently referred to as a modified Dutch auction. See questions 9 and 10 in this section for more detail. The auction is modeled after that used by the U.S. Treasury with a few notable differences. To aid in price discovery, ESOARS auctions are open, meaning that bidders can enter bids, determine if their bids are in the money, and make adjustments, if desired. Treasury auctions are closed, or sealed bid. Also, the Treasury auction allows noncompetitive bids (a buyer agrees to buy a quantity at whatever the market clearing price turns out to be) while ESOARS auctions do not.

3. **When will the auctions be held?**

   Auctions are typically held on the option grant date. See the applicable registration statement, prospectus, prospectus supplement or other offering material or the calendar for specific dates and times for upcoming auctions.

4. **Are there minimum or maximum bid quantities?**

   Minimum or maximum bid quantities may be established for each auction. However, typically the minimum bid quantity will be one unit. The maximum bid quantity may be limited by the bid limit approved by Zions Direct.

5. **Are there minimum or maximum bid prices?**

   The purpose of the ESOARS auction is to discover through market forces the value of the employee stock option grant. However, Zions Direct reserves the right to reject bids, such as bids that are obviously in error or otherwise potentially manipulative of the auction process. See the applicable registration statement, prospectus, prospectus supplement or other offering material for additional information on minimum or maximum bid prices. See also Investors/Bidders, question 1.

6. **How do I place a bid?**

   Bids are submitted through the bid page after logging into the scheduled auction from the calendar page. However, in some circumstances, Zions Direct will accept bids prior to the opening of the auction, by facsimile, e-mail or mail. See the applicable registration statement, prospectus, prospectus supplement or other offering material to determine whether early bids will be accepted. Bidders enter the price and quantity for each bid they wish to submit. After submitting the bid, bidders will be required to review their bid to ensure it is correct. Only after confirming their bid will it become official and binding.

7. **Can I submit more than one bid?**

Each bidder may place up to five separate, concurrent bids. Each bid may be made for different numbers of ESOARS units and for different bid prices. A bidder who has one active bid will be able to bid up to his bid limit in that one bid. However, if a bidder has more than one active bid, the aggregate amount of in the money bids cannot exceed that bidder s bid limit. The bid limit is allocated first to the highest price per unit bid multiplied by the number of EOSARS units bid at that price. Any remaining bid limit is then allocated to the next highest price per unit bid multiplied by the number of ESOARS units bid at that price, and so on until the bid limit assigned to that bidder has been reached. The bids of a bidder who has placed multiple bids may be deemed to be in the money only to the extent that (1) the bid price is at or above the market-clearing price, and (2) the aggregate dollar amount of the multiple bids that are in the money is less than or equal to that bidder s bid limit. In short, the maximum number of ESOARS units that a bidder may be allocated will be those ESOARS units designated as in the money by the website.

8. **Can I lower or retract my bid?**

No. During the auction you may only improve your bid. You improve your bid by increasing the price and/or quantity bid. Once submitted and confirmed, bids are binding and may not be retracted. You may not lower your bid price, lower your bid quantity or revoke your bid. However, if the market-clearing price exceeds your bid price, you may change the bid price and/or the bid quantity.

9. **How are ESOARS priced?**

ESOARS are priced through a competitive, open auction process. The price paid by all winning bidders will be the market-clearing price. The market-clearing price will be the highest price at which all of the ESOARS offered in the auction are sold. Zions Direct will determine this price by moving down the list of accepted bids in descending order of bid price until the total quantity of ESOARS units bid is greater than or equal to the number of ESOARS being offered.

For example, assume that 100,000 ESOARS units are being offered and that the following bidders have bid as follows:

| **Bidder** | **ESOARS Units** | **Bid Price** |
|---|---|---|
| A | 50,000 | $100.00 |
| B | 50,000 | $ 75.00 |
| C | 50,000 | $ 50.00 |

In this example, $100.00 is not the market-clearing price because only 50,000 of the ESOARS Units offered could be sold at that price. Furthermore, $50.00 is not the market-clearing price because, although all of the ESOARS units being offered are sold for prices over $50.00, this is not the highest price at which all of the ESOARS units offered could be sold. Instead, all of the ESOARS units being offered in this example would be sold at the higher price of $75.00. Therefore, $75.00 is the market-clearing price in this example. The entire issue of ESOARS units would be sold at the market-clearing price (similar to the United States Treasury auction). Therefore, in the example above, all of the ESOARS units sold, even those that were bid for at $100.00, would have been sold for $75.00. Prospective investors are cautioned that the market-clearing price may have little or no relationship to the price that would be established using other indicators of value. The scenario above is an example only and should not be considered indicative of an appropriate or likely market-clearing price for ESOARS .

10. **How are ESOARS allocated?**

ESOARS are allocated according to the price bid. Bidders bidding above the market-clearing price will be allocated the entire quantity of ESOARS units for which they bid; however, in no event will a bidder be allowed to purchase more ESOARS units than the lesser of (1) the number of ESOARS units that that bidder s bid limit would purchase and (2) the total number of ESOARS units of that bidder s bid designated as in the money by the auction website. If multiple bidders bid at the market-clearing price, and the total quantity of the ESOARS units for which they have bid exceeds the number of available ESOARS units not allocated to higher bidders, Zions Direct will determine the *pro rata* percentage of the remaining ESOARS units to be allocated to such bidders by dividing:

the number of ESOARS units not allocated to higher bidders, by

the total number of ESOARS units bid for at the market-clearing price.

Zions Direct will then allocate to each bidder a number of the remaining ESOARS units equal to:

the *pro rata* percentage, multiplied by

the number of ESOARS units bid for by each such bidder at the market-clearing price

rounded up to the nearest whole number of ESOARS units.

For example, assume that 100,000 ESOARS units are being offered, and that the following bidders have again bid as follows:

| **Bidder** | **ESOARS Units** | **Bid Price** |
| --- | --- | --- |
| A | 50,000 | $100.00 |
| B | 50,000 | $ 75.00 |
| C | 50,000 | $ 75.00 |

In this example, $75.00 is the market-clearing price because it is the highest price at which all of the ESOARS units offered could be sold. Therefore, Bidder A is allocated all 50,000 ESOARS units bid for. This leaves 50,000 ESOARS units to be allocated to the bidders that bid at the market-clearing price. However, Bidder B and Bidder C bid for an aggregate of 100,000 ESOARS units. Therefore, the remaining 50,000 ESOARS units are allocated on a pro rata basis to Bidder B and Bidder C. In this example, because Bidder B and Bidder C bid identically, each is allocated 25,000 ESOARS units.

In the event that a single bidder bids at the market-clearing price but the available quantity is less than that for which the bidder bid, the bidder will receive the available quantity. If an allocation of ESOARS units to a bidder would result in the issuance of a fractional ESOARS unit to that bidder, then the unit will be rounded up to a whole ESOARS unit.

Zions Direct reserves the right to alter the method of allocation of the ESOARS units as it deems necessary to ensure a fair and orderly distribution.

11. **How do you handle tie bids?**

    See question 10, above.

12. **Is my bid binding?**

    Yes, in general, bids submitted and confirmed by you are binding, unless your bid is below the market-clearing price. See question 8 above.

13. **Why do I have to confirm my bid?**

    Confirmation of your bid gives you an opportunity to verify that you have entered your bid correctly. It will also compute the total dollar amount bid (price times quantity).

14. **How robust is the auction platform?**

    While the auction platform has been subjected to stress testing to confirm its functionality and ability to handle numerous bidders, it is impossible for us to predict the response of the investing public to an offering of ESOARS . Bidders should be aware that if enough bidders try to simultaneously access the platform and submit bids, there may be a delay in receiving and/or processing their bids. Bidders should be aware that auction website capacity limits may prevent last-minute bids from being received by the auction website and should plan their bidding strategy accordingly.

15. **How will I know if I have won?**

    Winning bidders will be identified on the auction website by their user identification number shortly after the auction is finished. Winning bidders will also be notified by phone or email.

16. **Why do you reserve the right to reject bids?**

    Zions Direct may reject a bid to preserve what Zions Direct deems to be the validity of the auction process and the price determined by it.

17. **What is the two-minute rule?**

    If any bid is received in the final two minutes of an auction that would change the allocation of ESOARS units if the auction were closed at such time, the auction will automatically be extended two minutes from the receipt of that bid. There is no limit to the number of two-minute periods by which the auction may be extended.

Please direct questions regarding the website or bidding procedures to the Auction Administrator.
You may also call our Investment Center at 800-524-8875 from 8am to Midnight Eastern Time.
The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1 (800) 524-8875.
Each individual investor must determine whether the ESOARS are a suitable investment based on financial situation, investment objectives, and risk tolerance. There can be no assurance of a trading market for ESOARS. Investing in the ESOARS involves risks.

**ESOARS  Auction Rules**

1. A Bidder that submits Winning Bids is irrevocably obligated to purchase up to the number of Units (which number of Units may be adjusted by the Issuer) for which that Bidder has bid at the Market-Clearing Price. A Bid is not a Winning Bid until formally accepted by the Auction Agent.

2. The Auction Agent is not responsible for technical difficulties that result in loss of a Bidder s internet connection with www.esoars.com, slowness in transmission of Bids through the internet or facsimile or other technical problems.

3. If for any reason a Bidder is disconnected from the auction bid submittal page during an auction after having submitted a Winning Bid, such Winning Bid shall be valid and binding upon that Bidder, unless the Issuer or the Auction Agent exercises its right in its sole and absolute discretion to reject the Bid, as described in the Offering Material.

4. The Auction Agent will not accept a Bid that generates an error message until the error is corrected and that Bid is resubmitted.

