

Managing the Complexities of Wealth

An Interview with Katy Knox, President, Bank of America Private Bank

EDITORS' NOTE *Katy Knox is president of Bank of America Private Bank and a member of Bank of America's executive management team. As the head of the Private Bank, she leads more than 4,000 professionals who provide tailored investment management, wealth strategy and fiduciary services to ultra-high-net-worth individuals, families and institutions. She oversees the delivery of integrated capabilities in trust, investments, banking, and philanthropy, fostering a client*



Katy Knox

experience that is distinctive in its breadth and customization. Knox has more than 25 years of leadership experience in financial services. Prior to leading the Private Bank, she served as the head of Business Banking. Earlier, she led Bank of America's Consumer Retail Banking, responsible for the financial centers, ATM network and digital banking platform. She has also held leadership roles overseeing business strategy, commercial banking, global treasury management and wealth management. Committed to equality of opportunity, inclusiveness, and engagement, Knox is a leader of Bank of America's diversity networks and has served as vice chair of Bank of America's Global Diversity and Inclusion Council. She is also active in Bank of America's Global Ambassador Program which provides mentoring to women leaders worldwide, fostering economic empowerment, effective advocacy, more equitable opportunity, and measurable enhancements for women and their communities. She is active in several charitable and civic organizations in Charlotte, New York City and Boston, and serves on the board of trustees of the JFK Library Foundation. Knox earned her undergraduate degree in business administration from Elmira College and her MBA from Boston College.

COMPANY BRIEF *Bank of America Private Bank (privatebank.bankofamerica.com) helps high-net-worth individuals, families and institutions grow, preserve and share wealth and achieve unique goals. Private Bank client teams take a tailored approach to delivering specialized services and expertise, providing boutique-style private banking that leverages the global resources of Bank of America, one of the world's leading financial institutions. These dedicated teams provide customized solutions for wealth*

structuring, trust and estate planning, and philanthropy, combined with leading investment capabilities and a full range of sophisticated banking and lending solutions. The business also offers specialized capabilities in the areas of art services, sustainable investing, business ownership and succession planning, and specialty asset management.

Bank of America has committed \$1.25 billion to advance racial equality and economic opportunity. How is being purpose-driven part of the company's culture and values?

We all have a role to play in helping move communities and society forward. Bank of America's commitment to the people and communities we serve is rooted in this belief. We have the opportunity and ability to deliver for our teammates, clients and shareholders while also helping to address society's biggest challenges.

Economic and social disparities were exacerbated by the pandemic which clearly had a disproportionate impact on people and communities of color. In June 2020, we announced a \$1 billion, four-year commitment to advancing racial equality and economic opportunity. This commitment further accelerated our efforts already underway through direct actions and investments, and work we're doing to catalyze similar efforts across the private sector. In March 2021, we expanded our commitment to \$1.25 billion over five years.

The initiative focuses on creating opportunity in the areas of healthcare, jobs and reskilling, small businesses and affordable housing, all through a lens of racial equity. We're focusing on these areas because they are where persistent, systemic barriers to opportunity exist. We believe it is also where significant change is required for progress to occur and to be sustained. We've already invested more than \$400 million across 91 U.S. markets and globally, with the majority of funds being delivered at the local level. We're working with community partners, business leaders, experts and academics to drive progress.

How did Bank of America adapt to address the challenges caused by the pandemic?

I'm very proud of the way our company responded to the pandemic's impact on our teammates, clients and the economy. When

the health crisis hit, ensuring the well-being of our more than 200,000 teammates and their families became our number one priority. Throughout this period, we kept our teammates informed with timely information and expanded resources to help support their physical, mental, emotional and financial wellness.

Around the world, we transitioned as many teammates as possible to work from home. We delivered more than 90,000 laptops to those who previously did not have mobile capability, and subsidized new Wi-Fi and home office needs. For our frontline teammates who interact with the public and remained in the office, the company provided supplemental and enhanced overtime pay, as well as reimbursements for transportation, hotels and meal subsidies.

We also provided new and expanded adult and childcare benefits and services to support our teammates and their families, providing over four million days of care services totaling more than \$400 million in reimbursements. As vaccines became widely available during the second half of 2021, we worked hard to ensure a safe return to the office for all of our employees who informed us they are vaccinated. I'm extremely proud of these and the many other proactive steps we've taken to support our teammates and communities during this period. I've been truly inspired by the resiliency of our employees.

For our clients, we ensured they continued to have access to our full range of services. Bank of America reskilled and realigned more than 23,000 teammates to serve in new capacities to support clients, including helping to deliver financial relief programs such as the Paycheck Protection Program for our small business clients.

What are wealth management clients asking differently of their advisors today and how have their expectations for advice changed?

As was the case for many of us, the pandemic caused our clients to reflect on what's most important and reassess their priorities and legacy. Many families used their time together for conversations about how they want to spend the rest of their lives, and to start or further discussions on wealth and estate planning. Our team's conversations with individuals and families on these topics have become more intentional and pronounced. We saw a 40 percent increase in planning conversations with clients in 2021, on top of the 70 percent increase we saw in 2020.