5. By participating in the auction, each Bidder accepts, and agrees to abide by, all terms and conditions specified in the Offering Material related to the auction in which the Bidder participates.

6. Only a Bidder who is registered and qualified by the Auction Agent may submit Bids. The Auction Agent reserves right to deny access to the www.esoars.com bidding page to any Bidder, whether or not registered and qualified, at any time and for any reason whatsoever, in its sole and absolute discretion.

7. Neither the Auction Agent nor the Auction Administrator shall be responsible for protecting the confidentiality of a Bidder s www.esoars.com password.

8. A Bidder who submits a Bid by clicking the  Submit Bid  button must confirm that Bid by clicking the  Yes, Submit Bid  button. In general, once a Bidder has submitted and confirmed its Bid, the Bid will be binding and may not be rescinded or revoked.

9. The purpose of this ESOARS  auction is to establish a market value for employee stock options. I certify that I am not bidding in conjunction with any other registered bidder or bidders with the intent to manipulate the final ESOARS  market clearing price.

**Definitions**

**Auction Administrator** - a firm contracted by the Auction Agent to provide auction support in connection with an offering of ESOARS

**Auction Agent** - Zions Direct, Inc., a wholly-owned subsidiary of Zions First National Bank, Salt Lake City, Utah, in its capacity as auction agent for the Issuer with respect to the ESOARS  offered.

**Bid** - any confirmed purchase offer for ESOARS  received by the Auction Agent on or before the auction deadline.

**Bidder(s)** - any entity or inspan registered with www.esoars.com and qualified by the Auction Agent for participation in auctions.

**Early Bids Submission Form** - a form on which Bidder(s) may submit Bids through the Auction Agent by facsimile, email or mail prior to the beginning of the auction, as described in the Issuer s Offering Material.

**ESOARS** - The Issuer s Employee Stock Option Appreciation Rights Securities. A derivative security that derives value from the net value realized from the exercise of specified stock options by Issuer s employees. ESOARS are not stock options.

**Issuer** - the entity intending to issue ESOARS through an auction process and that has engaged the Auction Agent as its agent for such purpose.

**Market-Clearing Price** - The highest price at which all of the ESOARS offered may be allocated.

**Offering Material** - As applicable, the Issuer s most recently-filed prospectus, prospectus supplement or other offering material that describes the ESOARS , the offering thereof and the terms and conditions by which the ESOARS will be offered and the auction will be conducted.

**Unit** - A single ESOARS Unit.

**Winning Bid** - Any Bid for ESOARS made by a Bidder made by clicking the Submit Bid button and by confirming that Bid by clicking the Yes, Submit Bid button, which Bid at the end of the auction is (a) equal to or greater than the Market-Clearing Price and (b) accepted by the Issuer and/or the Auction Agent in their sole and absolute discretion.

Please direct questions regarding the website or bidding procedures to the Auction Administrator.
You may also call our Investment Center at 800-524-8875 from 8am to Midnight Eastern Time.
The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1 (800) 524-8875.
Each individual investor must determine whether the ESOARS are a suitable investment based on financial situation, investment objectives, and risk tolerance. There can be no assurance of a trading market for ESOARS . Investing in the ESOARS involves risks.

12px;color:#000000;font-family:'Arial',Times,serif;">90.00

-10.00%
$9.00
-10.00%
94.00
-6.00%
$9.40
-6.00%
97.00
-3.00%

$9.70
-3.00%
100.00[1]
0.00%
$10.00
0.00%
102.00
2.00%
$10.60
6.00%
104.00
4.00%
$11.20
12.00%
105.00
5.00%
$11.50
15.00%
110.00
10.00%
$12.285[2]
22.85%
120.00
20.00%
$12.285
22.85%
130.00
30.00%
$12.285
22.85%
140.00
40.00%
$12.285
22.85%
150.00
50.00%
$12.285
22.85%
160.00
60.00%
$12.285
22.85%

(1) The Starting Value and Threshold Value were set to 100.00 on the pricing date.
(2) The Redemption Amount per unit cannot exceed the Capped Value.

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**Redemption Amount Calculation Examples**

**Example 1**

The Ending Value is 80.00, or 80.00% of the Starting Value:

Starting Value: 100.00
Ending Value: 80.00

**= $8.00** Redemption Amount per unit

**Example 2**

The Ending Value is 104.00, or 104.00% of the Starting Value:

Starting Value: 100.00
Ending Value: 104.00

**= $11.20** Redemption Amount per unit

**Example 3**

The Ending Value is 130.00, or 130.00% of the Starting Value:

Starting Value: 100.00
Ending Value: 130.00

**= $19.00, however, because the Redemption Amount for the notes cannot exceed the Capped Value, the Redemption Amount will be $12.285 per unit**

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Risk Factors

*There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the "Risk Factors" sections beginning on page PS-6 of product supplement EQUITY INDICES ARN-1, page S-4 of the Series A MTN prospectus supplement, and page 7 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.*

- Depending on the performance of the Basket as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.
- Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity.
- Payments on the notes are subject to our credit risk, and the credit risk of BAC, and actual or perceived changes in our or BAC's creditworthiness are expected to affect the value of the notes. If we and BAC become insolvent or are unable to pay our respective obligations, you may lose your entire investment.
- Your investment return is limited to the return represented by the Capped Value and may be less than a comparable investment directly in the stocks included in the Basket Components.
- We are a finance subsidiary and, as such, will have limited assets and operations.
- BAC's obligations under its guarantee of the notes will be structurally subordinated to liabilities of its subsidiaries.
- The notes issued by us will not have the benefit of any cross-default or cross-acceleration with other indebtedness of BofA Finance or BAC; events of bankruptcy or insolvency or resolution proceedings relating to BAC and covenant breach by BAC will not constitute an event of default with respect to the notes.
- The initial estimated value of the notes considers certain assumptions and variables and relies in part on certain forecasts about future events, which may prove to be incorrect. The initial estimated value of the notes is an estimate only, determined as of a particular point in time by reference to our and our affiliates' pricing models. These pricing models consider certain assumptions and variables, including our credit spreads and those of BAC, BAC's internal funding rate on the pricing date, mid-market terms on hedging transactions, expectations on interest rates and volatility, price-sensitivity analysis, and the expected term of the notes. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect.
- The public offering price you pay for the notes exceeds the initial estimated value. If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than the initial estimated value. This is due to, among other things, changes in the value of the Basket, BAC's internal funding rate, and the inclusion in the public offering price of the underwriting discount and the hedging related charge, all as further described in "Structuring the Notes" on page TS-31. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.
- The initial estimated value does not represent a minimum or maximum price at which we, BAC, MLPF&S or any of our other affiliates would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after issuance will vary based on many factors that cannot be predicted with accuracy, including the performance of the Basket, our and BAC's creditworthiness and changes in market conditions.
- A trading market is not expected to develop for the notes. None of us, BAC or MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.
- BAC and its affiliates' hedging and trading activities (including trades in shares of companies included in the Basket Components) and any hedging and trading activities BAC or its affiliates engage in that are not for your account or on your behalf, may affect the market value and return of the notes and may create conflicts of interest with you.
- Changes in the level of one of the Basket Components may be offset by changes in the level of the other Basket Components. Due to the different Initial Component Weights, changes in the level of some Basket Components will

have a more substantial impact on the value of the Basket than similar changes in the levels of the other Basket Components.

The index sponsors may adjust each Basket Component in a way that affects its level, and the index sponsors have no obligation to consider your interests.

You will have no rights of a holder of the securities included in the Basket Components, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.

While BAC and our other affiliates may from time to time own securities of companies included in the Basket Components, we, BAC and our other affiliates do not control any company included in any Basket Component, and have not verified any disclosure made by any other company.

- Your return on the notes and the value of the notes may be affected by exchange rate movements and factors affecting the international securities markets, specifically changes in the countries represented by the Basket Components. In addition, you will not obtain the benefit of any increase in the value of the currencies in which the securities included in the Basket Components trade against the U.S. dollar, which you would have received if you had owned the securities represented by the Basket Components during the term of your notes, although the levels of the Basket Components may be adversely affected by general exchange rate movements in the market.
- There may be potential conflicts of interest involving the calculation agent, which is an affiliate of ours. We have the right to appoint and remove the calculation agent.
- The U.S. federal income tax consequences of the notes are uncertain, and may be adverse to a holder of the notes. See "Summary Tax Consequences" below and "U.S. Federal Income Tax Summary" beginning on page PS-26 of product supplement EQUITY INDICES ARN-1.

Other Terms of the Notes

**Market Measure Business Day**

The following definition shall supersede and replace the definition of a "Market Measure Business Day" set forth in product supplement EQUITY INDICES ARN-1.

A "Market Measure Business Day" means a day on which:

(A) each of the Eurex (as to the EURO STOXX 50® Index), the London Stock Exchange (as to the FTSE® 100 Index), the Tokyo Stock Exchange (as to the Nikkei Stock Average Index), the SIX Swiss Exchange (as to the Swiss Market Index), the Australian Stock Exchange (as to the S&P/ASX 200 Index), and the Hong Kong Stock Exchange (as to the Hang Seng® Index) (or any successor to the foregoing exchanges) are open for trading; and

(B) the Basket Components or any successors thereto are calculated and published.

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Linked to an International Equity Index Basket, due January 31, 2020

The Basket

The Basket is designed to allow investors to participate in the percentage changes in the levels of the Basket Components from the Starting Value to the Ending Value of the Basket. The Basket Components are described in the section The Basket Components below. Each Basket Component was assigned an initial weight on the pricing date, as set forth in the table below.

For more information on the calculation of the value of the Basket, please see the section entitled Description of ARNs-Basket Market Measures" beginning on page PS-21 of product supplement EQUITY INDICES ARN-1.

On the pricing date, for each Basket Component, the Initial Component Weight, the closing level, the Component Ratio and the initial contribution to the Basket value were as follows:

| **Basket Component** | **Bloomberg Symbol** | **Initial Component Weight** | **Closing Level(1)** | **Component Ratio(2)** | **Initial Basket Value Contribution** |
|---|---|---|---|---|---|
| EURO STOXX 50® Index | SX5E | 40.00% | 3,174.16 | 0.01260176 | 40.00 |
| FTSE® 100 Index | UKX | 20.00% | 7,038.95 | 0.00284133 | 20.00 |
| Nikkei Stock Average Index | NKY | 20.00% | 22,262.60 | 0.00089837 | 20.00 |
| Swiss Market Index | SMI | 7.50% | 9,015.59 | 0.00083189 | 7.50 |
| S&P/ASX 200 Index | AS51 | 7.50% | 5,758.416 | 0.00130244 | 7.50 |
| Hang Seng® Index | HSI | 5.00% | 26,451.03 | 0.00018903 | 5.00 |
| | | | | **Starting Value** | 100.00 |

(1) These were the closing levels of the Basket Components on the pricing date.

(2) Each Component Ratio equals the Initial Component Weight of the relevant Basket Component (as a percentage) multiplied by 100, and then divided by the closing level of that Basket Component on the pricing date and rounded to eight decimal places.

The calculation agent will calculate the value of the Basket by summing the products of the closing level for each Basket Component on each calculation day during the Maturity Valuation Period and the Component Ratio applicable to such Basket Component. If a Market Disruption Event occurs as to any Basket Component on any scheduled calculation day, the closing level of that Basket Component will be determined as more fully described beginning on page PS-18 of product supplement EQUITY INDICES ARN-1 in the section Description of ARNs The Starting Value and the Ending Value—Ending Value."

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***While actual historical information on the Basket did not exist before the pricing date, the following graph sets forth the hypothetical historical daily performance of the Basket from January 1, 2008 through November 29, 2018. The graph is based upon actual daily historical levels of the Basket Components, hypothetical Component Ratios based on the closing levels of the Basket Components as of December 31, 2007, and a Basket value of 100.00 as of that date. This hypothetical historical data on the Basket is not necessarily indicative of the future performance of the Basket or what the value of the notes may be. Any hypothetical historical upward or downward trend in the value of the Basket during any period set forth below is not an indication that the value of the Basket is more or less likely to increase or decrease at any time over the term of the notes.***

**Hypothetical Historical Performance of the Basket**

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The Basket Components
All disclosures contained in this term sheet regarding the Basket Components, including, without limitation, their make-up, method of calculation, and changes in their components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by each of STOXX Limited ( STOXX ) with respect to the EURO STOXX 50® Index (the SX5E ), FTSE International Limited ( FTSE ) with respect to the FTSE® 100 Index (the UKX ), Nikkei Inc. ( Nikkei ) with respect to the Nikkei Stock Average Index (the NKY ), the Geneva, Zurich, SIX Group Ltd., certain of its subsidiaries, and the Management Committee of the SIX Swiss Exchange (the SIX Exchange ), with respect to the Swiss Market Index (the SMI ), S&P with respect to the S&P/ASX 200 Index (the AS51 ), and HSI Services Limited ( HSIL ) with respect to the Hang Seng® Index (the HSI ) (STOXX, FTSE, Nikkei, S&P, Six Exchange and HSIL together, the index sponsors ). The index sponsors have no obligation to continue to publish, and may discontinue or suspend the publication of any Basket Component at any time. The consequences of any index sponsor discontinuing publication of a Basket Component are discussed in the section entitled Description of the Notes—Discontinuance of an Index beginning on page PS-21 of product supplement EQUITY INDICES ARN-1 on page PS-19 entitled Description of ARNs - Discontinuance of an Index . None of us, BAC, the calculation agent, or MLPF&S accepts any responsibility for the calculation, maintenance, or publication of any Basket Component or any successor index.

**The EURO STOXX 50® Index**

The SX5E was created by STOXX, which is part of the Deutsche Börse Group. Publication of the SX5E began in February 1998, based on an initial SX5E level of 1,000 at December 31, 1991. On March 1, 2010, STOXX announced the removal of the Dow Jones prefix from all of its indices, including the SX5E.

**SX5E Composition and Maintenance**

For each of the 19 EURO STOXX regional supersector indices, the stocks are ranked in terms of free-float market capitalization. The largest stocks are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalization of the corresponding supersector index. If the next highest-ranked stock brings the coverage closer to 60% in absolute terms, then it is also added to the selection list. All current stocks in the SX5E are then added to the selection list. All of the stocks on the selection list are then ranked in terms of free-float market capitalization to produce the final index selection list. The largest 40 stocks on the selection list are selected; the remaining 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60; if the number of stocks selected is still below 50, then the largest remaining stocks are selected until there are 50 stocks. In exceptional cases, STOXX’s management board can add stocks to and remove them from the selection list.
The SX5E components are subject to a capped maximum index weight of 10%, which is applied on a quarterly basis.
The composition of the SX5E is reviewed annually, based on the closing stock data on the last trading day in August. Changes in the composition of the SX5E are made to ensure that the SX5E includes the 50 market sector leaders from within the SX5E.
The free float factors for each component stock used to calculate the SX5E, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.
The SX5E is subject to a fast exit rule. The SX5E components are monitored for any changes based on the monthly selection list ranking. A stock is deleted from the SX5E if: (a) it ranks 75 or below on the monthly selection list and (b) it has been ranked 75 or below for a consecutive period of two months in the monthly selection list. The highest-ranked stock that is not an index component will replace it. Changes will be implemented on the close of the fifth trading day of the month, and are effective the next trading day.
The SX5E is also subject to a fast entry rule. All stocks on the latest selection lists and initial public offering (IPO) stocks are reviewed for a fast-track addition on a quarterly basis. A stock is added, if (a) it qualifies for the latest STOXX blue-chip selection list generated end of February, May, August or November and (b) it ranks within the lower buffer on this selection list.
The SX5E is also reviewed on an ongoing monthly basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the SX5E composition are announced

immediately, implemented two trading days later and become effective on the next trading day after implementation.

**SX5E Calculation**

The SX5E is calculated with the Laspeyres formula, which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the SX5E value can be expressed as follows:

The free float market capitalization of the SX5E is equal to the sum of the product of the price, the number of shares and the free float factor and the weighting cap factor for each component stock as of the time the SX5E is being calculated.

The SX5E is also subject to a divisor, which is adjusted to maintain the continuity of the SX5E values across changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

Neither we nor any of our affiliates, including the selling agent, accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the SX5E or any successor to the SX5E. STOXX does not guarantee the accuracy or the completeness of the SX5E or any data included in the SX5E. STOXX assumes no liability for any errors, omissions, or disruption in the calculation and dissemination of the SX5E. STOXX disclaims all responsibility for any errors or omissions in the calculation and dissemination of the SX5E or the manner in which the SX5E is applied in determining the amount payable on the notes at maturity.

***The following graph shows the daily historical performance of the SX5E in the period from January 1, 2008 through November 29, 2018. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the SX5E was 3,174.16.***

**Historical Performance of the EURO STOXX 50® Index**

***This historical data on the SX5E is not necessarily indicative of the future performance of the SX5E or what the value of the notes may be. Any historical upward or downward trend in the level of the SX5E during any period set forth above is not an indication that the level of the SX5E is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the SX5E.

**License Agreement**

One of our affiliates has entered into a non-exclusive license agreement with STOXX providing for the license to it and certain of its affiliated companies, including us, in exchange for a fee, of the right to use indices owned and published by STOXX (including the SX5E) in connection with certain securities, including the notes offered hereby. The license agreement requires that the following language be stated in this document:

STOXX and its licensors (the Licensors ) have no relationship to us, other than the licensing of the SX5E and the related trademarks for use in connection with the notes. STOXX and its Licensors do not:

- sponsor, endorse, sell, or promote the notes;
- recommend that any person invest in the notes offered hereby or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount, or pricing of the notes;
- have any responsibility or liability for the administration, management, or marketing of the notes; or
- consider the needs of the notes or the holders of the notes in determining, composing, or calculating the SX5E, or have any obligation to do so.

**STOXX and its Licensors will not have any liability in connection with the notes. Specifically:**

- **STOXX and its Licensors do not make any warranty, express or implied, and disclaims any and all warranty concerning:**
- **the results to be obtained by the notes, the holders of the notes or any other person in connection with the use of the SX5E and the data included in the SX5E;**
- **the accuracy or completeness of the SX5E and its data;**
- **the merchantability and the fitness for a particular purpose or use of the SX5E and its data;**
- **STOXX and its Licensors will have no liability for any errors, omissions, or interruptions in the SX5E or its data; and**
  - **Under no circumstances will STOXX be liable for any lost profits or indirect, punitive, special, or consequential damages or losses, even if STOXX or its Licensors know that they might occur.**

The licensing agreement discussed above is solely for our benefit and that of STOXX, and not for the benefit of the holders of the notes or any other third parties.

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**The FTSE® 100 Index**

The FTSE® 100 Index (the UKXis)a market capitalization-weighted index of the 100 most highly capitalized U.K.-listed blue chip companies traded on the London Stock Exchange. The UKX was developed with a base level of 1,000 as of December 30, 1983. It is calculated, published and disseminated by FTSE Russell ( FTSE ), a company owned by the London Stock Exchange Plc (the Exchange ).

Additional information on the FTSE® 100 Index is available from the following website: ftse.com/uk. We are not incorporating by reference that website or any material it includes in this document.