We often engage a client's entire family in these conversations. Given the substantial wealth that will transfer from one generation to the next in the coming decade, our clients are asking us to involve the next generation in discussions and family meetings about wealth planning and preservation. While it has been challenging at times to bring together geographically dispersed families in the past, operating in a virtual environment made it easier to gather families for these critical conversations.

The pandemic also sparked unprecedented levels of philanthropy. This has been an important time to make a difference through charitable giving. Our clients responded quickly and generously. They turned to their advisors and our team of more than 200 philanthropic specialists for guidance on directing their philanthropic dollars strategically, largely in ways that would maximize impact, particularly in their local communities. We were well-positioned to advise individuals, families as well as nonprofit organizations across the country during this period. Through our Philanthropic Solutions businesses, we often serve as a link between our clients and the organizations they care about. We understand both sides of the equation which puts us in a valuable position to drive collaboration between donors and nonprofits.

Another trend we see today is that business ownership is transitioning at historic levels. Many business owners are nearing or at retirement age. In many cases, the pandemic has accelerated succession planning as owners reconsider priorities related to their business, family and purpose. We're helping more and more of them prepare to sell or transition their companies to a third-party or the next generation. We work closely with colleagues in business banking, commercial banking, and our investment bank to support these transactions. Our focus on serving the wealth and business needs of these clients led to a 20 percent increase of business owners on our platform over the last year.

Change is constant in the financial services industry. How can private banking stay relevant in the digital age?

Private banking will always be a high-touch, relationship-led business based on the sophisticated and often complex needs of clients. Our relationships require a high degree of trust between advisors and clients. This is why we surround our clients with a team of experts, including private client advisors, portfolio managers, trust and lending specialists, and wealth strategists to address their full financial picture. This highly specialized expertise and team approach helps to build deep and lasting client relationships.

Well before the pandemic, clients were increasingly engaging with our teams through digital channels, particularly in areas where it created convenience in their lives. We've spent the last three years modernizing our business and the client experience as we enhance our digital platform. Today, digital engagement is at an all-time high, with 83 percent of our Private

Bank clients actively using our online or mobile platforms, up from 77 percent two years ago. We believe this can grow to 90 percent in the next few years.

We'll continue to modernize the business, investing in technology that enables us to engage clients with the high tech, high touch experience they want. These investments will continue to transform the way we do business and to drive even higher levels of client satisfaction, enabling us to be more present in our clients' lives and to meet their needs when and where they need us.



How critical is it for Bank of America to build a diverse and inclusive workforce and will you highlight the progress that has been made across the company and within the Private Bank in recent years?

At Bank of America, diversity and inclusion are essential to how we do business. We are stronger as a company when we bring broad perspectives to meet the needs of our diverse stakeholders and clients. We've made tremendous progress in the last decade since Brian Moynihan became our CEO and continued to Chair the company's Global Diversity and Inclusion Council. Comprised of senior executives from every area of the company, one of the Council's top goals is to ensure that our company reflects the clients and communities we serve. Today, more than 50 percent of our global workforce are women and 48 percent of our U.S. workforce are people of color.

As part of the Private Bank's Diverse Segments strategy, we've implemented a number of initiatives to attract and retain diverse talent. For example, we highlight Private Bank job opportunities to Bank of America's diverse employee networks and partner with diverse universities and colleges to recruit entry level talent. We've also focused on "Know Your Talent" programs to identify and invest in our diverse talent and drive internal mobility. Throughout the pandemic, I was able to meet virtually with over 800 of our diverse teammates in small groups and really understand their observations and feedback.

You've been a participant in and advocate for Bank of America's Global Ambassador Program. Will you highlight the program and how it is working to advance opportunities for women in business?

Our Global Ambassadors Program – a partnership between Bank of America and Vital Voices – has provided mentoring to women leaders worldwide, helping them build networks and skills that can advance their organizations. The program pairs together women entrepreneurs with senior women executives for one-on-one mentorship and workshops designed to build business acumen. To date, the program has impacted more than 400 women from 85 countries, helping participants grow their businesses.

I'm proud to work for an organization that has such a dedicated focus on investing in women. This work includes being a great place to work for our female employees, a focus on making the financial lives of our female clients better, and on advancing the economic empowerment of women around the world.

I am a big believer in the power of mentorship. This year we launched the Women's Empowerment Network within the Private Bank to empower women to share experiences and perspectives relevant to their success and well-being. Over 700 women from this business have already joined the network.

What advice do you offer to young people interested in building a career in financial services?

Now is an excellent time for a career in financial services. I encourage those just starting out to look for companies that authentically live a culture where everyone feels valued and recognized. I would also seek out companies that are growth-oriented and who are investing heavily in technology and innovation. I also believe that young professionals benefit greatly over time by working for organizations that prioritize training and development throughout a career.

For those professionals that are five to ten years into their careers, I often tell them to look for opportunities within their organization. There are many programs to help one grow professionally as well as personally, to get involved with and give back to the community, and to follow their passions. Seek out strong mentors, and become a mentor to those just starting out. ●