***Index Composition and Selection Criteria***

The UKX consists of the 100 largest U.K.-listed blue chip companies, based on full market capitalization, that pass screening tests for price and liquidity. The UKX is reviewed on a quarterly basis in March, June, September and December based on data from the close of business on the Tuesday before the first Friday of the review month. The FTSE Europe, Middle East & Africa Regional Advisory Committee (the Committee ), meets quarterly to approve the constituents of the UKX. These meetings are held on the Wednesday before the first Friday in March, June, September and December. Any constituent changes are implemented after the close of business on the third Friday of the review month (i.e., effective Monday), following the expiration of the London International Financial Futures and Options Exchange futures and options contracts.

***Eligibility Standards***

Only premium listed equity shares, as defined by the Financial Conduct Authority in its Listing Rules Sourcebook, are eligible for inclusion in the UKX. Eligible stocks must pass price and liquidity screens before being included in the UKX. Additionally, a stock must have a free float (as described below) of greater than 5%.

*Price Screen* — With regard to the price screen, the Committee must be satisfied that an accurate and reliable price exists for purposes of determining the market value of a company. To be eligible for inclusion in the UKX, a stock must have a full listing on the London Stock Exchange with a Sterling-denominated price on SETS (the London Stock Exchange's trading service for UK blue chip securities).

*Minimum Voting Rights Screen* — Companies are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders in order to be eligible for index inclusion. Current constituents who do not meet this requirement will have until the September 2022 review to meet the requirement or they will be removed from the index.

*Liquidity Screen* — With regard to liquidity, each eligible stock is tested for liquidity annually in June by calculating its median daily trading per month. When calculating the median of daily trades per month of any security, a minimum of five trading days in each month must exist, otherwise the month is excluded from the test. Liquidity is tested from the first business day in May of the previous year to the last business day of April. The median trade is calculated by ranking each daily trade total and selecting the middle-ranking day. Any period of suspension is not included in the test. The liquidity test is applied on a pro-rata basis where the testing period is less than 12 months. A stock not presently included in the UKX that does not turnover at least 0.025% of its shares in issue (after application of any investability weightings) based on its median daily trade per month in at least ten of the 12 months prior to the annual index review in June will not be eligible for inclusion until the next annual review. An existing constituent failing to trade at least 0.015% of its shares in issue (after the application of any investability weightings) based on its median daily trade per month for at least eight of the 12 months prior to the annual index review will be removed from the UKX and will not be eligible for inclusion until the next annual review. New issues will become eligible for inclusion in the UKX at the quarterly review following their issuance provided that they have a minimum trading record of at least 20 trading days prior to the review date and that they have turned over at least 0.025% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month since listing.

*Market Capitalization Ranking* — Eligible stocks that pass the price and liquidity screens are ranked by the Committee according to their market capitalization before the application of any adjustments based on the extent to which the shares are publicly traded. Only the quoted equity capital of a constituent company will be included in the calculation of its market capitalization. Where a company has two or more classes of equity, secondary lines will be included in the calculation of the market capitalization of the company only if those lines are significant and liquid. The Committee will add a stock to the UKX at the quarterly review if it has risen to 90th place or above on the full market capitalization rankings and will delete a stock at the quarterly review if it has fallen to 111th place or below on these rankings. Market capitalization rankings are calculated using data as of the close of business on the day before the review.

*100 Constituent Limitation* — The UKX always contains 100 constituents. If a greater number of companies qualify to be inserted in the UKX than qualify to be removed, the lowest ranking constituents of the UKX will be removed so that the total number of stocks remains at 100 following inclusion of those that qualify to be inserted. Likewise, if a greater number of companies qualify to be removed than to be inserted at the quarterly review, securities of the highest ranking companies that are then not included in the UKX will be inserted to match the number of companies being removed, in order to maintain the total at 100.

***Index Calculation***

The UKX is a market capitalization weighted index. This means that the price movement of a larger company (that is, one representing larger percentage of the UKX) will have a greater effect on the level of the UKX than will the price movement of a smaller company (that is, one representing a smaller percentage of the UKX).

The value of the UKX is represented by a fraction, (a) the numerator of which is the *sum* of the *product* of (i) the price of each component stock, (ii) the number of shares issued for each such component and (iii) a free float factor for each such component (described more fully below), and (b) the denominator of which is a divisor. The divisor represents the total issued share capital of the

UKX on the base date; the divisor may be adjusted as necessary to allow for changes in issued share capital of individual securities without distorting the UKX.

As noted above, a free float factor is applied to each index component. By employing this approach, FTSE uses the investable market capitalization, not the total market capitalization, of each constituent to determine the value of the UKX. Investable market capitalization depends on free float. The following are excluded from free float: shares directly owned by state, regional, municipal and local governments (excluding shares held by independently managed pension schemes for governments); shares held by sovereign wealth funds where each holding is 10% or greater of the total number of shares in issue (if the holding subsequently decreases below 10%, the shares will be excluded from free float until the holding falls below 7%); shares held by directors, senior executives and managers of the company, and by their family and direct relations, and by companies with which they are affiliated; shares held within employee share plans; shares held by public companies or by non-listed subsidiaries of public companies; shares held by founders, promoters, former directors, founding venture capital and private equity firms, private companies and individuals (including employees) where the holding is 10% or greater of the total number of shares in issue (if the holding subsequently decreases below 10%, the shares will be excluded from free float until the holding falls below 7%); all shares where the holder is subject to a lock-in clause (for the duration of that clause, after which free float changes resulting from the expiration of a lock-in clause will be implemented at the next quarterly review subsequent to there being a minimum of 20 business days between the expiration date of such lock-in clause and the index review date); shares held for publicly announced strategic reasons, including shares held by several holders acting in concert; and shares that are subject to ongoing contractual agreements (such as swaps) where they would ordinarily be treated as restricted.

The UKX is recalculated whenever errors or distortions occur that are deemed to be significant. Users of the UKX are notified through appropriate media.

***Index Maintenance***

The UKX is reviewed quarterly for changes in free float. A stock's free float is also reviewed and adjusted if necessary following certain corporate events. Following a takeover or merger involving one or more index constituents, the free float restrictions will be based on restricted holdings in the successor company and will be implemented when the offer has completed (or lapsed) unless it directly reflects a corporate action independent of and not conditional on the takeover or merger completing or lapsing. If the corporate event includes another corporate action that affects the UKX, a change in free float is implemented at the same time as the corporate action. If there is no corporate action, the change in free float will be applied at the next quarterly review. Following the application of an initial free float restriction, a stock's free float will only be changed if its rounded free float moves more than three percentage points above or below the existing rounded free float. Companies with a free float of above 99% and of 15% or below will not be subject to the three percentage points threshold.

At each quarterly review, the Committee publishes a Reserve List containing the six highest ranking non-constituents of the UKX. The Reserve List will be used in the event that one or more constituents are deleted from the UKX during the period up to the next quarterly review. If a merger or takeover results in one index constituent being absorbed by another constituent, the resulting company will remain a constituent and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security in the Reserve List as at the close of the index calculation two days prior to the deletion and related index adjustment. If an index constituent is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent on the Reserve List. Any eligible company resulting from the takeover will be eligible to become the replacement company if it is ranked higher than any other company on the Reserve List. If a constituent company is split to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents, based on their respective full market capitalizations (before the application of any investability weightings), provided that they qualify in all other respects. Any eligible company resulting from a split that has no available market price after 20 business days will be removed. If a split results in the inclusion of an ineligible non-equity security, such security will remain in the UKX for two trading days and then be removed. If a constituent is delisted or ceases to have a firm quotation, it will be removed from the list of constituents and be replaced by the highest ranking eligible company from the Reserve List as at the close of the index calculation two days prior to the deletion.

***Capitalization Adjustments***

A premium listed secondary line of a company will be considered for index inclusion if its total market capitalization before the application of any adjustments based on the extent to which the shares are publicly traded, is greater than 25% of the total market capitalization of the company's principal line and the secondary line is eligible, in its own right. Should the total market capitalization of a secondary line fall below 20% of the total market capitalization of the company's principal line at an annual review, the secondary line will be deleted from the UKX unless its total market capitalization remains above the qualification level for continued inclusion as a constituent of the UKX at that review. Where a company has partly paid shares, these shares, together with the outstanding call(s), are both included in the UKX. Warrants to purchase ordinary shares and convertible securities are not included in the UKX until they are exercised or converted.

*Share Weighting Changes* — For the purposes of computing the UKX, the number of shares in issue for each constituent security is expressed to the nearest share and, to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the index system changes by more than 1% on a cumulative basis. Changes will be made quarterly after the close of business on the third Friday of March, June, September and December. The data for these changes will be taken from the close of business on the third Wednesday of the month prior to the review month.

If a corporate action is applied to a constituent, which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action. If accumulated changes in the number of shares in issue add up to 10% or more or when an accumulated share change represents $2 billion of a company's total market capitalization, they are implemented between quarters. If an adjustment is made, it will be applied for the first time at the next review in March of the following year. All adjustments are made before the start of the index calculation on the day concerned, unless market conditions prevent this.

*Shares in Issue Increase* — When a company increases the number of shares it has in issue, the market capitalization of that company increases and the total market capitalization will rise accordingly. The index divisor is adjusted to maintain a constant index value.

*Weighting Amendments — The market capitalization of a company is adjusted to take account of various corporate actions, in accordance with the rules of the UKX. To prevent the value of the UKX from changing due to such an event, all corporate actions which affect the market capitalization of the UKX require an offsetting divisor adjustment. By adjusting the divisor, the value of the UKX remains constant before and after the event. Below is a summary of the more frequent corporate actions and their resulting adjustment.*

***Market Disruption***

If there is a system problem or situation in the market that is judged by FTSE to affect the quality of the constituent prices at any time when the UKX is being calculated, the UKX will be declared indicative (e.g., normally where a fast market exists in the equity market). The message IND will be displayed against the index value calculated by FTSE. The Committee must be satisfied that an accurate and reliable price for the purposes of determining the market value of a company exists. The Committee may exclude a security from the UKX should it consider that an accurate and reliable price is not available.

If any event leads to an error in the value of the UKX that is greater than three basis points at the local country index level, then the UKX will generally be recalculated, subject to discovery, within one month of the event. Where an alternative approach is available, FTSE may, at its sole discretion, choose not to recalculate.

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***The following graph shows the daily historical performance of the UKX in the period from January 1, 2008 through November 29, 2018. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the UKX was 7,038.95.***

**Historical Performance of the FTSE® 100 Index**

***This historical data on the UKX is not necessarily indicative of the future performance of the UKX or what the value of the notes may be. Any historical upward or downward trend in the level of the UKX during any period set forth above is not an indication that the level of the UKX is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the UKX.

**License Agreement**

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**The Nikkei Stock Average Index**

The Index, also known as the Nikki 225 Index, is an equity index calculated, published, and disseminated by Nikkei Inc. The Index measures the composite price performance of selected Japanese stocks. The Index is currently based on 225 stocks (each, an Index Stock ) trading on the Tokyo Stock Exchange ( TSE ) and represents a broad cross-section of Japanese industry. All 225 of the Index Stocks are listed in the First Section of the TSE. Index Stocks listed in the First Section are among the most actively traded stocks on the TSE. The Index started on September 7, 1950. However, it was retroactively calculated back to May 16, 1949, when the TSE reopened for the first time after World War II.

**Calculation of the Index**

The Index is a modified, price-weighted index. Each Index Stock's weight is based on its price per share rather than the total market capitalization of the issuer. Nikkei Inc. calculates the Index by multiplying the per share price of each Index Stock by the corresponding weighting factor for that Index Stock (a Weight Factor ), calculating the sum of all these products and dividing that sum by a divisor. The divisor is subject to periodic adjustments as set forth below. Each Weight Factor is computed by dividing 50 by the presumed par value of the relevant Index Stock, so that the share price of each Index Stock when multiplied by its Weight Factor corresponds to a share price based on a uniform par value of 50. Each Weight Factor represents the number of shares of the related Index Stock which are included in one trading unit of the Index. The stock prices used in the calculation of the Index are those reported by a primary market for the Index Stocks, currently the TSE. The level of the Index is currently calculated once per 15 seconds during TSE trading hours.

In order to maintain continuity in the level of the Index in the event of certain changes due to non-market factors affecting the Index Stocks, such as the addition or deletion of stocks, stock splits, or increase in paid-in capital, the divisor used in calculating the Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Index. The divisor remains at the new value until a further adjustment is necessary as the result of another change. In the event of a change affecting any Index Stock, the divisor is adjusted in such a way that the sum of all share prices immediately after the change multiplied by the applicable Weight Factor and divided by the new divisor, i.e., the level of the Index immediately after the change, will equal the level of the Index immediately prior to the change.

**Index Maintenance**

The Index is reviewed annually at the beginning of October. The purpose of the review is to maintain the representative nature of the Index Stocks. Stocks with high market liquidity are added and those with low liquidity are deleted. At the same time, to take changes in industry structure into account, the balance of the sectors, in terms of the number of constituents, is considered. Liquidity of a stock is assessed by the two measures: trading value and magnitude of price fluctuation by volume, which is calculated as (high price/low price) / volume. Among stocks on the TSE First Section, the top 450 stocks in terms of liquidity are selected to form the high liquidity group . Those constituents that are not in the high liquidity group are deleted. Those non-constituent stocks which are in the top 75 of the high liquidity group are added.

After the liquidity deletions and additions, constituents are deleted and added to balance the number of constituents among sectors, and to make the total number of the constituents equal 225. Among the 450 high liquidity stocks, half of those that belong to a sector are designated as the appropriate number of stocks for that sector. The actual number of constituents in a sector is then compared with its appropriate number, and if the actual number is larger or smaller than the appropriate number, then components are deleted or added, as necessary. Stocks to be deleted are selected from stocks with lower liquidity and stocks to be added are selected from stocks with higher liquidity. Stocks selected according to the foregoing procedures are candidates for addition or deletion, as applicable, and the final determinations will be made by Nikkei Inc.

The Index is also reviewed on an ongoing basis in response to extraordinary developments, such as bankruptcies or mergers. Any stock becoming ineligible for listing in the TSE First Section due to any of the following reasons will be removed from the Index: (i) bankruptcy and liquidation events; (ii) corporate restructurings, such as mergers, share exchanges or share transfers; (iii) excess debt or other reasons; or (iv) transfer to the TSE Second Section. In addition, a component stock designated as security under supervision becomes a deletion candidate. However, the decision to delete such a candidate will be made by examining the sustainability and the probability of delisting for each individual case. Upon deletion of a stock from the Index, Nikkei Inc. will generally select as a replacement the most liquid stock that is both in the high liquidity group and in the same sector as the deleted stock. When deletions are known in advance, replacements may be selected as part of the periodic review process or by using similar procedures.

*The Tokyo Stock Exchange*

The TSE is one of the world's largest securities exchanges in terms of market capitalization. Trading hours for most products listed on the TSE are currently from 9:00 A.M. to 11:00 A.M. and from 12:30 P.M. to 3:00 P.M., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day, the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the Index on a trading day will generally be available in the U.S. by the opening of business on the same calendar day.

The TSE has adopted certain measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. These price floors and ceilings are expressed in absolute Japanese yen, rather than percentage limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a special bid quote or a special asked quote for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter-orders and balance supply and demand for the stock. The TSE may also suspend the trading of individual stocks in certain limited and extraordinary circumstances, including, for example, unusual trading activity in that stock. As a result, changes in the Index may be limited by price limitations or special quotes, or by suspension of trading, on individual stocks that make up the Index, and these limitations, in turn, may adversely affect the market value of the notes.

***The following graph shows the daily historical performance of the NKY in the period from January 1, 2008 through November 29, 2018. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the NKY was 22,262.60.***

**Historical Performance of the Nikkei Stock Average Index**

***This historical data on the NKY is not necessarily indicative of the future performance of the NKY or what the value of the notes may be. Any historical upward or downward trend in the level of the NKY during any period set forth above is not an indication that the level of the NKY is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the NKY.

**License Agreement**

We have entered into an agreement with Nikkei Inc. providing us with a non-exclusive license with the right to use the Index in exchange for a fee. The Index is the intellectual property of Nikkei Inc. (the index sponsor ), formerly known as Nihon Keizai Shimbum, Inc. Nikkei , Nikkei Stock Average , and Nikkei 225 are the service marks of Nikkei Inc. Nikkei Inc. reserves all the rights, including copyright, to the Index.

The notes are not in any way sponsored, endorsed or promoted by the index sponsor. The index sponsor does not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figure as which the NKY stands at any particular day or otherwise. The NKY is compiled and calculated solely by the index sponsor. However, the index sponsor shall not be liable to any person for any error in the NKY and the index sponsor shall not be under any obligation to advise any person, including a purchaser or seller of the notes, of any error therein.

In addition, the index sponsor gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the NKY.

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**The Swiss Market Index**

The Swiss Market Index (the SMI ):

- was first launched with a base level of 1,500 as of June 30, 1988; and
- is sponsored, calculated, published and disseminated by SIX Group Ltd., certain of its subsidiaries, and the Management Committee of SIX Swiss Exchange.

The SMI is a price return float-adjusted market capitalization-weighted index of the 20 largest stocks traded on the SIX Swiss Exchange. The Management Committee of SIX Swiss Exchange is supported by an Index Commission (advisory board) in all index-related matters, notably in connection with changes to the index rules and adjustments, additions and exclusions outside of the established review and acceptance period. The Index Commission meets at least twice annually.

Information regarding the SMI may be found on SIX Exchange's website. Please note that information included in that website is not included or incorporated by reference in this document.

***Index Composition and Selection Criteria***

The SMI is comprised of the 20 highest ranked stocks traded on the SIX Swiss Exchange that have a free float of 20% or more and that are not investment companies. The equity universe is largely Swiss domestic companies; however, in some cases, foreign issuers with a primary listing on the SIX Swiss Exchange or investment companies that do not hold any shares of any other eligible company and that have a primary listing on the SIX Swiss Exchange may be included.

The ranking of each security is determined by a combination of the following criteria:

- average free-float market capitalization (compared to the capitalization of the entire SIX Swiss Exchange index family), and
- cumulative on order book turnover (compared to the total turnover of the SIX Swiss Exchange index family).

Each of these two factors is assigned a 50% weighting in ranking the stocks eligible for the SMI.

The SMI is reconstituted annually after prior notice of at least two months on the third Friday in September after the close of trading.

The reconstitution is based on data from the previous July 1 through June 30. Provisional interim selection (ranking) lists are also published following the end of the third, fourth and first financial quarters.

In order to reduce turnover, an index constituent will not be replaced unless it is ranked below 23 or, if it is ranked 21 or 22, if another share ranks 18 or higher. If a company has primary listings on several exchanges and less than 50% of that company's total turnover is generated on the SIX Swiss Exchange, it will not be included in the SMI unless it ranks at least 18 or better on the selection list on the basis of its turnover alone (i.e., without considering its free float).

***Maintenance of the Index***

*Constituent Changes*. In the case of major market changes as a result of capital events such as mergers or new listings, the Management Committee of SIX Swiss Exchange can decide at the request of the Index Commission that a security should be admitted to the SMI outside the annual review period as long as it clearly fulfills the criteria for inclusion. For the same reasons, a security can also be excluded if the requirements for admission to the SMI are no longer fulfilled. As a general rule, extraordinary acceptances into the SMI take place after a three-month period on a quarterly basis after the close of trading on the third Friday of March, June, September and December (for example, a security listed on or before the fifth trading day prior to the end of November cannot be included until the following March). An announced insolvency is deemed to be an extraordinary event and the security will be removed from the SMI with five trading days' prior notice if the circumstances permit such notice.

*Capped Weightings and Intra-Quarter Breaches*. The weight of any index constituent that exceeds a weight of 18% within the index is reduced to that value at each quarterly index review by applying a capping factor to the calculation of such constituent's free float market capitalization. A constituent's number of shares and free float market capitalization are used to determine its capping factor. The excess weight (the difference of the original weight minus the capped weight) is distributed proportionally across the other index constituents. The constituents are also capped to 18% as soon as two index constituents exceed a weight of 20% (an intra-quarter breach ). If an intra-quarter breach is observed after the close of the markets, a new calculation of the capping factors is executed immediately and communicated to the market in order to ensure that the maximum weight per constituent is capped at 18% for the opening on the next day. In order to achieve a capped weighting of the index without causing market distortion, a stepwise reduction is conducted based on the quarterly index reviews to ensure that no change in the weight (as a result of capping) from one review to the next exceeds 3%. The transition period is in effect until no component has a weight larger than 18%. In the case of an intra-quarter breach, the weights are limited to the last defined weights as of the prior review.

*Number of Shares and Free Float*. The securities included in the SMI are weighted according to their free float. This means that shares deemed to be in firm hands are subtracted from the total market capitalization of that company. The free float is calculated on the basis of outstanding shares. Issued and outstanding equity capital is, as a rule, the total amount of equity capital that has been fully subscribed and wholly or partially paid in and documented in the Commercial Register. Not counting as issued and outstanding equity capital are the approved capital and the conditional capital of a company. The free float is calculated on the basis of listed shares only. If a company offers several different categories of listed participation rights, each is treated separately for purposes of index calculation.

Shares held deemed to be in firm hands are shareholdings that have been acquired by one person or a group of persons in companies domiciled in Switzerland and which, upon exceeding 5%, have been reported to SIX Swiss Exchange. Shares of persons and groups of persons who are subject to a shareholder agreement which is binding for more than 5% of the listed shares or who, according to publicly known facts, have a long-term interest in a company, are also deemed to be in firm hands.

For the calculation of the number of shares in firm hands, SIX Swiss Exchange may also use other sources than the reports submitted to it. In particular, SIX Swiss Exchange may use data gained from issuer surveys that it conducts itself.

In general, shares held by custodian nominees, trustee companies, investment funds, pension funds and investment companies are deemed free-floating regardless whether a report has been made to SIX Swiss Exchange. SIX Swiss Exchange classifies at its own discretion persons and groups of persons who, because of their area of activity or the absence of important information, cannot be clearly assigned.

The free-float rule applies only to bearer shares and registered shares. Capital issued in the form of participation certificates and bonus certificates is taken into full account in calculating the SMI because it does not confer voting rights.

The number of securities in the SMI and the free-float factors are adjusted after the close of trading on four adjustment dates per year, the third Friday of March, June, September and December. Such changes are pre-announced at least one month before the adjustment date, although the index sponsor reserves the right to take account of recent changes before the adjustment date in the actual adjustment, so the definite new securities are announced five trading days before the adjustment date.

In order to avoid frequent slight changes to the weighting and to maintain the stability of the SMI, any extraordinary change of the total number of outstanding securities or the free float will only result in an extraordinary adjustment if it exceeds 10% and 5% respectively and is in conjunction with a corporate action.

After a takeover, SIX Swiss Exchange may, in exceptional cases, adjust the free float of a company upon publication of the end results after a five-day notification period or may exclude the security from the relevant index family. When an insolvency has been announced, an extraordinary adjustment will be made and the affected security will be removed from the SMI after five trading days' notice.

The index sponsor reserves the right to make an extraordinary adjustment, in exceptional cases, without observing the notification period.

***Calculation of the Index***

The index sponsor calculates the SMI using the Laspeyres formula, with a weighted arithmetic mean of a defined number of securities issues. The formula for calculating the index value can be expressed as follows:

$$\text{Index} = \frac{\text{Free Float Market Capitalization of the index}}{\text{Divisor}}$$

The free float market capitalization of the index is equal to the sum of the product of the last-paid price, the number of shares, the free-float factor, the capping factor and, if a foreign stock is included, the current CHF exchange rate as of the time the index value is being calculated. The index value is calculated in real time and is updated whenever a trade is made in a component stock. Where any index component stock price is unavailable on any trading day, SIX Swiss Exchange will use the last reported price for such component stock. Only prices from the SIX Swiss Exchange's electronic order book are used in calculating the SMI.

***Divisor Value and Adjustments***

The divisor is a technical number used to calculate the SMI and is adjusted to reflect changes in market capitalization due to corporate events, and is adjusted by SIX Swiss Exchange to reflect corporate events, as described in the index rules.

***The following graph shows the daily historical performance of the SMI in the period from January 1, 2008 through November 29, 2018. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the SMI was 9,015.59.***

**Historical Performance of the Swiss Market Index**

***This historical data on the SMI is not necessarily indicative of the future performance of the SMI or what the value of the notes may be. Any historical upward or downward trend in the level of the SMI during any period set forth above is not an indication that the level of the SMI is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the SMI.

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SIX®, SIX Swiss Exchange®, SPI®, Swiss Performance Index (SPI)®, SPI EXTRA®, SMI®, Swiss Market Index® (SMI)®, SMIM®, SMI MID (SMIM)®, SMI Expanded®, SXI®, SXI LIFE SCIENCES®, SXI Bio+Medtech®, SBI®, SBI Swiss Bond Index®, VSMI®, SIX Immobilienfonds Index® and SIX Quotematch® are trademarks that have been registered in Switzerland and/or abroad by the SIX Swiss Exchange. Their use is subject to a license.

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**The S&P/ASX 200 Index**

The S&P/ASX 200 Index (the AS51 ):

- was first launched in 1979 by the Australian Securities Exchange and was acquired and re-launched by its current index sponsor on April 3, 2000; and
- is sponsored, calculated, published and disseminated by S&P Dow Jones Indices LLC, a part of McGraw Hill Financial ( S&P ).

The AS51 includes 200 companies and covers approximately 80% of the Australian equity market by market capitalization. As discussed below, the AS51 is not limited solely to companies having their primary operations or headquarters in Australia or to companies having their primary listing on the Australian Securities Exchange (the ASX ). All ordinary and preferred shares (if such preferred shares are not of a fixed income nature) listed on the ASX, including secondary listings, are eligible for the AS51. Hybrid stocks, bonds, warrants, preferred stock that provides a guaranteed fixed return and listed investment companies are not eligible for inclusion.

The AS51 is intended to provide exposure to the largest 200 eligible securities that are listed on the ASX by float-adjusted market capitalization. Constituent companies for the AS51 are chosen based on market capitalization, public float and liquidity. All index-eligible securities that have their primary or secondary listing on the ASX are included in the initial selection of stocks from which the 200 index stocks may be selected.

The float-adjusted market capitalization of companies is determined based on the daily average market capitalization over the last six months. The security's price history over the last six months, the latest available shares on issue and the investable weight factor (the IWF ), are the factors relevant to the calculation of daily average market capitalization. The IWF is a variable that is primarily used to determine the available float of a security for ASX listed securities.

Information regarding the S&P®/ASX 200 Index may be found on S&P's website. That information is updated from time to time on that website. Please note that information included in that website is not included or incorporated by reference in this document.

***Number of Shares***

When considering the index eligibility of securities for inclusion or promotion into S&P/ASX indices, the number of index securities under consideration is based upon the latest available ASX quoted securities. For domestic securities (companies incorporated in Australia and traded on the ASX, companies incorporated overseas but exclusively listed on the ASX and companies incorporated overseas and traded on other markets but most of its trading activity is on the ASX), this figure is purely based upon the latest available data from the ASX.

Foreign-domiciled securities may quote the total number of securities on the ASX that is representative of their global equity capital; whereas other foreign-domiciled securities may quote securities on the ASX on a partial basis that represents their Australian equity capital. In order to overcome this inconsistency, S&P will quote the number of index securities that are represented by CHESS Depositary Interests ( CDIs ) for a foreign entity. When CDIs are not issued, S&P will use the total securities held on the Australian register (CHESS and, where supplied, the issuer sponsored register). This quoted number for a foreign entity is representative of the Australian equity capital, thereby allowing the AS51 to be increasingly reflective of the Australian market.

The number of CDIs or shares of a foreign entity quoted on the ASX can experience more volatility than is typically the case for ordinary shares on issue. Therefore, an average number on issue will be applied over a six-month period. Where CDI information is not supplied to the ASX by the company or the company's share register, estimates for Australian equity capital will be drawn from CHESS data and, ultimately, registry-sourced data.

***IWF***

The IWF represents the float-adjusted portion of a stock's equity capital. Therefore any strategic holdings that are classified as either corporate, private or government holdings reduce the IWF which, in turn, results in a reduction in the float-adjusted market capital.

The IWF ranges between 0 and 1, is calculated as 1 Sum of the % held by strategic shareholders who possess 5% or more of issued shares, and is an adjustment factor that accounts for the publicly available shares of a company. A company must have a minimum IWF of 0.3 to be eligible for index inclusion.

S&P Dow Jones Indices identifies the following shareholders whose holdings are considered to be control blocks and are subject to float adjustment:

1. Government and government agencies;
2. Controlling and strategic shareholders/partners;
3. Any other entities or individuals which hold more than 5%, excluding insurance companies, securities companies and investment funds; and
4. Other restricted portions such as treasury stocks.

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***Liquidity Test***

Only stocks that are regularly traded are eligible for inclusion. Eligible stocks are considered for index inclusion based on their stock median liquidity (median daily value traded divided by its average float-adjusted market capitalization for the last six months relative to the market capitalization weighted average of the stock median liquidities of the 500 constituents of the All Ordinaries index, another member of the S&P/ASX index family).

***Index Maintenance***

S&P rebalances constituents quarterly to ensure adequate market capitalization and liquidity using the previous six months' data to determine index eligibility. Quarterly review changes take effect the third Friday of March, June, September and December. Eligible stocks are considered for index inclusion based on their float-adjusted market capitalization rank relative to the stated quota of 200 securities. For example, a stock that is currently in the S&P/ASX 300 and is ranked at 175, based on float-adjusted market capitalization, within the universe of eligible securities may be considered for inclusion into the AS51, provided that liquidity hurdles are met.

In order to limit the level of index turnover, eligible securities will only be considered for index inclusion once another stock is excluded due to a sufficiently low rank and/or liquidity, based on the float-adjusted market capitalization. Potential index inclusions and exclusions need to satisfy buffer requirements in terms of the rank of the stock relative to a given index. The buffers are established to limit the level of index turnover that may take place at each quarterly rebalancing.

Between rebalancing dates, an index addition is generally made only if a vacancy is created by an index deletion. Index additions are made according to float-adjusted market capitalization and liquidity. An initial public offering is added to the AS51 only when an appropriate vacancy occurs and is subject to proven liquidity for at least two months. An exception may be made for extraordinary large offerings where sizeable trading volumes justify index inclusion.

Deletions can occur between index rebalancing dates due to acquisitions, mergers and spin-offs or due to suspension or bankruptcies. The decision to remove a stock from the AS51 will be made once there is sufficient evidence that the transaction will be completed. Stocks that are removed due to mergers and acquisitions are removed from the AS51 at the cash offer price for cash-only offers. Otherwise, the best available price in the market is used.

Share numbers for all index constituents are updated quarterly and are rounded to the nearest thousand. The update to the number of issued shares will be considered if the change is at least 5% of the float adjusted shares or $100 million in value.

Share updates for foreign-domiciled securities will take place annually at the March rebalancing. The update to the number of index shares will only take place when the six-month average of CDIs or the Total Securities held in the Australian branch of issuer sponsored register (where supplied) and in CHESS, as of the March rebalancing, differs from the current index shares by either 5% or a market-cap dollar amount greater than A$100 million. Where CDI information is not supplied to the ASX by the company or the company's share register, estimates for Australian equity capital will be drawn from CHESS data and, ultimately, registry-sourced data.

Intra-quarter share changes are implemented at the effective date or as soon as reliable information is available; however, they will only take place in the following circumstances:

- changes in a company's float-adjusted shares of 5% or more due to market-wide shares issuance;
- rights issues, bonus issues and other major corporate actions; and
- share issues resulting from index companies merging and major off-market buy-backs.

Share changes due to mergers or acquisitions are implemented when the transaction occurs, even if both of the companies are not in the same index and regardless of the size of the change.

IWFs are reviewed annually as part of the September quarterly review. However, any event that alters the float of a security in excess of 5% will be implemented as soon as practicable by an adjustment to the IWF.

The function of the IWF is also to manage the index weight of foreign-domiciled securities that quote shares on the basis of CDIs. Due to the volatility that is displayed by CDIs, unusually large changes in the number of CDIs on issue could result. Where this is the case, the IWF may be used to limit the effect of unusually large changes in the average number of CDIs (and, thereby, limit the potential to manipulate this figure). Where the Australian Index Committee sees fit to apply the IWF in this manner, the rationale for the decision will be announced to the market. This will be reviewed annually at the March-quarter index rebalancing date.

***Calculation of the AS51***

The AS51 is calculated using a base-weighted aggregate methodology. The value of the AS51 on any day for which an index value is published is determined by a fraction, the numerator of which is the aggregate of the price of each stock in the AS51 times the number of shares of such stock included in the AS51 times that stock's IWF, and the denominator of which is the divisor, which is described more fully below.

In order to prevent the value of the AS51 from changing due to corporate actions, all corporate actions may require S&P to make an index or divisor adjustment, as described in S&P's rules. This helps maintain the value of the AS51 and ensures that the movement of the AS51 does not reflect the corporate actions of the individual companies that comprise the AS51.

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In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, S&P will calculate the closing price of the indices based on (1) the closing prices published by the exchange or (2) if no closing price is available, the last regular trade reported for each security before the exchange closed. If the exchange fails to open due to unforeseen circumstances, S&P treats this closure as a standard market holiday. The AS51 will use the prior day's closing prices and shifts any corporate actions to the following business day. If all exchanges fail to open or in other extreme circumstances, S&P may determine not to publish the AS51 for that day.

S&P reserves the right to recalculate the AS51 under certain limited circumstances.

***The following graph shows the daily historical performance of the AS51 in the period from January 1, 2008 through November 29, 2018. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the AS51 was 5,758.416.***

**Historical Performance of the S&P/ASX 200 Index**

***This historical data on the AS51is not necessarily indicative of the future performance of the AS51or what the value of the notes may be. Any historical upward or downward trend in the level of the AS51during any period set forth above is not an indication that the level of the AS51is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the AS51.

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**The Hang Seng® Index**

The HSI is calculated, maintained and published by HSIL, a wholly owned subsidiary of Hang Seng® Bank, in concert with the HSI Advisory Committee and was first developed, calculated and published on November 24, 1969. The HSI is a free float-adjusted market capitalization weighted stock market index that is designed to reflect the performance of the Hong Kong stock market.

Only companies with a primary listing on the main board of the Stock Exchange of Hong Kong ( SEHK ) are eligible as constituents of the HSI. Mainland China enterprises that have an H-share listing in Hong Kong will not be eligible for inclusion in the HSI unless the company has no unlisted share capital. In addition, to be eligible for selection, a company: (1) must be among those that constitute the top 90% of the total market value of all primary listed shares on the SEHK (the market value of a company refers to the average of its month-end market capitalizations for the past 12 months); (2) must be among those that constitute the top 90% of the total turnover of all primary listed shares on the SEHK in a sufficient number of measurement sub-periods (turnover is assessed over the last eight quarterly sub-periods: if a company was in the top 90% in any of the most recent four sub-periods, it receives two points; if it was in the top 90% in any of the latter four sub-periods, it receives one point. A company must attain a score of eight points to meet the turnover requirement); and (3) should normally have a listing history of 24 months (there are exceptions for companies that have shorter listing histories but large market values and/or high turnover scores). From the many eligible candidates, final selections are based on the following: (1) the market value and turnover rankings of the companies; (2) the representation of the sub sectors within the HSI directly reflecting that of the market; and (3) the financial performance of the companies.

***Calculation of the HSI***

The calculation methodology of the HSI is a free float-adjusted market capitalization weighting with a 10% cap on individual stocks. Under this calculation methodology, shares held by any entities (excluding custodians, trustees, mutual funds and investment companies) which control more than 5% of shares are excluded for index calculation:

- *Strategic holdings* (governments and affiliated entities or any other entities which hold substantial shares in the company would be considered as non-freefloat unless otherwise proved);
- *Directors' and management holdings* (directors, members of the board committee, principal officers or founding members);
- *Corporate cross holdings* (publicly traded companies or private firms / institutions); and
- *Lock-up shares* (shareholdings with a publicly disclosed lock-up arrangement).

A free float-adjusted factor representing the proportion of shares that is free floated as a percentage of the issued shares, is rounded up to the nearest multiple of 5% for the calculation of the HSI and is updated quarterly.

A cap of 10% on individual stock weightings is applied. A cap factor is calculated quarterly to coincide with the regular update of the free float-adjusted factor. Additional re-capping is performed upon constituent changes.

The formula for the index calculation is as follows:

*where:*

| | |
|---|---|
| $P_t$ : | *current price at day t;* |
| $P_{t-1}$: | *closing price at day t-1;* |
| *IS:* | *number of issued shares;* |
| *FAF:* | *free float-adjusted factor, which is between 0 and 1; and* |
| *CF:* | *capping factor, which is between 0 and 1.* |

***The following graph shows the daily historical performance of the HSI in the period from January 1, 2008 through November 29, 2018. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On the pricing date, the closing level of the HSI was 26,451.03.***

**Historical Performance of the Hang Seng® Index**

***This historical data on the HSI is not necessarily indicative of the future performance of the HSI or what the value of the notes may be. Any historical upward or downward trend in the level of the HSI during any period set forth above is not an indication that the level of the HSI is more or less likely to increase or decrease at any time over the term of the notes.***

Before investing in the notes, you should consult publicly available sources for the levels of the HSI.

**License Agreement**

We or one of our affiliates has entered into a non-exclusive license agreement with HSIL and Hang Seng® Data Services Limited whereby we or one of our affiliates, in exchange for a fee, is permitted to use the HSI in connection with certain securities, including the notes. We are not affiliated with HSIL; the only relationship between HSIL and us is any licensing of the use of HSIL's indices and trademarks related to us.

THE HSI IS PUBLISHED AND COMPILED BY HANG SENG® INDEXES COMPANY LIMITED PURSUANT TO A LICENSE FROM HANG SENG® DATA SERVICES LIMITED. THE MARK AND NAME HANG SENG® CHINA ENTERPRISES INDEX ARE PROPRIETARY TO HANG SENG® DATA SERVICES LIMITED. HANG SENG® INDEXES COMPANY LIMITED AND HANG SENG® DATA SERVICES LIMITED HAVE AGREED TO THE USE OF, AND REFERENCE TO, THE HSI BY US IN CONNECTION WITH THE NOTES, BUT NEITHER HANG SENG® INDEXES COMPANY LIMITED NOR HANG SENG® DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE NOTES OR ANY OTHER PERSON (I) THE ACCURACY OR COMPLETENESS OF THE HSI AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (II) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HSI OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (III) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HSI OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HSI IS GIVEN OR MAY BE IMPLIED. THE PROCESS AND BASIS OF COMPUTATION AND COMPILATION OF THE HSI AND ANY OF THE RELATED FORMULA OR FORMULAE, CONSTITUENT STOCKS AND FACTORS MAY AT ANY TIME BE CHANGED OR ALTERED BY HANG SENG® INDEXES COMPANY LIMITED WITHOUT NOTICE. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HANG SENG® INDEXES COMPANY LIMITED OR HANG SENG® DATA SERVICES LIMITED (I) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HSI BY US IN CONNECTION WITH THE NOTES; OR (II) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HANG SENG® INDEXES COMPANY LIMITED IN THE COMPUTATION OF THE HSI; OR (III) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HSI WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (IV) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON DEALING WITH THE NOTES AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HANG SENG® INDEXES COMPANY LIMITED AND/OR HANG SENG® DATA SERVICES LIMITED IN CONNECTION WITH THE NOTES IN ANY MANNER WHATSOEVER BY ANY BROKER, HOLDER OR OTHER PERSON DEALING WITH THE NOTES. ANY BROKER, HOLDER OR OTHER PERSON DEALING WITH THE NOTES DOES SO THEREFORE IN FULL KNOWLEDGE OF THIS DISCLAIMER AND CAN PLACE NO RELIANCE WHATSOEVER ON HANG SENG® INDEXES COMPANY LIMITED AND HANG SENG® DATA SERVICES LIMITED. FOR THE AVOIDANCE OF DOUBT, THIS DISCLAIMER DOES NOT CREATE ANY CONTRACTUAL OR QUASI-CONTRACTUAL RELATIONSHIP BETWEEN ANY BROKER, HOLDER OR OTHER PERSON AND HANG SENG® INDEXES COMPANY LIMITED AND/OR HANG SENG® DATA SERVICES LIMITED AND MUST NOT BE CONSTRUED TO HAVE CREATED SUCH RELATIONSHIP.

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Supplement to the Plan of Distribution; Conflicts of Interest

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount.

MLPF&S, a broker-dealer subsidiary of BAC, is a member of the Financial Industry Regulatory Authority, Inc. ( FINRA ) and will participate as selling agent in the distribution of the notes. Accordingly, offerings of the notes will conform to the requirements of Rule 5121 applicable to FINRA members. MLPF&S may not make sales in this offering to any of its discretionary accounts without the prior written approval of the account holder.

We will deliver the notes against payment therefor in New York, New York on a date that is greater than two business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes more than two business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units. If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices, and these will include MLPF&S's trading commissions and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, it is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined initial period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that may exceed the initial estimated value of the notes. Any price offered by MLPF&S for the notes will be based on then-prevailing market conditions and other considerations, including the performance of the Basket and the remaining term of the notes. However, neither we nor any of our affiliates is obligated to purchase your notes at any price, or at any time, and we cannot assure you that we or any of our affiliates will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

The value of the notes shown on your account statement will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of our affiliates were to make a market in the notes, which it is not obligated to do. That estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions and other considerations, as mentioned above, and will include transaction costs. At certain times, this price may be higher than or lower than the initial estimated value of the notes.

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Structuring the Notes

The notes are our debt securities, the return on which is linked to the performance of the Basket. The related guarantees are BAC's obligations. As is the case for all of our and BAC's respective debt securities, including our market-linked notes, the economic terms of the notes reflect our and BAC's actual or perceived creditworthiness at the time of pricing. In addition, because market-linked notes result in increased operational, funding and liability management costs to us and BAC, BAC typically borrows the funds under these types of notes at a rate that is more favorable to BAC than the rate that it might pay for a conventional fixed or floating rate debt security. This rate, which we refer to in this term sheet as BAC's internal funding rate, is typically lower than the rate BAC would pay when it issues conventional fixed or floating rate debt securities. This generally relatively lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes, resulted in the initial estimated value of the notes on the pricing date being less than their public offering price.

At maturity, we are required to pay the Redemption Amount to holders of the notes, which will be calculated based on the performance of the Basket and the $10 per unit principal amount. In order to meet these payment obligations, at the time we issue the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of our other affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, including MLPF&S and its affiliates, and take into account a number of factors, including our and BAC's creditworthiness, interest rate movements, the volatility of the Basket Components, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements.

MLPF&S has advised us that the hedging arrangements will include a hedging related charge of approximately $0.075 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. Since hedging entails risk and may be influenced by unpredictable market forces, additional profits and losses from these hedging arrangements may be realized by MLPF&S or any third party hedge providers.

For further information, see Risk Factors—General Risks Relating to ARNs beginning on page PS-6 and Use of Proceeds on page PS-16 of product supplement EQUITY INDICES ARN-1.

MLPF&S Reorganization

The current business of MLPF&S is being reorganized into two affiliated broker-dealers: MLPF&S and a new broker-dealer, BofAML Securities, Inc. ( BofAMLS ). MLPF&S will be assigning its rights and obligations as selling agent for the notes under our distribution agreement to BofAMLS effective on the Transfer Date . Effective on the Transfer Date, BofAMLS will be the new legal entity for the institutional services that are now provided by MLPF&S. As such, beginning on the Transfer Date, the institutional services currently being provided by MLPF&S, including acting as selling agent for the notes, acting as calculation agent for the notes, acting as principal or agent in secondary market-making transactions for the notes and entering into hedging arrangements with respect to the notes, are expected to be provided by BofAMLS. Accordingly, references to MLPF&S in this term sheet as such references relate to MLPF&S's institutional services, such as those described above, should be read as references to BofAMLS to the extent these services are to be performed on or after the Transfer Date.

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Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the notes, including the following:

- There is no statutory, judicial, or administrative authority directly addressing the characterization of the notes.
- You agree with us (in the absence of an administrative determination, or judicial ruling to the contrary) to characterize and treat the notes for all tax purposes as a single financial contract with respect to the Basket.
- Under this characterization and tax treatment of the notes, a U.S. Holder (as defined beginning on page 50 of the prospectus) generally will recognize capital gain or loss upon maturity or upon a sale or exchange of the notes prior to maturity. This capital gain or loss generally will be long-term capital gain or loss if you held the notes for more than one year.
- No assurance can be given that the IRS or any court will agree with this characterization and tax treatment.
- Under current Internal Revenue Service guidance, withholding on dividend equivalent payments (as discussed in the product supplement), if any, will not apply to notes that are issued as of the date of this pricing supplement unless such notes are delta-one instruments.

**You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. You should review carefully the discussion under the section entitled U.S. Federal Income Tax Summary beginning on page PS-26 of product supplement EQUITY INDICES ARN-1. In addition, any reference to Morrison & Foerster LLP in the aforementioned tax discussions in product supplement EQUITY INDICES ARN-1 should be read as a reference to Sidley Austin LLP.**

Validity of the Notes

In the opinion of McGuireWoods LLP, as counsel to BofA Finance and BAC, when the trustee has made an appropriate entry on Schedule 1 to the Master Registered Global Note dated November 4, 2016 that represents the notes (the Master Note ) identifying the notes offered hereby as supplemental obligations thereunder in accordance with the instructions of BofA Finance, and the notes have been delivered against payment therefor as contemplated in this pricing supplement and the related prospectus, prospectus supplement and product supplement, all in accordance with the provisions of the indenture governing the notes and the related guarantee, such notes will be legal, valid and binding obligations of BofA Finance, and the related guarantee will be the legal, valid and binding obligations of BAC, subject, in each case, to the effects of applicable bankruptcy, insolvency (including laws relating to preferences, fraudulent transfers and equitable subordination), reorganization, moratorium and other similar laws affecting creditors' rights generally, and to general principles of equity. This opinion is given as of the date of this pricing supplement and is limited to the laws of the State of New York and the Delaware Limited Liability Company Act and the Delaware General Corporation Law (including the statutory provisions, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting the foregoing) as in effect on the date hereof. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture governing the notes and due authentication of the Master Note, the validity, binding nature and enforceability of the indenture governing the notes and the related guarantee with respect to the trustee, the legal capacity of individuals, the genuineness of signatures, the authenticity of all documents submitted to McGuireWoods LLP as originals, the conformity to original documents of all documents submitted to McGuireWoods LLP as copies thereof, the authenticity of the originals of such copies and certain factual matters, all as stated in the letter of McGuireWoods LLP dated August 23, 2016, which has been filed as an exhibit to the Registration Statement of BofA Finance and BAC relating to the notes and the related guarantees initially filed with the Securities and Exchange Commission on August 23, 2016.

Sidley Austin LLP, New York, New York, is acting as counsel to MLPF&S and as special tax counsel to BofA Finance and BAC.

Where You Can Find More Information

We and BAC have filed a registration statement (including a product supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the Note Prospectus, including this term sheet, and the other documents relating to this offering that we and BAC have filed with the SEC, for more complete information about us, BAC and this offering. You may get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in this offering will arrange to send you these documents if you so request by calling MLPF&S toll-free at 1-800-294-1322.

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Market-Linked Investments Classification

*MLPF&S classifies certain market-linked investments (the Market-Linked Investments ) into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.*

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

Accelerated Return Notes® and ARNs® are BAC's registered service marks.